



MEDIA CAPTURE MONITORING REPORT: SLOVAKIA

MEASURING COMPLIANCE WITH THE EUROPEAN MEDIA FREEDOM ACT

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The International Press Institute and the Media and Journalism Research Center have partnered up to produce the Media Capture Monitoring Report, an annual report to measure media capture in Europe and the degree to which Member States meet new EU regulation to combat the problem.

In May 2024 the European Media Freedom Act (EMFA) came into force and Member States are required to enact reforms to align with the new regulation.

The reports focus on the EMFA elements directly addressing media capture, namely, the independence of public service media and of media regulators, the misuse of state funds to influence media, and ensuring ownership transparency and media pluralism.

The reports examine the standards prescribed by law and how they are currently implemented in practice. They set out the areas of reform needed to bring each country into line with EMFA while also making recommendations for where reform can go further.

The reports are an important tool for media rights groups and national policy makers to guide reform and monitor the degree to which Member States are meeting their obligations.

For the first year a group of seven EU Member States have been selected for the pilot studies including Bulgaria, Finland, Greece, Hungary, Romania, Poland and Slovakia.

The project is a part of the Media Freedom Rapid Response, a Europe-wide mechanism which tracks, monitors and responds to violations of press and media freedom in EU Member States and Candidate Countries. The project is co-funded by the European Commission.

Author: Peter Hanák (journalist, researcher and university teacher)

Editing: Marius Dragomir (MJRC), Zsuzsa Detreköi (MJRC), Oliver Money-Kyrle (IPI)

Design and layout: Beatrice Chioccioli (IPI)

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EXECUTIVE SUMMARY

The European Media Freedom Act has not yet been implemented in Slovakia and, at the time of writing in October 2024, no legislation has been proposed to address this issue. However, some EMFA requirements are covered by various national laws. On the other hand, some government actions in the past year, namely the political capture of the public broadcaster, are in direct contradiction with EMFA. Some experts suspect that the Slovak government is postponing the implementation of EMFA until after it has established full political control of the public broadcaster, by which time it will be too late for the EMFA provisions to protect its independence.¹

Independence of media regulators

Media services in Slovakia are overseen by an independent regulator. Its members are elected by Parliament, and currently its members are nominees of several different political parties, including the opposition. However, by the beginning of 2025, the Parliament will be able to elect six out of nine new members of the Council. If the ruling coalition takes all the seats, the Council is at high risk of political capture. EMFA is not fully implemented, and if this does not change soon, it will be too late to help protect the regulator's independence.

- Legislation in line with EMFA provisions: Partially
- Effective independence: Yes

Independence of public service media

The relatively independent public broadcaster, RTVS, was legally abolished in July 2024. The new law established an institution called STVR. This change essentially allowed the government to replace the management, the board of directors and all control bodies with new personnel. The ruling coalition of the SMER, Hlas and SNS parties made no secret of their intention to politically capture the public broadcaster. On the contrary, SNS leader Andrej Danko has repeatedly said that he wants a "state television", not a public service television. SNS is the party in charge of the Ministry of Culture, which is responsible for media legislation. Several people very close to SNS, including the secretary general of the Ministry of Culture himself, have been appointed to the board of STVR. The Board is supposed to consist of nine members, all of whom will be chosen by politicians (four directly by the Ministry of Culture and five by Parliament). It is anticipated that the current ruling coalition will appoint its candidates for all nine seats in early 2025, effectively politicising the institution. The Board is also responsible for electing the Director General of the STVR.

In the past year, journalists have protested, some have left and others have lost their positions. In the management of STVR, people with a previous history of

¹In addition to the sources referenced in the analysis below, this report is also based on interviews with Radoslav Kutaš, former State Secretary (vice-minister) of Culture, and Soňa Marošová, lawyer of the Ringier Slovakia publishing house.

participation in political capture have reappeared, for example, the news director of the news channel :24.

The financial independence of STVR is also not guaranteed. Direct fees from citizens to the public broadcaster have been abolished, and the institution is financially completely dependent on political decisions. The new government, in a demonstration of its power over the broadcaster, cut the RTVS budget by a third at the end of 2023, causing a serious financial problem for the institution.

The history of Slovak public broadcasting is full of political capture, but the current attempt seems to be the most brutal since the rule of the authoritarian proto-illiberal prime minister Vladimír Mečiar in the 1990s. The ruling coalition claims to have communicated with the European Commission about the STVR legislation in order to meet the EMFA standards of formal public service independence, but the opposition still believes that the move to abolish RTVS and create STVR was in direct contradiction to the EMFA because of the government's intention to change the leadership and capture public broadcasting.

• Legislation in line with EMFA provisions: No

• Effective independence: No

Misuse of state funds to influence media output

There is currently no legislation in Slovakia that specifically regulates the distribution of state advertising or other forms of state expenditure on the media. In the absence of specific legislation, the general rules of public procurement apply. Each public entity is responsible for determining its own advertising channels.

There is currently no database that provides a user-friendly overview of where state advertising funds have been allocated. Information can be found in general registries, but the amount of analytical work needed to collate the data is significant, resulting in a lack of comprehensive information.

Investigative journalists often produce ad hoc reports claiming that state advertising is distributed unevenly and not according to standard measures (such as audience reach). It is standard practice for independent media outlets without an oligarchic background, particularly those identified by the government as adversaries, to receive minimal or no funding from state advertising. This also applies to the majority of state-owned enterprises or organisations that are among the largest advertisers, including the state-owned betting company Tipos, postal and traffic services, and others.

Legislation in line with EMFA provisions: No

• Fair and transparent allocation of state funds to media: No

Media pluralism and political/state influence over news media

While some EMFA requirements are enshrined in Slovak media law, there is currently a lack of monitoring and enforcement of compliance. The Slovak media market is relatively small, which makes it vulnerable to oligarchization. The vast majority of the TV market is under the control of wealthy businesses or other politically influential entities, with ongoing challenges at TV Markíza. A significant portion of the press market is under the control of the oligarchic group Penta, whose media outlets appear to be promoting the narratives of the current governing coalition. However, there are still many popular independent print and digital media that help to provide a diversity of news and sources of information.

- Legislation in line with EMFA provisions: Partially
- Effective media pluralism: Yes

INDEPENDENCE OF MEDIA REGULATORS

This section discusses how Article 30 of the AVMSD (Directive 2010/13/EU) is implemented.

Summary

The Council for Media Services of the Slovak Republic, as the national regulator responsible for licensing and also enforcement of objectivity and impartiality of news, is legally independent from the government. However, it is not independent from politicians, since the Parliament elects its members, and in practice, those are usually the nominees of the sitting government coalition.

Following a series of recent changes in the political landscape, the Council now comprises members who were supported by a diverse range of political parties, representing the current opposition and minorities. The Council has not yet been influenced by the current government coalition. The election of several new members (replacing those who have resigned and those whose mandates are ending) is anticipated in early 2025. It is probable that these new members will be nominees of the ruling coalition, presenting a high risk of capture. The legislation stipulates that the Council should comprise nine members, but currently, there are only six. Three seats are currently vacant, with a further three set to become vacant by January 2025. Therefore, the current coalition will be able to secure a majority on the Council by electing six nominees.

Legal and operational independence

The Council for Media Services (RpMS) is legally independent of the government, as its members are elected by parliament. However, as the majority of parliament supports the government, it is the ruling coalition parties that are able to push their nominees onto the council.

Functionally, due to several (and complicated) coalition governments and their frequent changes in recent years, there are different nominees of previously ruling parties on the board of the regulator. Therefore, the regulator has not yet been captured by the current government and its composition remains pluralistic at the time of writing.

Composition of the regulator's board

The Council has nine members. They are elected and can be dismissed by the Slovak parliament following a public hearing of the candidates. Proposals for candidates for council members may be submitted to the relevant parliament committee by professional institutions and civil associations active in the area of

media, culture, science, education or sport, registered churches and religious societies as well as civil associations of citizens with disabilities. The Council elects its Chairman and Vice-Chairman from among its members.

To date, the Council has been fulfilling the requisite function. The current governing majority in parliament has not yet replaced the members or shortened their mandate.

Independence of the regulator's members

The independence of the regulatory authority and its members is safeguarded to a certain extent by national legislation. The Media Services Act² ensures that members of the authority board are not permitted to hold a position in a political party or any other public office, and that they do not have any conflicts of interest with (nor receive any payments from) broadcasters or publishers.³

Financial autonomy

The media regulatory authority lacks the financial and human resources guaranteed by national law. The RpMS is funded by the state budget, which is approved annually by Parliament in the form of a national law. However, the level of funding is not guaranteed and is subject to arbitrary political decisions of the government. The Ministry of Finance often makes changes to the actual annual budget, expenditures and revenues. The Council for Media Services' annual report references several such decisions.⁴ The budget is available to the public.

Tasks and accountability

The competencies and powers of the RpMS are clearly defined in the Media Services Act along with provisions aimed at ensuring its accountability.

The regulator's responsibilities cover a wide range of decision-making processes, including authorisations, registrations and licences. The regulator is tasked with ensuring compliance with obligations and imposes sanctions in accordance with the applicable legislation. It also oversees the promotion of European works and independent productions, while maintaining transparency in information and personnel relations.

The authority also issues binding legal regulations, monitors compliance and supervises the activities of self-regulatory bodies. It is responsible for resolving disputes, cooperating with various ministries and compiling statistics on

²Law no. 264/2022 on media services, hereafter Media Services Act, see here (in Slovak).

³Media Services Act, Para 115.

⁴See the <u>RpMS 2023 Annual Report</u>, p. 13 (in Slovak).

broadcasting programmes. The regulator also participates in the formulation of legislation on broadcasting and audiovisual services and conducts research on the media environment. Finally, the regulatory authority is required to submit an annual report on broadcasting activities to Parliament within 90 days of the end of the year.⁵

Council members are accountable to Parliament, which means they are not completely independent of politicians.

Appeal mechanisms

There are procedures and decisions of the Council against which there is an administrative appeal mechanism and which can be appealed to a court. However, the Act specifies situations or decisions against which there is no appeal, including some licence withdrawal procedures.⁶

The Supreme Administrative Court⁷, a recently established entity that commenced operations in August 2021, is responsible for the judicial review of RpMS decisions. The public registry of court decisions is not readily searchable unless one has specific case details. However, the judicial review process is functioning as intended, with subject appeals and subsequent judicial decisions being a standard part of the process.

In 2023, 51 legal cases were lodged against the RpMS' decisions. Of those, the courts have so far upheld the Council's decision in 11 instances and reversed the Council's decisions in 4 cases. A total of 42 cases are pending at the end of 2023.8

Power to request information

In accordance with the provisions set forth in the Media Services Act 264/2022, the RpMS is duly authorised to require natural or legal persons to furnish, within a reasonable timeframe, information and data that are proportionate and necessary for the performance of its functions. For instance, a service provider is required to grant RpMS access to their services in order to facilitate an efficient and effective assessment of whether the provider is offering an illicit service.⁹

Independent monitoring of the regulator's activity

The regulator's decisions are publicly available online.10 In accordance with legal

⁵Media Services Act, Para 110.

⁶Media Services Act, Para 201, Para 211.

⁷See the <u>court's website</u>.

⁸RpMS 2023 Annual Report, cit., p. 111.

⁹Media Services Act, Para 152, Sec 8.

¹⁰See them (in Slovak) on the <u>regulator's website</u>.

requirements, the Council is obliged to publish an annual self-monitoring report. The report is available to the public on the Council's website.¹¹

Other than that, there is only a limited number of journalists and independent NGOs monitoring the Council's activities, with monitoring occurring on an irregular and unsystematic basis.

¹¹See the <u>RpMS website</u>.

INDEPENDENCE OF PUBLIC SERVICE MEDIA

This section discusses how Article 5 of the EMFA is implemented.

Summary

The Slovak legislative framework on the public service media was changed in 2024 before EMFA would be transposed in Slovakia. An analysis of compatibility of the national law with the European law provided by the Ministry of Culture in the legislative process related to the amendment of the Slovak Television and Radio Act¹² does not mention EMFA at all.

The Ministry has stated that amendments have been made to the law proposal with the aim of achieving compliance with European law, particularly in relation to the establishment of regulatory and oversight bodies. However, the opposition has stated that the law, and in particular the government's intention to gain control of the public service media by replacing the leadership, is in direct conflict with the EMFA.

Editorial and operational independence

In accordance with the relevant legislation, the employees of the Slovak public media, Slovak Television and Radio (STVR), are legally guaranteed independence.¹³

However, the potential for influence from the Ministry of Culture, Ministry of Finance, and Parliament, as well as the STVR's financial dependency on the state budget, do not provide the same level of assurance regarding functional independence from the government and the political majority in Parliament.

Legal provisions guaranteeing plurality of information

In accordance with the law, the Council for Media Services is responsible for ensuring plurality and impartiality in the media including the STVR. The public media services are provided free of charge. Transmission providers are required to carry the public service providers' content. ¹⁴ DAB providers must also allow public broadcasting in their multiplexes.

In practice, STVR was established by revoking the previous, more autonomous RTVS, and abolishing the national legislation on the public media. The newly proposed law, the Slovak Television and Radio Act of 2024 introduced a system of influence by

¹²<u>Law No. 157/2024 on the Slovak Television and Radio</u> (hereafter Slovak Television and Radio Act), latest version from 1 July 2024 (in Slovak).

¹³Slovak Television and Radio Act, Para 4.

¹⁴Media Services Act, Para 30.

the Ministry of Culture, Ministry of Finance, and Parliament over the election of the STVR Board, which elects the broadcaster's General Director and the STVR Ethics Committee.

There are indications that censorship is already occurring under the interim director. Additionally, several STVR journalists have resigned, and there have been concerns raised about the suitability of some of the nominees, who have histories of involvement in media capture. For example, in August 2024, Peter Nittnaus was appointed as head of the STVR's all-news channel :24. He previously held a management role under Jaroslav Rezník, who was RTVS general director under the previous Smer / SNS coalition government in 2017-2018. Nittnaus was known for creating an atmosphere of political pressure on his subordinates.¹⁵

Composition of the governing bodies

There are currently no legal guarantees in place to ensure that the procedures for the appointment and dismissal of the head of management or members of the management board of STVR ensure the independence of the public service media provider.

The General Director is elected by the STVR Board. ¹⁶ The Board is made up of nine members. Three members are nominated by the Ministry of Culture and one by the Ministry of Finance. The remaining five members are elected by Parliament. ¹⁷ This means that the current governing majority has the ability to influence the appointment of all nine members of the Board at any given time.

Consequently, the governing coalition parties have the option of indirectly selecting the General Director of their choice or preference through their nominees. The system was introduced in 2024 with the intention of capturing and politicising the institution.

Some coalition officials have publicly expressed their desire to see the current model replaced with a state broadcasting approach rather than a public service one. This was stated on numerous occasions by Andrej Danko, the chairman of the coalition party SNS (the far-right Slovak National Party). The Ministry of Culture, which is under the control of this party, has already appointed individuals with ties to the SNS party to the STVR Board. The state of t

¹⁵"<u>Čistky v STVR: Končí riaditeľka spravodajstva, šéf :24-ky aj šéfka predaja reklamy</u>" (Purges in STVR: The director of news, the head of :24 and the head of advertising sales are ending), O Mediach, 8 August 2024.

¹⁶Slovak Television and Radio Act, Art. I(17).

¹⁷Slovak Television and Radio Act, Art. I(11).

¹⁸"I am against public service television. I want a state TV." said Andrej Danko in a <u>TV debate</u> in February 2024.

¹⁹"<u>Šimkovičová vybrala nových kontrolórov STVR: Plochozemcu Machalu, bývalého hovorcu Mečiara a bývalého hovorcu nebankovky</u>" (Šimkovičová chose new STVR controllers: Flatlander Machala, former spokesman Mečiar and former spokesman of a non-bank company), Omediach, 2 August 2024.

Governance bodies: appointment

In line with the law, the appointment of governance bodies at public service media providers is to be conducted through transparent and open procedures.

However, this decision is initially made by the political parties in the governing coalition and subsequently confirmed by Parliament. The formal criteria are clear, but it is understood that only individuals who can secure the support of the governing parties have a chance of being elected. In light of the above, it is questionable whether political loyalty can be described as transparent, objective, non-discriminatory, and proportionate criteria.

There are no representatives from opposition parties on the STVR Board. At the time of writing, this body was still being appointed as the STVR was established in July 2024. The members of the STVR Board appointed thus far are all affiliated with the governing party, SNS. One member is Lukáš Machala, who serves as the chief of staff of the Ministry of Culture. While not formally affiliated with the SNS, he frequently represents the party in political matters.²⁰

Governance bodies: term

The term of office for members of the STVR Board is six years.²¹

Governance bodies: dismissal conditions

The dismissal of the STVR Board is a complex process. In order to be dismissed, they would have to have breached the law or failed to attend meetings.²² Such decisions can be reviewed by a court.

However, the current ruling coalition has circumvented this procedure entirely by dissolving the previous RTVS (in accordance with the relevant legislation) and replacing it with a new institution, STVR, comprising new bodies appointed by the current ruling majority.²³

²⁰Machala is the head of staff at the Ministry of Culture, but he makes political comments also on policies of the Ministry of Education, for example. See <u>here</u>.

²¹Slovak Television and Radio Act, Art. I(13).

²²Slovak Television and Radio Act, Art. I(14).

²³The Ministry of Culture has already appointed their nominees to the STVR Board, some of them close the SNS party: "Martina Šimkovičová vymenovala nových členov Rady STVR. Aj vlastného tajomníka Lukáša Machalu" (Martina Šimkovičová appointed new members of the STVR Council. Even her own secretary Lukáš Machala), Aktuality.sk, 2 August 2024.

Funding

The funding procedure of public service media providers is not based on transparent and objective criteria that are clearly defined in advance.

The direct funding of public service broadcasting by the public, through the licence fee, was terminated in 2023. STVR is entirely reliant on the state budget,²⁴ which is subject to political decision-making.

In the history of its predecessor, the RTVS, funding was used as a tool for the government to negotiate with the Director General. When the government was not satisfied with the director's level of compromise, the agency's funding was cut by a third at the end of 2023, causing serious financial problems for the agency.²⁵

In addition, there was a common practice of irregular state funding of public media in Slovakia. The state used to finance specific programmes through the Ministry of Culture. Alternatively, there was an annual practice of the state co-financing RTVS through a so-called 'contract with the state'26, as the annual budget of RTVS was always insufficient. However, this is a long-standing practice and it remains to be seen how the current new institution, STVR, will absorb the state funding.

The law guarantees STVR a budget of 0.12% of the annual GDP²⁷, which has been reported as insufficient on numerous occasions. This figure is the result of the aforementioned cut, which reduced the budget from 0.17% of GDP.

Advertisements are permitted in STVR²⁸, and there is a legal possibility to allow more advertisements in the new institution than previously. It appears that any individual or entity may purchase advertising space in STVR, and the associated costs are publicly available. However, the published rates and regulatory framework align with those previously established in RTVS. It remains uncertain how this will be operationalised under STVR.

It is not clear whether there is a separate list of purchasers, although this does not rule out the possibility that this information may be published in a registry of contracts we are not aware of. A preliminary review of the most commonly used registry of public contracts did not yield any information regarding purchasers of public service media advertisements.

²⁴Slovak Television and Radio Act, Art. I(26).

²⁵Peter Hanák, "<u>NA ROVINU s Ľubošom Machajom: Možno budeme musieť zrušiť jeden televízny kanál"</u> (STRAIGHT TALK with Ľuboš Machaj: We may have to cancel one TV channel), Aktuality.sk, 20 December 2023.

²⁶See Zmluva so štátom (Contract with the state).

²⁷Slovak Television and Radio Act, Art. I(27).

²⁸Slovak Television and Radio Act, Art. I(26).

Independent monitoring mechanisms

There is currently no independent authority, body or mechanism free from political influence in place to monitor the Slovak public service media's editorial and functional independence. In line with the relevant legislation, this is the responsibility of the Council of Media Services, as well as the Board of STVR and the Ethical Committee of STVR. None of these bodies is free from political influence.

The STVR Board is responsible for the appointment and dismissal of the broadcaster's management board in a formal capacity. However, as all Board members are appointed by political bodies (the Ministry of Culture and Parliament), and no independent members, nor opposition nominees, have guaranteed seats, it is not accurate to define the Board as a body free from political influence. In practice, the opposite is true. The members selected by August 2024 are all indirectly connected to the SNS party, the coalition member in control of the Ministry of Culture.²⁹

There is currently no independent authority or body in place to monitor the funding procedure of public service media providers in Slovakia, and the process is not free from political influence.

There have been a number of instances where the public service broadcasting has been reported to the relevant authorities, particularly the Council for Media Services. It should be noted that STVR was only established in July 2024, and therefore all of the aforementioned cases relate to its predecessor, RTVS. The majority of these cases did not substantiate the allegation of non-compliance with the impartiality or objectivity principle. The Council (or its predecessor) has only taken minor action against RTVS in response to individual mistakes. The decisions are available to the public.³⁰

²⁹One of the candidates is Lukáš Machala, who is known as an unsuccessful candidate for two different far-right parties, including the SNS. He is currently chief of staff at the Ministry of Culture and is said to be behind much of the SNS's cultural policy: Martina Šimkovičová appointed new members of the STVR Council..., *cit*.

³⁰See more <u>here</u>.

MISUSE OF STATE FUNDS TO INFLUENCE MEDIA OUTPUT

This section discusses how Article 25 of the EMFA is implemented.

Summary

EMFA has not yet been transposed into Slovak law, and the misuse of state resources channelled to the media (with the exception of public service media) is one of the most obvious and problematic areas where change is needed.

There is no specific regulation of state advertising in the media, neither in terms of transparency, nor in terms of fairness, accountability, pluralistic distribution or free competition. Only the general rules of public procurement apply.

This means that each public body can decide where the advertising money goes. There is no system where the media could apply and compete on the basis of fair criteria, such as audience reach.

These flaws in the system are exploited by politicians who direct the flow of money from the state to the media. In this way, they support less critical media (often with an oligarchic background) and discriminate against the independent media, which the government has labelled as opponents. There have been cases where Prime Minister Fico has openly and publicly blackmailed³¹ the media with state advertising funds in a video he posted on Facebook³² and achieved a change in news management and editorial line.

State funding spending: legal provisions, criteria for distribution and tender procedures

There are no legal guarantees enshrined in national legislation that would ensure the distribution of public expenditure allocated for state advertising to a diverse range of media service providers. In such cases, the rules of public procurement³³ are the only applicable framework.

Transparency of state media contracts

The criteria for the distribution of state funding to the media are not made publicly available in advance in an electronic and user-friendly format. The tender procedures for state funding contracts with media outlets are not transparent, impartial, or free from discrimination.

³¹See here.

³²See <u>here</u>.

³³Law No. 343/2015, see <u>here</u> (in Slovak).

The state institutions that spend on advertising, such as ministries and other public bodies, establish the criteria and also allocate the funds. Public money in the form of advertising from public entities typically flows to media outlets that are perceived as more "friendly" or "less hostile" towards the government. A paucity of conclusive data on this subject is evident, given that the relevant contracts are dispersed throughout the public contracts registries.

However, an analysis of past contracts and the experience of media outlets labelled "hostile" by the government³⁴ reveals a pattern of discrimination. These outlets, which are perceived to be opposed to the government's interests, consistently receive minimal or no state advertising funds. This practice even extends to state-controlled entities such as the postal services and state-owned gambling companies, which are major advertisers.³⁵

Information regarding public expenditure on state advertising is available for review in the public contracts registry.³⁶ However, a significant amount of analytical work is required to isolate the individual sums from the numerous contracts between the various entities. Furthermore, the data is distributed across the platform in a fragmented manner, rendering it challenging to collate. Consequently, the registry is not user-friendly.

Monitoring state advertising spending

Neither the national regulatory authority nor other relevant bodies oversee the distribution of state advertising budgets to media service providers. No comprehensive register exists which lists all media service providers according to the allocation of advertisements. Such information is made available on an ad hoc basis in the form of articles published in the media or reports issued by media freedom NGOs.

The monitoring of state spending in the media is a highly time-consuming process that requires a significant investment of energy and analytical capacity. The existing data sets on this topic are incomplete and lack reliability. The necessity for historical analysis inherent to research into this topic results in the information collected becoming outdated with remarkable rapidity. Consequently, there is currently no comprehensive analysis of the distribution of state advertising.

Furthermore, the state advertising in Slovakia is a source of contention due to the government's frequent use of these funds to advance its own agendas or those of its allies.

To illustrate, in the period leading up to the general election in Slovakia in

³⁴Fico: Markíza, Denník N, SME a Aktuality sú nepriateľské médiá. V tomto duchu vydám pokyny na <u>úrade vlády</u> ('Fico: Markíza, Denník N, SME and Aktuality are hostile media. In this spirit, I will issue instructions to the Government Office'), Standard, 12 November 2023.

³⁵Information obtained by the author from government insiders.

³⁶See <u>here</u>.

September 2023, a campaign was run in Slovak online media with the financial support of an organisation with close ties to the Hungarian government. The Ján Kuciak Investigative Centre reported that the campaign could have had a significant impact on the election result.³⁷

During the same period, an outdoor advertising campaign was also initiated, the funding for which was provided by a group of unidentified political activists. Among them was an ex-minister who was not officially affiliated with any political party but was known to have been acting in favour of the current ruling coalition.³⁸

While the financing paying for such campaigns is typically transparent, with the legal names of vendors being public or contracts leading to specific individuals, the funding source remains unclear. For example, the entirety of the presidential campaign of Peter Pellegrini, the newly elected president and previously the head of a coalition party, Hlas, remains opaque.³⁹

Some national institutions are legally empowered to request information regarding the allocation of state funds to the media. One such institution is the Supreme Audit Office of the Slovak Republic⁴⁰, which has historically demonstrated a relatively high degree of independence. Nevertheless, it is uncertain how this institution could determine the non-transparent scheme of state advertising to be unlawful if there is no explicit legislation requiring its transparency or non-discriminatory, pluralistic distribution.

³⁷Szabolcs Panyi, Karin Kőváry Sólymos, Daniel Flis, <u>Orbán zaplavil strednú Európu miliónmi online reklám. Mohli ovplyvniť aj výsledky parlamentných volieb na Slovensku</u> ('Orbán flooded Central Europe with millions of online ads. They may have also influenced the results of the Slovak parliamentary elections'), Ján Kuciak Investigative Centre, 6 March 2024.

³⁸Martin Suchý, Ľubomír Daňko, <u>Antikampaň proti Korčokovi tesne pred moratóriom zasiahla milión používateľov. Platia ju ľudia blízki Pellegrinimu</u> ('The anti-campaign against Korčok reached a million users just before the moratorium. It is paid by people close to Pellegrini'), Zastavmekorupciu.sk, 26 March 2024.

³⁹<u>Najmenej transparentnú kampaň vedie Peter Pellegrini</u> ('The least transparent campaign is led by Peter Pellegrini'), Transparency International Slovensko, 14 March 2024.

⁴⁰See <u>here</u>.

MEDIA PLURALISM AND POLITICAL/STATE INFLUENCE OVER NEWS MEDIA

This section discusses how Articles 6 and 22 of the EMFA are implemented.

Summary

Large shares of the press market, including the two Slovak tabloid dailies, are controlled by the oligarchic Penta group. The merger of the only two Slovak tabloid dailies under Penta is still under review by the Slovak Antimonopoly Office.

Penta has a history of corruption allegations and political contacts. Most recently, it printed and distributed the campaign newspaper of the Hlas party, which became a key coalition partner in Robert Fico's government. Hlas leader Peter Pellegrini was elected president of Slovakia in 2024. The Hlas party controls the Ministry of Health, which is Penta's core business.

Several independent media remain in the printed newspaper and online news market, including the dailies SME and Dennik N, both of which have a significant online presence, and Aktuality.sk. The government has no influence on these media. On the contrary, Prime Minister Fico often refers to them as "enemies".

The TV market has experienced a notable deterioration in its overall situation during the course of 2023. The market is dominated by three major players. The public service RTVS was abolished, captured and transformed into STVR. The most popular commercial TV channel Markíza, which is owned by the Czech oligarchic group PPF, was subjected to pressure from Fico. He publicly stated that he would investigate the matter of state advertising. Subsequently, the chief of news at Markíza was replaced. Several months later, approximately 100 employees of Markíza protested against censorship. The third major player is TV JOJ, which is owned by the oligarchic group J&T. JOJ cancelled its political debate show, which resulted in the show's creators leaving the company.

In summary, the media in Slovakia are formally independent, but their owners frequently pursue objectives other than those of an independent watchdog journalism. It is typical for them to prioritise maintaining close relations with the state in order to protect their other businesses. For instance, PPF has additional business agreements with the government (operates a toll system for highways or supplied the state rail with their train production), while Penta and J&T operate in sectors with stringent regulatory oversight.

According to the Media Services Act and the Publications Act, broadcasters, publishers and audiovisual services providers are required to disclose their ownership structure. It is not mandatory for them to publish the amount of state advertising received, whether from the Slovak Republic or from any other third-state agency.

With regard to the assessment of media ownership, including mergers and

acquisitions, it appears that the Slovak authorities focus solely on economic criteria, with little consideration given to media pluralism. The assessment process is often lengthy, with the merger already complete by the time the relevant authority issues a ruling. However, no authority has yet taken the step of banning or reversing any of the mergers.

Transparency: legal requirements

Media ownership

In line with the Media Services Act, broadcasters, on-demand audiovisual service providers, video-sharing platforms, and individuals or entities that provide financial support for content services, are obliged to make information readily available pertaining to their legal name and contact details. According to the Publications Act⁴¹, publishers of periodicals are also obliged to comply with the same requirements.

According to legislation, the names of individuals or entities with a direct or indirect ownership interest in printed publications must be reported to the Ministry of Culture.⁴² Subsequently, the information is published on the relevant ministerial webpage. It is a legal requirement for all owners with a holding of over 20% to report this information.⁴³ The same requirement applies to broadcasters, who must report any change of ownership affecting more than 10 percent of shares to the RpMS.44

However, the register of media outlets, which should contain all of this information, is currently not functional.

All relations between the state and the media are recorded in the state registry of partners of the public sector. 45 The state does not own media in Slovakia although it has a significant role in the STVR. In the event that a state entity owns a stake exceeding 20% in a media outlet, it is obliged to report this fact in the registry of the Ministry of Culture.

It is a legal obligation for all audiovisual media services providers with economic activity to register with the Registry of the partners of the public sector. Only community media with revenue generated from advertising below €10,000 per year⁴⁶ (with higher thresholds for television)⁴⁷ are exempted, and so not required to register.

⁴¹Law 265/2022 on publishers of publications and on the register in the field of media and audiovisual and on amendments and additions to certain laws, hereafter Publications Act, available here (in Slovak).

⁴²Publications Act, para 21.

⁴³Publications Act, para 21.

⁴⁴Media Services Act, para 52.

⁴⁵See <u>here</u>.

⁴⁶Publications Act, para 13.

⁴⁷Media Services Act, para 107.

State funding

The legislation in Slovakia does not require media companies to publicly disclose the total annual amount of state advertising allocated to them or the amount of financing received from third-country public authorities or entities.

However, the governing coalition has previously referred to media outlets as "foreign agents" and has indicated that it may introduce legislation to this effect⁴⁸ in the event that any of these outlets receive funding from abroad.⁴⁹ It is notable that the focus of this debate has not been on sources of funding from countries with which Slovakia has a contentious relationship, such as Russia, but rather on funding from Western democracies. Media outlets, NGOs, and the former president Zuzana Čaputová have on occasion been labelled as "American agents" by Prime Minister Fico and his allies.⁵⁰

National media ownership databases

The Media Services Council, the regulatory authority for the media industry, monitors media outlets as part of the licensing process. However, the Council is not required to develop a national media ownership database. The register of media is an internal database, and while the law requires the creation of a register, there is no public registry in place apart from the annual report of the Media Services Council. The annual report issued by the regulator provides only a cursory analysis, quantifying the number of broadcasters on the market.⁵¹ The Council does not undertake a detailed examination of ownership structures and relations between different media owners.

Assessment of media market concentrations

According to the provisions set forth in the Media Services Act, a single beneficial owner is prohibited from exercising control over an aggregate share of more than 60% of the advertising market in Slovakia.⁵²

The Antimonopoly Office of Slovakia and the Media Services Council are entitled to request this kind of information as part of the administrative process.

⁴⁸R. Fico chce niektoré mimovládky označovať ako zahraničných agentov. Odvoláva sa na americký <u>zákon</u> ('R. Fico wants to label some non-governmental organizations as foreign agents. It refers to US law'), RTVS, 18 October 2023.

⁴⁹The legislation was already approved in the first of three stages in Parliament. However, following deliberations with the European Commission, the legislative process did not continue as scheduled, with the reasons for this being unclear at this stage. Meanwhile, reports indicate that the European Commission may withhold European funds from Slovakia. It is conceivable that the Slovak government was keen to avoid providing the EC with further justification for such a decision.

⁵⁰Michal Hudec, Slovak President Čaputová to sue former PM Fico, Euractiv.sk, 12 May 2023.

⁵¹See RpMS 2023 Annual Report, cit., p. 41.

⁵²Media Services Act, para 100.

The regulator has yet to issue a regulation that specifies the procedure for the provision of this information. In their annual report, the Media Services Council claims that a regulation was in preparation⁵³, but the date of adoption is not yet known.

Notification of media market concentrations

It is a legal requirement for audiovisual media services providers to provide information in the event of any changes that may result in a dominant position in the market. Media providers are required to report any proposed mergers, which must be approved by the Antimonopoly Office of Slovakia. Furthermore, the Media Services Council must be informed in the event that the changes affect existing broadcasting licensing conditions. These requirements are applied in a non-discriminatory and proportionate manner. Failure to report such changes will result in financial penalties for the media companies concerned.

The Antimonopoly Office of Slovakia does not have a defined framework for issuing decisions in merger cases. Consequently, the antitrust watchdog may require a significant amount of time, particularly in the case of large mergers, to issue a decision, which can often span years.

Impact of media market concentration on media pluralism

There are currently no legal provisions that require the assessment of media market concentration to take into account the impact of concentration on media pluralism. The Antimonopoly Office of Slovakia is responsible for assessing economic criteria related to market dominance. The Media Services Council (RpMS) is tasked with evaluating the media market, including the plurality of information and the advertising market⁵⁴, but this provision of law is very general, and in practice, we do not see any detailed analysis.

Over the past few years, the antitrust regulator in Slovakia has endorsed several major deals that have arguably influenced both media pluralism and editorial independence. In all these cases, as required by law, the Antimonopoly Office of Slovakia limited its assessment to the economic criteria, without considering the broader context of the owners, who were often influential oligarchs.

One of the most significant mergers in recent years was the acquisition of the most popular daily newspaper, Nový Čas, by News and Media Holding, a company under the control of the oligarch-owned financial group Penta. The assessment of this purchase by the antitrust regulator was still in progress at the time of writing.

⁵³See RpMS 2023 Annual Report, cit., p. 42.

⁵⁴Media Services Act, para 110, section j.

Penta is the largest Slovak publisher of printed press, with a significant presence in the print media market, including the most popular weekly magazine Plus7Dní⁵⁵, the only Slovak economic weekly Trend, and many popular monthlies. Additionally, Penta publishes the only remaining Slovak tabloid daily, Plus1Deň. This effectively gives Penta a monopoly over the tabloid press market following the merger.

To date, no M&A case in the media market has been prohibited by antitrust or media regulators. The Supreme Administrative Court of Slovakia has the authority to oversee M&A proceedings. However, the court is relatively new and there are no documented instances of it overturning decisions based on such supervision.

The press and websites have historically been subject to more flexible merger regulations than broadcasters, given that they are not required to obtain broadcast licences.

Impact of media market concentration on editorial independence

There are currently no legal provisions that require the assessment of media market concentration to take into account the impact of concentration on editorial independence.

Over the past few years, the antitrust regulator in Slovakia has endorsed several major deals that have arguably influenced both media pluralism and editorial independence (see more details above under Impact of media market concentration on media pluralism).

⁵⁵Filip Struhárik, <u>Vydavateľstvo Penty kupuje denník Nový Čas a web čas.sk</u> ('Penta publishing house buys Nový Čas daily and čas.sk website'), DennikN, 10 October 2023.

RECOMMENDATIONS

WHAT IS NEEDED TO CAPTURE-PROOF THE SLOVAK MEDIA

The recommendations are structured as follows:

- a) Recommendations aimed at aligning national legislation with the EMFA's general provisions; and
- b) Recommendations aimed at enhancing the media environment regardless of EMFA.

Independence of media regulators

Brief overview of EMFA provisions

The 2018 amendment of the Audiovisual Media Services Directive (AVMSD) already set out the requirements for independent media regulators. These include functional independence from governments, impartiality and transparency, operation without instructions, clearly defined competencies and powers, an effective appeal mechanism, a proper mechanism to appoint and dismiss the head and the body of the authority, and also adequate financial and human resources and enforcement powers. In light of the above, EMFA essentially reiterates the stipulations set forth in Article 30 of the AVMSD, with the notable addition of provisions pertaining to the requisite resources, specifically technical resources, and the authority to request information and data. Consequently, prior to the implementation of EMFA, Member States are obliged to adhere to the majority of the requirements pertaining to independent media regulators as outlined in Article 30 of the AVMSD.

Aligning with EMFA's general provisions: what is needed?

- The selection process of the RpMS members should be conducted in a transparent and impartial manner that prevents nominations made on the basis of their political affiliation. The incorporation of nominees from all political parties would also help ensure a plurality of voices on the board and reduce the likelihood that one political group dominates.
- Staggered terms for the RpMS members should be introduced to ensure that the election of the majority members would not occur within the same election cycle, which lasts four years..
- Other centres of political power such as the President of Slovakia (who is elected by a separate direct election for a longer term of five years) should be included in the selection process for RpMS members to ensure greater plurality of RpMS membership.

Further enhancing the media environment: what is needed?

 The regulations pertaining to conflicts of interest should be reinforced, thereby guaranteeing the genuine independence of RpMS members from any form of influence from political or other undue interests. To illustrate, legislation could prohibit any political affiliations of candidates to RpMS membership, irrespective of past associations.

Independence of public service media

Brief overview of EMFA provisions

Article 5 of EMFA requires that governments guarantee the independent functioning of public media, including ensuring their editorial and functional independence, that procedures for appointing the management guarantee the independence of public media, that those appointed are done so on the basis of transparent, open, effective and non-discriminatory procedures and criteria, that funding is transparent, adequate, sustainable and predictable and can guarantee the editorial independence of the public media, and that an independent body is designated to monitor the application of these principles.

Aligning with EMFA's general provisions: what is needed?

- The influence of the Ministry of Culture over the STVR Council should be removed or reduced by creating a mechanism for apolitical appointment of the STVR governance body members.
- It is recommended that the influence of Parliament over the STVR Council be removed or reduced by including other democratically elected actors in the formation of the STVR Council, such as the President of Slovakia, municipalities and regions, as well as organisations representing journalists, unions of STVR employees, or academic organisations involved in the training of future journalists. The composition of the STVR Council should be diversified and depoliticised, while maintaining a mechanism of its democratic accountability.
- It is recommended that the rules regarding conflicts of interest be reformed. Specifically, individuals with political connections or a political past should be prohibited from serving on the STVR Council. Additionally, a rule should be reinstated that an employee of the government cannot serve on the STVR Council.

Further enhancing the media environment: what is needed?

• A funding mechanism consisting of direct payments from the public to the STVR budget should be reintroduced to create an environment where the STVR is not financially dependent on political decisions.

Misuse of state funds to influence media output

Brief overview of EMFA provisions

Article 25 of the EMFA states that, while public procurement rules remain unchanged, state advertising must be awarded in accordance with transparent, objective, proportionate and non-discriminatory criteria.

Aligning with EMFA's general provisions: what is needed?

- Legal provisions should be introduced to require any public entity to distribute advertising funds in accordance with transparent, proportional, objective and non-discriminatory rules. For instance, the objective measurement of cost per viewer could be used as a criterion for media outlets to compete for public advertising.
- An independent oversight mechanism, free from any government or governmental appointee influence, should be designated, to monitor and ensure the transparent application of the rules on state spending in the media. Its decisions should be subject to judicial review to ensure they are fair.

Further enhancing the media environment: what is needed?

• The appropriate regulatory authority should also publish all contracts obtained through public tender by companies in the same business grouping as the media.

Media pluralism and political/state influence over news media

Brief overview of EMFA provisions

Article 6 of the EMFA requires news media organisations to provide information about their owners, including potential conflicts of interest, and to implement measures to ensure editorial independence. Article 22 of the EMFA requires governments to implement a system for the assessment of concentrations that could have a significant impact on media pluralism and editorial independence.

Aligning with EMFA's general provisions: what is needed?

- The Antimonopoly Authority of Slovakia should be required to implement a
 distinct process for evaluating media mergers, with more rigorous standards for
 news media that would consider the plurality of information, in addition to the
 general economic criteria for mergers and acquisitions. This should be done by
 asking RpMS to provide an assessment of any merger on media pluralism and
 editorial independence.
- The RpMS should have the resources and expertise to develop and apply a consistent methodology to assess media pluralism and editorial independence in the media market.

Further enhancing the media environment: what is needed?

- The RpMS should publish annual reports and analysis of media pluralism, including media ownership structures to help assess and preclude media mergers that would jeopardise the plurality of information on individual markets, most notably the TV market.
- Conflict of interest regulations should be introduced to prohibit oligarchs with a clear financial interest in regulated industries from owning media outlets that

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disseminate political content. This will result in the dissolution of the alliances between the politicians in power and the oligarchic media.

MEDIA CAPTURE MONITORING REPORT: SLOVAKIA

NOVEMBER 2024

This report by IPI is part of the Media Freedom Rapid Response, which tracks, monitors and responds to violations of press and media freedom in EU Member States and Candidate Countries. This project provides legal and practical support, public advocacy and information to protect journalists and media workers.

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