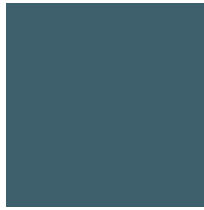


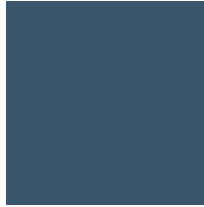


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Monitoring Media Pluralism in Europe: Application of the Media Pluralism Monitor 2017 in the European Union, FYROM, Serbia & Turkey

Country Report: Czech Republic

Authors: Václav Štetka, Roman Hájek

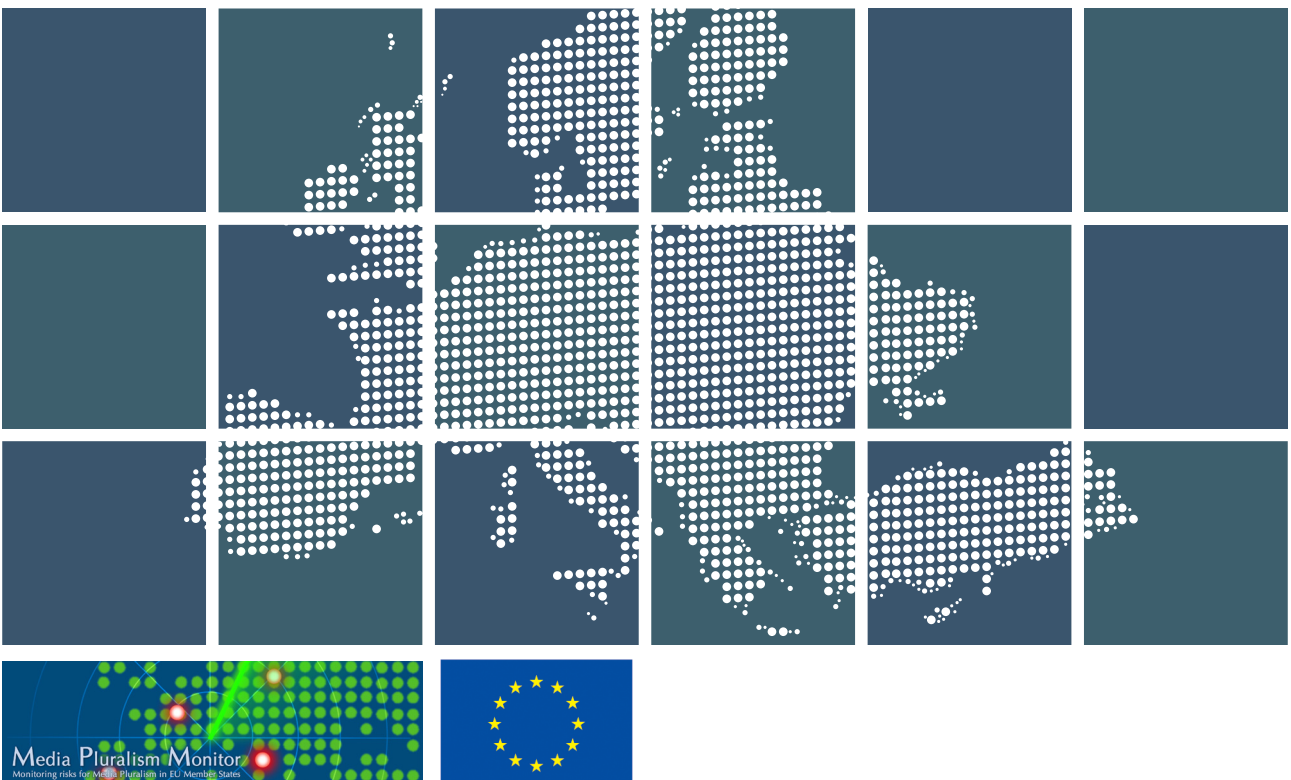




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1. ABOUT THE PROJECT

1.1 OVERVIEW OF THE PROJECT

The Media Pluralism Monitor (MPM) is a research tool that was designed to identify potential risks to media pluralism in the Member States of the European Union. This narrative report has been produced within the framework of the second EU-wide implementation of the MPM, carried out in 2017. The implementation was conducted in 28 EU Member States, Serbia, Former Yugoslav Republic of Macedonia (FYRoM) and Turkey with the support of a grant awarded by the European Union to the Centre for Media Pluralism and Media Freedom (CMPF) at the European University Institute.

1.2 METHODOLOGICAL NOTE

The CMPF cooperated with experienced, independent national researchers to carry out the data collection and to author the narrative reports, except in the cases of Malta and Italy where data collection was carried out centrally by the CMPF team. The research is based on a standardised questionnaire and apposite guidelines that were developed by the CMPF. The data collection was carried out between June and October 2017.

In the Czech Republic, the CMPF partnered with Václav Štětka (Centre for Research in Communication and Culture, Loughborough University), who conducted the data collection and annotated the variables in the questionnaire and interviewed relevant experts. The scores assessing the risks for media pluralism were provided by the CMPF and calculated according to the algorithm developed by the Centre itself. The national report was reviewed by CMPF staff. Moreover, to ensure accurate and reliable findings, a group of national experts in each country reviewed the answers to particularly evaluative questions (see Annexe II for the list of experts).

Risks to media pluralism are examined in four main thematic areas, which are considered to capture the main areas of risk for media pluralism and media freedom: Basic Protection, Market Plurality, Political Independence and Social Inclusiveness. The results are based on the assessment of a number of indicators for each thematic area (see Figure 1 below).

Basic Protection	Market Plurality	Political Independence	Social Inclusiveness
Protection of freedom of expression	Transparency of media ownership	Political control over media outlets	Access to media for minorities
Protection of right to information	Media ownership concentration (horizontal)	Editorial autonomy	Access to media for local/regional communities and for community media
Journalistic profession, standards and protection	Cross-media concentration of ownership and competition enforcement	Media and democratic electoral process	Access to media for people with disabilities
Independence and effectiveness of the media authority	Commercial & owner influence over editorial content	State regulation of resources and support to media sector	Access to media for women
Universal reach of traditional media and access to the Internet	Media viability	Independence of PSM governance and funding	Media literacy

The results for each domain and indicator are presented on a scale from 0 to 100%. Scores between 0 and 33% are considered low risk, 34 to 66% are medium risk, while those between 67 and 100% are high risk. On the level of indicators, scores of 0 were rated 3% and scores of 100 were rated 97% by default, to avoid an assessment of total absence or certainty of risk. For more information on MPM methodology, see the CMPF report “Monitoring Media Pluralism in Europe: Application of the Media Pluralism Monitor 2016 in EU-28, Montenegro and Turkey”, <http://cadmus.eui.eu/handle/1814/46786>



Disclaimer: The content of the report does not necessarily reflect the views of the CMPF or the EC, but represents the views of the national country team that carried out the data collection and authored the report. Due to updates and refinements in the questionnaire, the MPM2017 scores may not be fully comparable with MPM2016 ones. For more details, see the CMPF report on MPM2017, soon available on <http://cmpf.eui.eu/media-pluralism-monitor/>

2. INTRODUCTION

The Czech Republic is a Central European country with an area of 78 866 km² and a population of nearly 10.6 million inhabitants. The country is ethnically very homogeneous, with a relatively marginal presence of ethnic minorities (estimated 1.5–3% of Roma people, 1.6% of Ukrainians, 1.5% of Slovaks). The official (and dominant) language is Czech.

Ever since the end of economic recession in 2013, the Czech economy has been steadily growing, with GDP growth estimated at almost 5% in 2017. The unemployment rate has been between 4 and 5% since 2015, causing even problems with the lack of workforce. The inflation rate in 2017 was about 1.5%, slightly higher than in the previous years, which prompted the Czech National Bank to end the currency cap regime and to raise the interest rate to 0.5 at the end of 2017.

The political situation in the last years has been strongly influenced by the rising dominance of the populist centre-right party ANO led by Andrej Babiš, a man often criticized for his unprecedented concentration of economic, political and media power. The investigation by the EU's antifraud unit OLAF into an alleged misappropriation of EU subsidies by Babiš's company Agrofert caused a government crisis in May 2017, resolved by ousting of Babiš from the seat of minister of finances. However, Babiš and his party ANO emerged victorious from the Parliamentary elections in October 2017, having taken 78 out of the 200 seats in the Parliament. The elections also saw the rise of other populist and anti-system parties, far-right Party for direct democracy (SPD), or the Pirate party, both with nearly 11% of votes.

The media market is characterized, among other features, by an overall dominance of commercial television, attracting about 45% of the total advertising expenditures in the country. Compared to most other Central and Eastern European countries, public service broadcasting still maintains a stable position on the market, attracting relatively high shares of audience (22% in case of Czech Radio, 29% in case of Czech Television – according to ATO-Nielsen Admosphere data). The national press agency (Czech Press Agency) also has a public service statute. The newspaper market is highly concentrated and almost entirely controlled by local business tycoons. The decline in circulation of daily newspapers, observed since the mid-2000s, has slowed down a bit but still recorded 5.5% on average in 2017, a trend common both for quality papers and the tabloid press. The Internet is the preferred way of obtaining news for an ever increasing share of population, a tendency also documented by the launching of several new online news projects, including Seznam Zprávy (belonging to the biggest Czech web portal Seznam.cz), Info.cz, or the public radio news website iRozhlas.cz.

In terms of state regulation of media market, one of the biggest changes in 2017 concerned the decline in the VAT rate for newspapers and magazines from 15% to 10%, legislated by the Parliament over the President's veto.



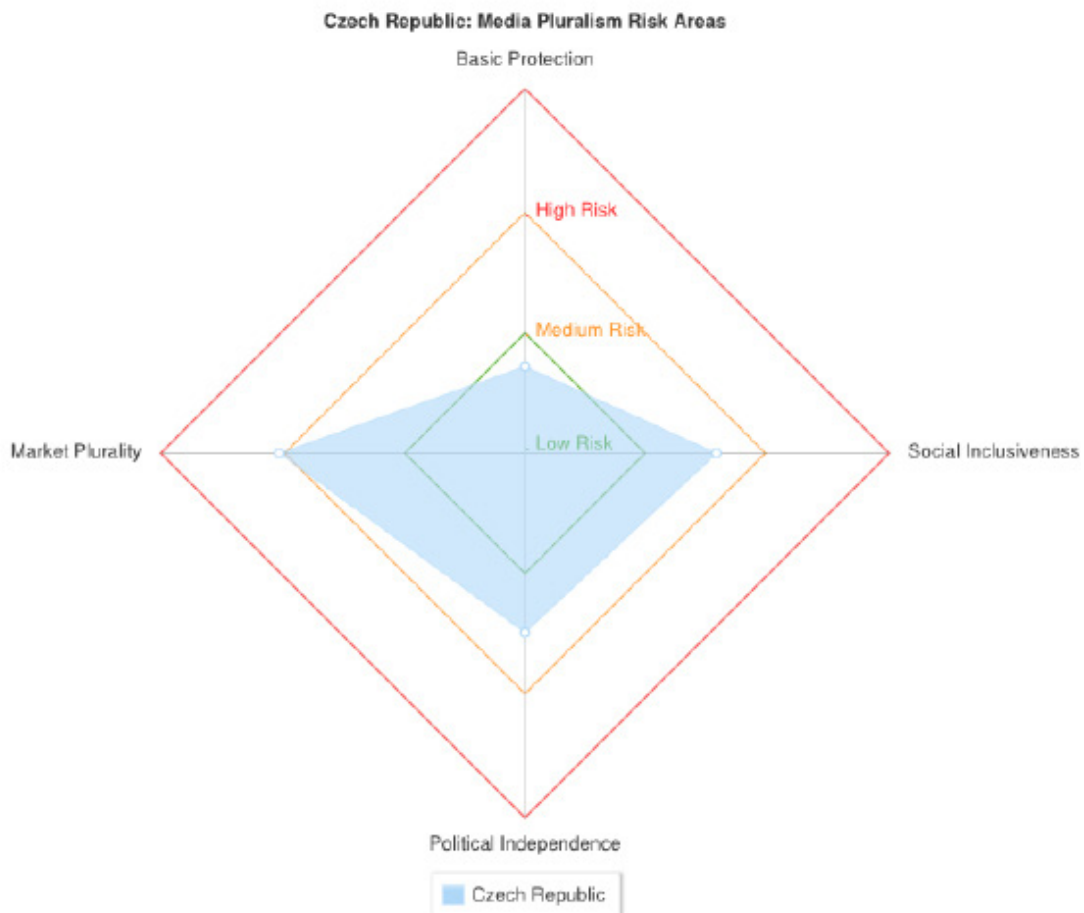
3. RESULTS FROM THE DATA COLLECTION: ASSESSMENT OF THE RISKS TO MEDIA PLURALISM

The results of the MPM2017 for the Czech Republic show low level of risk only in one area, the Basic Protection. Two areas – Social Inclusiveness and Political Independence – scored towards the middle of the medium risk category, while the Market Plurality already indicates high risk. Three out of five indicators in Market Plurality domain are above the high risk threshold – transparency of media ownership, concentration of media ownership, and commercial and owner influence over editorial content.

In the Basic Protection domain, three out of five indicators scored low risk. The two indicators that display medium risk include universal reach of traditional media and access to the internet (47% risk, mostly due to low broadband connectivity in rural areas and thus also relatively low rate of broadband subscription) and protection of right to information (38% risk, caused by the lack of legal protection of whistleblowing).

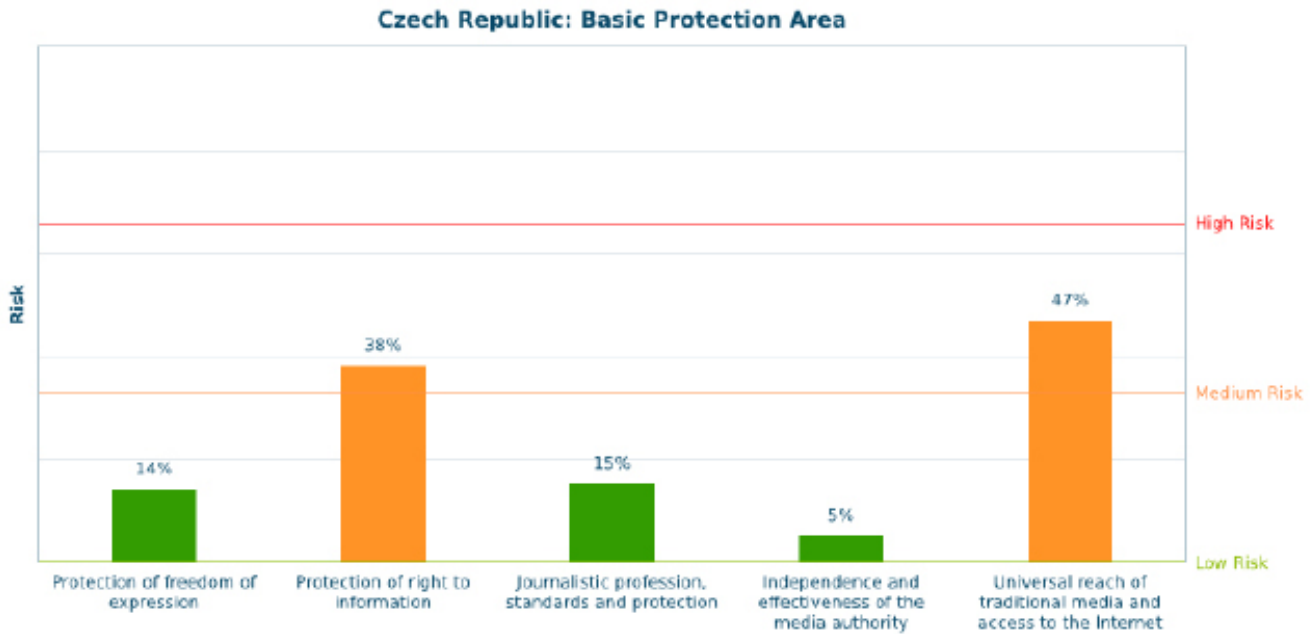
The scores for the indicators in the Political Independence area are spread across all three categories. Low risk was recorder for the Media and democratic electoral process (14%) as well as for State regulation and support to media sector (33%), while Political independence of media already scored in the medium risk zone (44%). The biggest risks in this area are related to Editorial autonomy (88%) and to the Independence of PSM governance and funding (67%). This indicates that while on average the risk for media plurality originating from political actors can be seen as medium, there are some high-risk instances of undue political control and intervention, which during 2017 mostly originated from the current Prime Minister Andrej Babiš and President Miloš Zeman.

The Social Inclusiveness area displays medium risk, although two indicators – Access to media for local communities and for community media, and Access to media for women – score in the high risk category. This reflects the fact that Czech Republic lacks legal safeguards for community media, as well as any media-specific gender equality policy.



3.1 BASIC PROTECTION (24% - LOW RISK)

The Basic Protection indicators represent the regulatory backbone of the media sector in every contemporary democracy. They measure a number of potential areas of risk, including the existence and effectiveness of the implementation of regulatory safeguards for freedom of expression and the right to information; the status of journalists in each country, including their protection and ability to work; the independence and effectiveness of the national regulatory bodies that have competence to regulate the media sector; and the reach of traditional media and access to the Internet.



The Czech law on freedom of expression meets the international human rights standards. Freedom of expression is explicitly recognised in the law, the restrictions upon this right are clearly defined, and legal remedies in case of violation of this right are effective. Despite some experts' criticism, defamation is still defined as a criminal offense; yet actual accusations of defamation are rather rare.

Also the right to information is recognised in the law. Included in the Czech constitution and further specified by special law, right to information guarantees access to information from state authorities, territorial self-governing entities, and public institutions, and defines appeal mechanisms in case of denials to access information. There are occasional violations of the right, mostly related to publication of information about salaries of public officials due to long-term and still unresolved conflict between right to information and protection of personal data (the courts usually decide in favour of the right to information). Medium risk score (38%) for this indicator is caused by the non-existence of a legal framework for whistleblowing which has not yet been voted, although discussed since 2009. However, despite their legal vulnerability, there has been no evidence of arbitrary sanctioning of whistleblowers.

The score for 'Journalistic profession, standards and protection' indicator is 15% which implies low risk; nevertheless, upon a closer look there are some caveats to this seemingly uncomplicated picture. The profession is open with no limits and requirements to get in. Journalists are guaranteed by the law that they can protect their sources and this law is enforced in practice. However, the organizational protection of the profession is rather weak, as not even 10% of journalists are represented by professional associations and organizations. As a consequence, the leading association, the Czech Syndicate of Journalists, has only limited options for guaranteeing editorial independence and protecting journalists' working conditions, and its public voice is rather weak. A medium risk is associated with large inequalities existing in the journalists' wages which are heavily dependent upon the type of media journalists work for (local journalists working for newspapers being the most vulnerable). Undoubtedly, the profession has changed significantly since some of the major news media brands were purchased by Czech business tycoons who use media to protect and promote their interests in other fields than the media. Many of elite journalists left their positions and started their own projects which have made them editorially more independent, but at the same time more economically vulnerable.

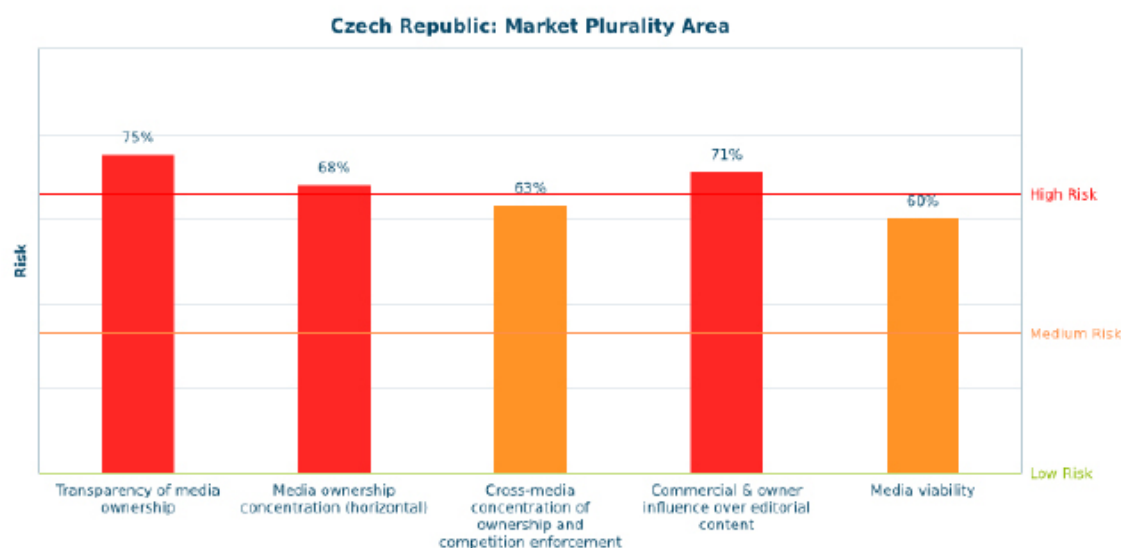


Physical attacks or serious digital threats were still rather rare in 2017 (which is likely to change with presidential election in 2018), however, some (mostly investigative) journalists started to voice concerns over increasing political pressures and verbal attacks. This is broadly related to open criticism of the profession held by politicians, including President Miloš Zeman (e.g. Zeman’s half-joking remark during his meeting with Vladimir Putin in China on 14 May 2017 that journalists should be “liquidated”). Given the growing number of instances like this, it can be claimed that the position of journalists in the public discourse is regularly contested.

The ‘Independence and effectiveness of the media authority’ scores 8% risk since the competences of Council for Radio and Television broadcasting (the only media authority) are well defined in the law and effectively applied in practice. Although the Council’s political and economic independence is not well safeguarded by the law, the institution works relatively independently and did not get into any controversies in 2017.

Finally, the indicator ‘Universal reach of traditional media and the internet’ scores medium risk (47%). This is mostly caused by the still existing gaps in broadband coverage (91% of the state covered), which concerns mostly rural areas, and is also linked to relatively low rate of broadband subscription (71%).

3.2 MARKET PLURALITY (67% HIGH RISK)



The Market Plurality indicators examine the existence and effectiveness of the implementation of transparency and disclosure provisions with regard to media ownership. In addition, they assess the existence and effectiveness of regulatory safeguards to prevent horizontal and cross-media concentration of ownership and the role of competition enforcement and State aid control in protecting media pluralism. Moreover, they seek to evaluate the viability of the media market under examination as well as whether and if so, to what extent commercial forces, including media owners and advertisers, influence editorial decision-making.

Three out of five indicators within this area score high risk, suggesting this is the most problematic domain of media pluralism in the Czech Republic at the moment. The indicator ‘Transparency of media ownership’ scores the highest on the risk scale (75%) mainly because media companies are not obliged to publish their ownership structures or its changes on their website; the law only demands certain facts to be recorded in the public registers (especially in the Business Register) which are accessible to the public. There is no duty to reveal the “beneficial ultimate owner” of the company in public registers. The rules for the broadcasting sector are a little bit stricter than for printed (or online) media; broadcasting companies are obliged to regularly report ownership structures to public authorities. Nevertheless, despite the lenient legislation, the current owners of the majority of relevant Czech media outlets are generally known to the public.

Media ownership concentration is arguably one of the key threats for media pluralism. There are no specific limitations regarding horizontal concentration for online media or newspapers which are only subject to general restrictions by the Competition Law. In the field of broadcasting, the law prohibits a single legal/natural person from holding more than one licence for nation-wide analogue broadcasting and more than two licences for nation-wide digital broadcasting, and restricts the number of licences for local and regional television and radio broadcasting. Horizontal

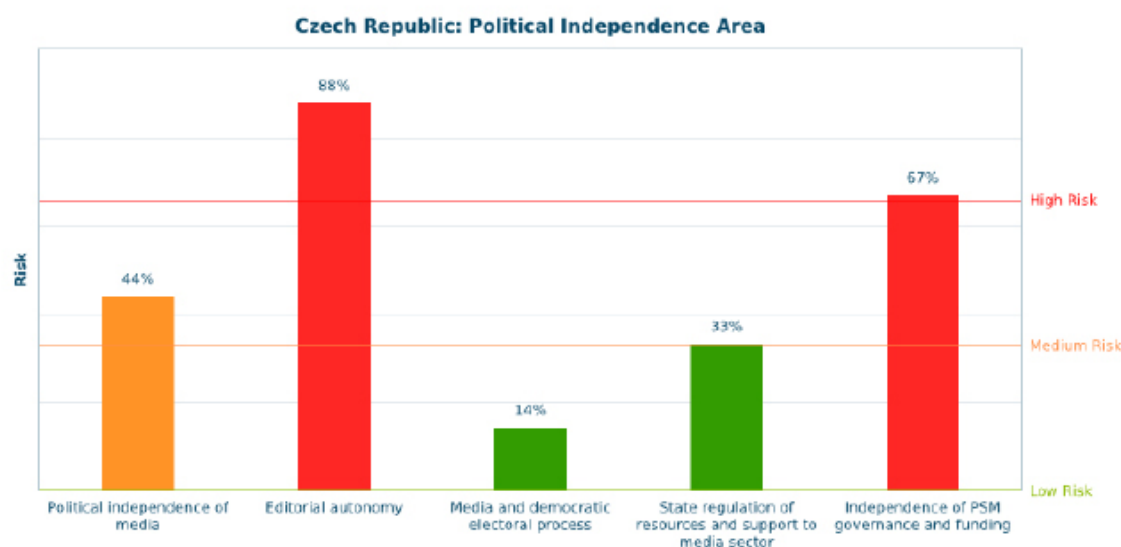


concentration is high in all major sectors; four owners in the television sector account for 88% of audience share; the nation-wide radio market is divided among three players, and the entire nation-wide newspaper sector belongs to only four owners.

The indicator for cross-media ownership concentration and competition enforcement remains just below the high-risk threshold, scoring 63%. There are no specific thresholds to prevent a cross-ownership between the different types of media, neither any mechanism that could impose sanctions. The only regulation is the one in Competition Law which assesses the level of concentration on a “relevant market”, which in the rulings of the Office for the Protection of Competition tends to be defined on a very broad level (e.g. combining national and regional media, or considering different media types as part of one market), making such policy instrument rarely effective for preserving pluralism and restricting cross-media concentration. The risk is further exacerbated by the lack of relevant data regarding cross-media ownership.

The indicator ‘Commercial & Owner influence over editorial content’ scores in the high-risk zone as well (71%) since there are no specific mechanisms (legal or self-regulatory) granting social protection to journalists in case of the changes of ownership or editorial line, neither any laws prohibiting advertorials or stipulating the obligation of journalists/media outlets not to be influenced by commercial interests. Some media have protection of editorial independence inscribed as part of their editorial codes, but there is a widespread scepticism regarding the actual power of such self-regulatory measures. Adding to this scepticism, several attempts of media owners trying to influence editorial content have been revealed in the past couple of years, including the leader of the party ANO and owner of MAFRA media house, Andrej Babiš. There is a medium risk (60%) concerning ‘Media Viability’, an indicator which reflects the non-existence of the state support for media and the relatively limited number of outlets which are aiming at developing new and alternative ways of funding. This makes at least some parts of the media system economically very vulnerable; however, based on the advertising revenue figures, all sectors but newspaper publishing have grown in the past two years, enabling for a cautious optimism towards the future.

3.3 POLITICAL INDEPENDENCE (49% MEDIUM RISK)



The Political Independence indicators assess the existence and effectiveness of regulatory safeguards against political bias and political control over the media outlets, news agencies and distribution networks. They are also concerned with the existence and effectiveness of self-regulation in ensuring editorial independence. Moreover, they seek to evaluate the influence of the State (and, more generally, of political power) over the functioning of the media market and the independence of public service media.

The indicators for Political Independence area range from low to high risk. Although many legislative regulations and practices serve to guarantee media independence from political pressures, in some areas such guarantees are missing. Also, the practice sometimes does not match the word of the law.

‘Political independence of media’ reaches medium risk (44%). The amendment to the Act on the Conflict of Interest which was finally adopted in February 2017 explicitly prohibits politicians from owning stakes in media (newspapers, radio, television but not online). The adoption of this amendment was a direct reaction to the unprecedented



collusion of political and media power in the hands of Andrej Babiš, a Deputy Prime Minister (and Prime Minister since November 2017) who has owned several leading Czech news media; as a consequence of this Act, Babiš had to transfer his media companies into a caretaker fund. Although the efficiency of the law has frequently been questioned, it represents an important step toward de-politicisation of the media. However, in the relevant time frame for the data collection, some media displayed high level of political influence. The evidence of such interference – albeit mostly anecdotal – has come largely from the print media, however recently some commercial television channels started displaying high level of politicisation as well, particularly TV Prima and TV Barrandov.

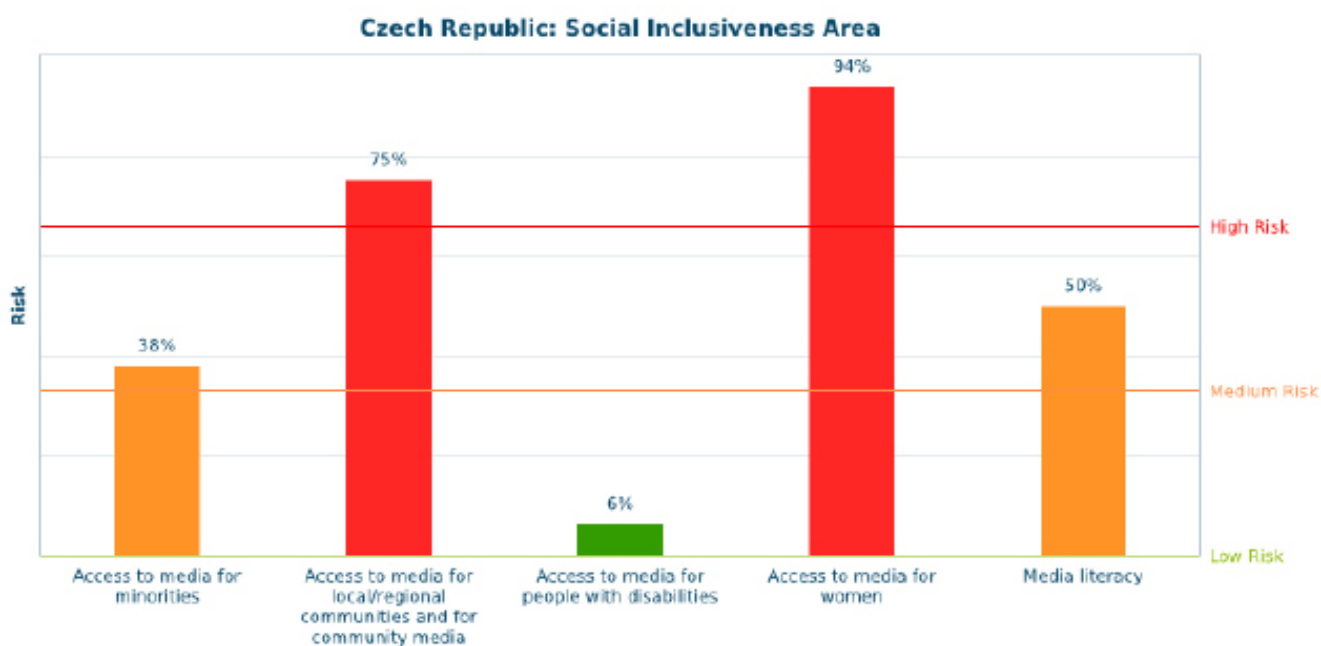
The high level of risk for the ‘Editorial autonomy’ indicator (88%) stems mainly from the absence of legal regulation ensuring editorial autonomy when appointing and dismissing editors-in-chief. Especially in case of the Agrofert Media Group, established by the current Prime Minister Andrej Babiš, there were recently several incidents of recorded interventions by the owner into the editorial content. According to the Freedom of the Press report 2016, the fact that most media owners are pursuing parallel business and/or political interests also leads to some degree of self-censorship among Czech media workers.

The indicator ‘Media and democratic electoral process’ displays a low risk (14%). Transparency of political advertising, expenditure limits for political parties as well as fair access to airtime during election campaigns is guaranteed by the law and there is little evidence of complaints against the broadcast media conduct during electoral campaigns. Still, there are minor weaknesses in the legislation – e.g. it does not apply to all types of elections, or it does not sufficiently affect online advertising.

The indicator ‘State regulation of resources and support to the media sector’ scores 33%, bordering on medium risk. Two main factors may have influenced this result: first, the absence of fair and transparent rules for the distribution of direct subsidies to media outlets; second, the lack of rules on distribution of state advertising to media outlets. There are no publicly available data for the amount of state advertising and the lack of clear criteria for state advertising is occasionally criticised, since it is one of the instruments for the state to exert economic pressure on media, especially in times when profits of commercial media companies are falling.

PSM governance and funding scores high risk (68%). Among the various ways how politician can influence the PSM, appointing procedures of broadcasting councils as well as Director Generals are the most important ones. The process of appointment to both the Czech Television Council and the Czech Radio Council is, ultimately, in the hands of the Parliament and thus these councils can be politically influenced. Also the appointment of the Director General of both institutions is not fully independent from governmental or other political influences. There is also a potentially threatening arbitrariness in the approval of licence fees which stand as the main financial source for public service TV and radio – the fee is not derived from any economic indicator (and it remains the same since 2008, which means its nominal value has substantially decreased over time).

3.4 SOCIAL INCLUSIVENESS (53% - MEDIUM RISK)



The Social Inclusiveness indicators are concerned with access to media by various groups in society. The indicators assess regulatory and policy safeguards for community media, and for access to media by minorities, local and regional communities, women and people with disabilities. In addition to access to media by specific groups, the media literacy context is important for the state of media pluralism. The Social Inclusiveness area therefore also examines the country's media literacy environment, as well as the digital skills of the overall population.

The scores for indicators in this domain range from very low risk to extremely high risk, which suggests that in some aspects, and for certain groups of people, the Czech media system could serve as an exemplary good case for social inclusiveness, whereas in other aspects (and for other groups) it is not inclusive at all.

With regards to the Access to media for (ethnic) minorities, the score reaches medium risk (38%). The legislation provides strong guarantees that minorities have proportional access to PSM channels, which is also reportedly happening in practice. In contrast, for private broadcasting channels the legislation is less specific which leads to less proportional access for minorities to the airtime. Due to the ethnic homogeneity of the population, the Czech media system does not have any significant minority medium: only some radio channels are dedicated purely to minorities.

The 'Access to media for local/regional communities and for community media' indicator scores high risk (75%), because the Czech media system, especially in case of TV broadcasting and daily newspapers, is highly centralised. Regional and local media are not defined specifically in the law and they do not receive systemic support. No specific frequencies are reserved for regional/local broadcasting, leading to marginal position of local/regional TV broadcasting. The situation of radio broadcasting is slightly different, with 50% market share of local/regional stations, but it should be noted that these are mostly music stations with only limited space for local/regional news. The high risk score for this indicator is further influenced by the absence of community media guarantees in the legislation. In 2013/2014, the Council for Radio and TV Broadcasting prepared several strategic documents that were supposed to serve as a basis for implementation of community media legislation. However, this has never happened and since then it has disappeared from the government's agenda.

'Access to media for people with disabilities' indicates low risk (6%). There is a well-developed policy that requires both PSM and commercial media (the latter to somewhat lower extent) to allow access of people with disabilities to media content. In practice, in most cases media surpass the quota set by law.

In contrast, an alarming 94% high risk score is displayed by the indicator 'Access to media for women'. This is partially because there is no media-specific gender equality policy (not even within PSM), and partially because even the general gender equality policy is seriously underdeveloped. Consequently, only small number of women is represented in the executive positions and on management boards (the data shows that only 14% of PSM management board members are women, and there is no woman among PSM executives; for private media the numbers are a bit higher, with 32% of women on media management boards, and 17% in executive ranks).

Since there is no designated, comprehensive media literacy policy in the country, the 'Media literacy' indicator scores medium risk (50%). While media education has been part of the educational curricula since 2006, there is still a serious lack of teachers' training programs, lack of teaching materials as well as of systemic support from the Ministry of Education. Moreover, there are no complex data about the actual implementation of media education, and its educational impact is thus questionable. The predominant approach to the concept of media education, as it is promoted by some institutions (including university-based) also struggles to shed the legacies of the 1990s when it was first coined, and pays most attention to traditional mass media, without fully embracing and reflecting the massive change in the information ecosystem brought by the Internet and social media. Altogether, this seems to be among the reasons why only a half of the population (53%) displays at least basic digital skills.



4. CONCLUSIONS

The MPM2017 results reveal that media pluralism faces many risks today in the Czech Republic, particularly with regards to media ownership concentration, restrictions to editorial autonomy and a lack of institutional safeguards for the independence of public service media which are increasingly getting attacked by populist political actors.

These, and other, challenges call for adoption of specific policy measures that would foster and better protect media pluralism in the country. In the domain of market pluralism, there is a clear need for laws setting limits on cross-media ownership concentration, as the current absence of any such regulations benefits the largest players. Better transparency of media ownership needs to be enforced as well, by making it compulsory to reveal the beneficial ultimate owner of media companies. The de-facto absence of such requirement represents a serious loophole in the newly adopted amendment to the Act on the Conflict of Interests which explicitly prohibits politicians or other public officials from owning the media; as the law might be circumvented due to the lack of ownership transparency.

The reform of the system of appointment of the members of broadcasting councils represents another palpable issue which should be targeted by media policy, regardless of the fact that several such attempts have already failed or have not been completed in the past.

The distribution of state advertising should be made more transparent, as currently it is nearly impossible for the public to know which media are benefiting from this form of indirect state support, opening doors for politically-motivated abuse of the system.

Last but not least, there should be a systematic effort to increase digital skills of the population, e.g. through media literacy programmes which should however be updated to reflect the contemporary changes of the communication environment and also should involve people in older age groups who seem to be displaying the biggest gaps in digital competences.



ANNEXE 1. COUNTRY TEAM

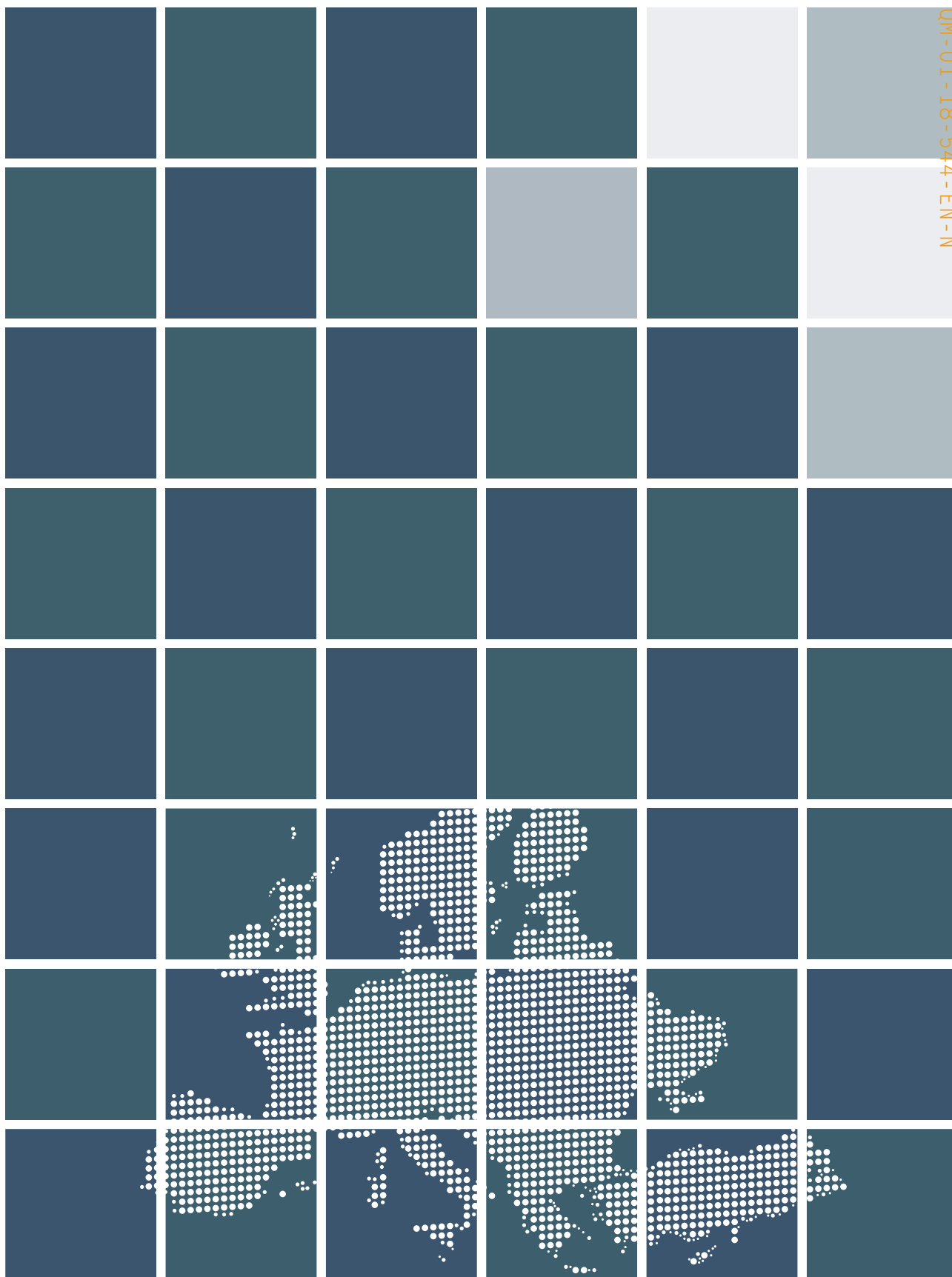
First name	Last name	Position	Institution	MPM2017 CT Leader (please indicate with X)
Václav	Štětka	Lecturer	Loughborough University	X
Roman	Hájek	PhD student	Charles University	

ANNEXE 2. GROUP OF EXPERTS

First name	Last name	Position	Institution
Tomáš	Tkačík	President	Association of Czech Publishers
Martina	Vojtěchovská	Lecturer	Metropolitan University in Prague
Helena	Chaloupková	Lecturer, lawyer	College of International and Public Relations
Todd	Nesbitt	Department Chair	University of New York in Prague
Tomáš	Samek	Council Member	Czech Television Broadcasting Member



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