

Portuguese media: new forms of concentration*

Helena Sousa
Universidade do Minho

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1 Introduction

Recent political and economic developments led to substantial changes in the Portuguese media market. In the last six years, multi-media groups have defined their strategies to get the most out of the privatisation of state controlled newspapers, the allocation of local and regional radio frequencies, and the opening up of two TV channels to private ownership. These market opportunities have had significant implications in the concentration pattern of the Portuguese media. Although there has been less pluralism in the

past, the present levels of concentration of ownership, and especially of control, are still undesirable.

The media are disseminators of particularly sensitive commodities: information, ideas, opinions. Power over the media should not be limited to a small group of individual or institutional actors. In a democratic society, no one should have excessive power, since it might be used in one's benefit at the expense of the general public. Because of the political and sociological relevance of the media commodity, levels of concentration which can be admitted in other economic activities, should not be accepted in this particular one.

In fact, ownership has an impact on media content and it has an impact on people's perception of the reality. Media ownership in Portugal, for instance, has almost invariably implied editorial control. Media effects research is moving away from preoccupation with attitude and opinion change towards an emphasis on the contributions of the media to the formation of frameworks through which people regard political events and debates (Blumler and Gurevitch, 1982:262). In Western societies, the media may no longer be able to tell people what to think, but they

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certainly play a role in terms of telling people what to think about.

Hence, if in democratic societies, people are truly expected to make fundamental political choices, this industry does require a special treatment by governments and public authorities. If citizens remain ill-equipped to make their own decisions, political freedom does not fully exist. In general terms, if one expects pluralism from the media, diversity of ownership and control should be stimulated not curbed.

Although there is an economic rationale for media expansion and multi-media strategies, it is likely that in the Portuguese case it has not been the main consideration for the recent development of media groups. A merely economic approach to media concentration stresses the financial advantages of expanding media companies and does not see significant conflict between concentration of ownership and control of media contents. This economically oriented view points out the need for economies of scale and scope in cultural industries as, due to the specific characteristics of the media products, small companies have difficulties in succeeding.

In this paper we will argue that if the Portuguese case is to be fully understood, economic arguments are far from sufficient. Media ownership and control is directly related with political and societal power. Media concentration has been, first of all, a consequence of power seeking, although economic considerations may have also played a role. This analysis will try to demonstrate that political decisions for the media take into consideration the ability of decision-makers to exercise power over those media and that the groups which succeed in entering the media market have to carefully han-

dle their own usage of power in line with governmental covert or overt goals. The electronic media, in particular, have always been considered too important to be left out of governments' control.

2 Brief overview of the portuguese media system

A coherent media system for Portugal would have to conciliate private initiative with planning and strategic thinking from public authorities. Newspapers are easier to set up because they require less equipment than a TV channel for example, and there are no technical constraints to the plurality of titles (terrestrial electronic media are limited by the spectrum scarcity). So, the proliferation of titles may be left to private enterprise, although the acquisition or merger of titles should be carefully legislated and laws should be implemented. Contrary to most European countries, Portugal does not have anti-monopoly laws and in the recent privatisation process of state owned newspapers (completed in 1991), the government has protected multi-media groups and has favoured concentration. Two highly influential national dailies (Jornal de Notícias and Diário de Notícias), for example, were sold to the media group Lusomundo.

The two newspapers alone represent 42.3% of the circulation of all dailies (Expresso, 27 March 1993:A12). In terms of the press, no attention is paid to what is happening at the regional and local level. Political power, in Portugal, has traditionally been highly centralised which has been partly cause and consequence of enormous regional asymmetries between the coast and the

interior. Public authorities have had no policy to cope with human desertification and poverty in the rural areas of the interior. So, regional and local press is of very poor quality with almost no professional journalists and, generally, it suffers from severe financial difficulties. Most of these newspapers are owned by the Catholic Church (around 400) and, in many cases, the news are edited and written by a few amateur contributors. Diversity of ownership is not only desirable at national level. Local communities would be better off if more than one source of information was available and if these sources were differently owned. In the radio sector, there has been a tradition of duopoly between the Catholic Church and the State. The government station Emissora Nacional (EN) and the Catholic Radio Renascença (RR) began their regular broadcasts from Lisbon in the 1930's. After the 1974 revolution, their hegemony has been further reinforced: EN was renamed Rádio-difusão Portuguesa (RDP) and has added to its network four newly nationalised radio stations; in frequencies. The duopoly survived untouched up to the 1980's when a boom of illegal local and regional radio stations swept the country. The government, unable to lead the decentralisation process, was forced to act. The re-organisation of the radio spectrum was inevitable but not before RR and RDP could develop their strategies to face up to the new regional and local radios. In 1985, the government allocated new frequencies to RR and RDP (Mesquita, 1987: 57). Three years later, 310 local frequencies were attributed and short after two regional ones were also allocated. No national frequencies were attributed, so RR and RDP did not have to face much competition and indeed they ma-

naged to maintain their supremacy over the radio scenario. The Church has 31,9% of the total radio audience and the State has 28,3% (Expresso, 27 March 1993:A12).

If the government expected to give voice to local communities, it could not have failed more deeply. From the 310 licensed local stations, less than half are still broadcasting (some never opened, others have bankrupted), and it is estimated that not even one third are operating according to local radio guidelines (many are merely re-broadcasting programmes from national stations) (Público, 23 January 1994:3). The situation of local radio suggests that too many local frequencies were allocated to the interior where there would be neither professional skills nor advertising revenues to keep these projects alive. Regional stations were more likely to survive. Yet the only two allocated by the government have already switched hands and are now far from their original projects.

More than any other media, television has been under direct control of successive governments. Since it started in the 1956, it has been very conservative and careful not to cause any embarrassment to the Salazar regime. Nevertheless, it was only in the late 1960's that Salazar's successor, Marcello Caetano, started using it as an instrument of active propaganda to keep the regime afloat. After the revolution, the Rádio Televisão Portuguesa (RTP), which had at that time two channels, was nationalised and like most media it fell into the hands of leftist politicians. Since those days, all governments (from the left or centre-right) have tended to confuse public broadcasting with their own TV stations. Indeed, since 1974 'the eleven seats on the board of go-

vernors and the 20 director posts at RTP and RDP have been held by 80 and 130 different people respectively, whose qualifications for the job were considered less important than their party membership cards' (Op-tenhögel, 1986:243).

In spite of the pressure against the public monopoly throughout the 1980s, it was only in June 1989 that a constitutional change allowed private TV broadcasting in Portugal. Two commercial channels have since been allocated: one to a company mainly controlled by the Catholic Church (TVI - *Televisão Independente*) and another to the media group of the former Prime-Minister Pinto Balsemão (SIC - *Sociedade Independente de Comunicação*). These channels have a considerable number of shareholders but the decision-making process is exercised by a few senior figures. The State is the only entity actually owning more than one TV channel which would not be so problematic if relative editorial and financial independence could be achieved.

3 Development of media concentration in Portugal

In terms of media concentration in Portugal, three very distinctive stages can be identified: before the 1974 coup d'état when most newspapers were in the hands of economic groups close to the Salazar rightist dictatorship; after the revolution when, under leftist influence, almost all media were nationalised, and finally since the mid-1980's when political and economic circumstances have changed dramatically and a new scenario of media concentration has developed.

Unlike the German Nazism and the Ita-

lian Fascism, the Portuguese authoritarian leaders were more concerned with preventing opposing ideas coming to the fore than with the diffusion of a new ideology. Censorship was an important instrument of 'pacification' since the beginning of the *Estado Novo*, but - up until the 1960's - newspapers, radio and television were not perceived as important political tools to promote ideas and values. Most newspapers were family businesses, often underfunded, and with very low or non-existent profits.

It was during the 1960's that some sort of media concentration became increasingly clear. At that time, very important changes were taking place internally and externally: economic groups were increasing their size and power; liberation wars broke up in Guinea-Bissau, Angola and Mozambique; and Portugal was being progressively ostracised by the International Community because of its authoritarian nature and because of its colonial policy. Hence, the government started to invest in public media (television and radio) and the most important economic groups were encouraged to buy newspapers and magazines. By the late 1960's, 'newspapers started to be regarded as ideological instruments which could be useful for opinion-makers in the hot debate about the future of Portugal' (Agee and Traquina, 1984:33).

Immediately before the 1974 revolution, the most important press was controlled by economic groups which owned banks or were linked to banking activities. This was the type of ownership of the most important newspapers:

- O Século, O Século Ilustrado, Vida Mundial belonged to Sociedade Nacional de Tipografia which was bought by a bank (Banco Internacional Português).
- Diário de Notícias, Mundo Desportivo and the main part of Jornal de Notícias belonged to the Empresa Nacional de Publicidade which was property of Companhia Portugal e Colónias whose majority of the capital belonged to the bank Caixa Geral de Depósitos.
- Diário Popular, Jornal do Comércio, Comércio do Porto, Record belonged to the group Banco Borges & Irmão, another bank.
- Diário de Lisboa had five major shareholders but it was surviving with very substantial loans from Banco Pinto e Sotto Mayor.
- A Capital belonged to several companies, among them the Banco Espírito e Comercial de Lisboa, CUF, Tabaqueira, Sorel, etc.
- O Primeiro de Janeiro was, at that time, still in the hands of a family (Pinto de Azevedo), but it was known to have close links with the Banco Borges & Irmão group (Carvalho, 1973: 173-175).

The massive ownership of newspapers by banks (and their economic groups) was not an economic but a political strategy. Newspapers were not a good business because of their limited circulation (high level of illiteracy was one of the reasons) and because the advertising revenues were very low. They were important however to obtain political

benefits. 'A newspaper was an important trump card for any company dependent on a privileged relationship with the government' (Agee and Traquina, 1984: 34).

After the 1974 coup d'état, enormous changes took place in the ownership pattern of the media. Under strong leftist influence, important sectors of the economy were nationalised (banking, insurance, etc.), and consequently newspapers, which were owned by banks, became the property of the state, and in most cases controlled by the government. Direct censorship was abolished and freedom of the press was legally guaranteed. Still, television was kept under the direct control of the new government, national radios were either the property of the Catholic Church or of the State and the most important newspapers were nationalised. Antimonopoly laws were never passed. The possibility of private monopolies disappeared with the nationalisation of the main newspapers (Mesquita, 1987: 6). The 1976 Constitution dedicates several articles to the media. All possible forms of censorship were to be avoided; freedom of the press was understood as a basic value, and it was also guaranteed that anyone had the right to set up newspapers or other publications. This latter guarantee was not extended to other media. Indeed, the state's exclusive control over television and its control over other media did not help to attract much private interest or investments in the sector. This situation was only to change in the late 1980's with intensification of the debate about private commercial television and with the government privatisation programme which included all public sector newspapers and a radio station (Rádio Comercial).

Indeed, due to external and internal pres-

sure, the present Social Democrat government was forced to realise that liberalisation and privatisation were inevitable. Nevertheless, there was a belief that political damage could be minimised if the most important media were in 'safe' hands. Even if the two new TV channels, for example, are not direct products from the government, it is likely they would avoid direct confrontation with the political establishment. After all, in addition to their political and ideological motivations, their economic viability depends on government recognition that there is not enough advertising revenue for four TV channels and on its will to re-organise the financial sources of the existing channels.

In Portuguese recent history, this is the second time that a government has had to open up the media and pick winners. In a different context, in the 1970's, Marcello Caetano hoped to keep power over the media if economic groups close to the regime owned them. So, as the country was supposedly opening up and censorship was bound to be abolished, Caetano urged economic groups to buy out newspapers.

In general terms, up to the 1980's, media pluralism in Portugal was very limited. The State, the main actor responsible for the concentration strategy, has indeed used the media to its own benefit at the expense of the general public's interest. In fact, from concentration of ownership and/or control, a limited level of diversity should be expected. And, as Bagdikian puts it, 'history tells us that potential power must be regarded as real power' (1978:10).

4 Media groups and recent policies

There are general reasons which have recently accelerated media concentration (e.g.. liberalisation and privatisation) but these political and economic developments cannot be perceived as isolated from the political process itself and its inherent struggle for power among decision makers and pressure groups. Ideological, political and economic ideas do cross national boundaries but they are interpreted and used quite differently from country to country, according to the main interests of those in power and of those who wish to pressure power.

In Portugal, media companies, media operators, TV producers and manufacturers, consumer groups, trade unions and governments have developed their own strategies to alter the market for their own benefit. But, because of the lack of pluralism in the decision-making process, the main features of the new media scenario have been shaped by a few senior politicians and by several groups or actors already involved in the media such as the Catholic Church, Lusomundo and the Balsemão Group. These actors, as pressure groups, have successfully lobbied to determine the outcome that best suited their interests. Other groups were too weak to have any significant impact in the determination of political output.

It was especially in the late 1980's and early 1990's, that the Social Democrat government (with a majority since 1986) has created a new environment of opportunities for those willing to invest in the media:

1. Privatization of state controlled newspapers

The two most important state owned and controlled newspapers were privatised. The government has been following a wide privatisation programme and there were no grounds to justify the maintenance of *Jornal de Notícias* and *Diário de Notícias* under state control. The government was in a dilemma between the perceived need to control those newspapers and the ideological and political belief in privatisation of state's property. In a very controversial process, both were sold to Lusomundo, one of the most important multi-media groups in Portugal, perceived as having close links with the government.

2. Attribution of frequencies to regional and local radios

The RR and RDP duopoly has been disputed for a long time. As early as 1976 there were calls for the legalisation of local and regional radio stations. Although the successive governments were never too keen on it, in the mid-1980's there were so many illegal radio stations operating that the government could no longer ignore that reality. Nevertheless, it was only in 1989 that 310 local frequencies were allocated. In the following year, two regional frequencies were attributed: one went to *Rádio Press*, part of the Lusomundo group and the other to *Correia da Manhã Rádio* which belonged to the Carlos Barbosa group.

3. Two TV channels were open up to private owners

The opening up of TV channels to private ownership has been on the political agenda throughout the 1980's. Many groups have shown interest but only three have bid for the two TV channels which would be set up to add to the existing ones: *Canal1* and *TV2*. One channel was given to the Catholic Church which has a long tradition of being involved in the media; the other went to the former Prime Minister, *Pinto Balsemão*, who is an historic member of the Social Democrat party and has had interests in the media since the 1970's.

4. Liberalisation of telecommunications

The liberalisation of telecommunications is having some implications in the way media groups are defining their strategies. The Church TV channel, for example, chose to set up its own terrestrial network, hoping to use it in the near future for telecommunications services. Lusomundo, although it did not bid for any terrestrial TV has also already expressed its intention to go into cable TV.

5. The economic boom

In addition to political developments, the economic factor had a big impact for those interested in investing in the media. Since the mid-1980's there was an economic boom in Portugal, that being the main reason for a substantial rise in advertising revenue which has increased, in total, from around £52 million in 1986 (year of Portugal's entry to the

EC) to around £400 million currently.¹ This aspect is particularly relevant for the Portuguese media groups because they are entirely dependent on the national market. They do not invest abroad and their products are almost exclusively to the domestic market. Very few Portuguese movies or broadcasting programmes are seen outside the country and only a few newspapers reach emigrant communities abroad or other Portuguese speaking countries. Nevertheless, since the late 1980's there has been, for the first time, foreign capital in the Portuguese media. These investments however have not been significant because, in spite of the boom, the market is not very attractive and also because of legal restrictions to foreign investments in national media companies.

It was in this new political and economic framework that media groups and other economic groups started to develop their so-called multi-media strategies. In order to analyse these groups we will divide them into three major sets: the historical actors, those involved in the media since the early days (the State and the Catholic Church); the established groups, those somehow involved in the media since the 1970's (Controljornal, Presslivre, Projornal) and even since the 1950's (Lusomundo); and the newcomers, those who have invested in the media, for the first time, during the 1980's and/or 1990's (Sonae, Emaudio,

FNAC, PEI, among others). Generally, the newcomers had little success in their multi-media strategies. Historical and established groups have overtaken economic and, particularly, political obstacles more efficiently.

The State has been traditionally the main actor in the media arena, not only regulating but also owning and controlling the media itself. This control has happened throughout the dictatorship, immediately after its end and even now. At this stage, the State owns two TV channels and the radio station RDP. The government now realizes that there is no political or economic rationale to justify the ownership of more than these media. Hence, if it wants to maintain a certain degree of control over other media, a more subtle approach is likely to be used.

The other historical actor in the media is the Catholic Church. It owns since the 1930's the most important radio station, Rádio Renascença, which has nowadays more than 30% of the total radio audience in Portugal. In addition to the national RR, the church still has 17 regional and 26 local radio stations (Expresso, 10 December 1993:A16). If RR is the cornerstone of the Catholic Church media, the new national TV channel (TVI), which started broadcasting on the 20 February 1993, is certainly the most challenging project it is faced with. With this new acquisition, adding to the already very important radio network, its power is clearly increasing. Although the Church does not have any national newspaper, its power

¹These figures were estimated, considering data from Sabatina and the opinion of several experts on the field.

is also relevant in the printing industry: it owns or control hundreds of local and regional newspapers and there are 34 so-called 'catholic' printing houses (Ibid.). There has been scattered news saying that the Church would like to see its activities further expand with the creation of a national newspaper and a news agency.

Although there is no single media strategy within the Church, there is a general view that its moral principles should be expressed in the Portuguese society, once more than 90% of population is Catholic. According to Magalhães Crespo, head of RR, in an interview to the weekly *Expresso* (19 December 1993:A16), it is vital that a multi-media group of Christian inspiration is set up. This urge to expand Catholic values in the society is also related to the fact that other media groups are gaining 'enormous influence among the public opinion', says Magalhães Crespo (Ibid.). Although RR has been a very profitable radio network, the Church is more concerned with its influence in the Portuguese society than with the economic aspect of this venture. Indeed, if the Church was operating merely with economic goals, it would never have invested in a TV channel, when it was well known that - due to lack of advertising revenue - there would be no resources to support four national TV channels financed exclusively by advertising (the license fee was abolished by the present Social Democrat government without public consultation or debate). The three media groups set up in the 1970's all

started with the launching of a newspaper. Lusomundo had started as a small company two decades before in a quite different context. Nevertheless, the four groups only had opportunities to fully develop in the late 1980's.

The Controjornal group, whose figurehead is the former prime minister Pinto Balsemão, has started with the very successful weekly *Expresso* and has been consolidating its position. In addition to *Expresso*, it owns a daily newspaper (*Capital*) and several specialised magazines. It has also a solid position in the printing industry. Its most important recent acquisition is one national TV channel (SIC) which started broadcasting on 6 October 1992. Balsemão's group has been perceived as having good quality media products, SIC's programming being a clear exception. Because of lack of resources, SIC has a very populist programming with Brazilian soap operas and soft-porn shows in prime-time.

As there is no economic rationale to set up a new national TV channel under the present conditions, there has been speculation about Balsemão's keenness to control a TV channel. Pinto Balsemão has allegedly retired from political life, but he has never denied his intention to run for the presidency in the next elections. Although he has been saying that it is too early to decide on this issue, he has been constantly in the public eye. But, up to now, SIC's journalistic programmes have not been openly promoting Balsemão as a presidential candi-

date, as has happened in Italy with Berlusconi's TV channels.

Differently from Balsemão's group, Presslivre - whose head is Carlos Barbosa - traditionally has had less quality products. The first newspaper of the group, *Correio da Manhã*, set up in 1979, is sensationalist but very successful financially. The group later moved to magazines (*Marie Claire* is the most important) and has recently bought the national station *Rádio Comercial* (formerly part of the RDP network) which is in the process of being amalgamated with their regional radio station *Correio da Manhã Rádio*.

Projornal started in 1975 with the weekly newspaper *O Jornal* which has now been converted into a weekly magazine, *Visão*. This group, headed by Silva Pinto, has expanded towards up-market publications like *Jornal de Letras* (covers literature and arts) *História* (monthly publication on history issues) and *Sete* (entertainment weekly newspaper). Its only down market publication is *Tal e Qual*, a sensationalist weekly. In addition to publishing, *Projornal* has also invested in a very successful news radio station, *TSF Rádio Jornal*.

Lusomundo started with film distribution and has later expanded into exhibition, and real estate. Now it has a dominant position in cinema distribution and exhibition sectors in Portugal. It also controls two of the five major daily newspapers (*Jornal de Notícias* and *Diário de Notícias*) and has a strong position in the printing industry. During the allocation of regional radio sta-

tions, *Lusomundo* has successfully bid for the Northern frequency which has already been absorbed by *TSF Rádio Jornal*, where *Lusomundo* got a solid position in March 1993. Although this group was not too keen in making investments in terrestrial television, the head of the group, Luís Silva, has revealed in an interview to *Diário de Notícias* that Cable TV would eventually be 'more interesting' (8 March 1993:8).

From the newcomers, the most important actor is *Sonae*, one of the most successful economic groups in Portugal. Moving away from its core business (supermarket chains), in 1990 *Sonae* has made an important investment in setting up what has turned out to be the best daily newspaper in the country, *Público*. *Sonae* also owns a very professional local radio in Oporto, *Rádio Nova*, but the group did not succeed in getting a regional radio license (which was granted to *Lusomundo*) and had complained about political discrimination. *Sonae* decided not to make further investments in the media. Even given that *Público* is not a profitable project, *Sonae* can be said to be relatively successful in its media investments, if compared with other groups like *FNAC*, *Emaudio*, *PEI* and *AFINCO*. *FNAC*, for example, launched a daily (*Europeu*) which lasted only a few months (Traquina, 1990:4-5). *Emaudio* has failed in almost all its projects and due to a political scandal, it has broken up; *PEI* has launched publications which have failed miserably like the weekly *O Liberal*; *AFINCO*'s publications (e.g.. *A*

Tarde and Vida Mundial) have also ceased publication (Ibid.). These facts strongly suggest that newcomers were less successful in their media or multimedia strategies than historical or established actors. Indeed the actors/groups which have expanded most in recent times have been the Catholic Church, the Balsemão group and Lusomundo.

5 Conclusion: the rationale for concentration

Taking purely economic arguments, it is generally accepted that there is a rationale for media concentration. Economies of scale in the media industries can be very attractive because, unlike manufacturing industries, almost all costs are prototype costs. 'In one sense this means a programme, performance or book can be copied many thousands of times. The only input is the video cassette, tape or paper not the whole range of inputs necessary to make the programme, performance or book. In another sense additional customers are served in television broadcasting instantaneously by the act of transmission. In both senses the initial or first copy costs have no relation to the costs of the second copy' (Locksley, 1988:143). Once the reproduction costs are very low, there is a strong incentive to expand the markets.

Economies of scope are another important strategy to maximise revenues and are usually understood as the re-use of the same product in a different form or segmented to a sub-market. A movie that does well at box office might be a good example of the 'cascade strategy'. 'Typically a film will start on its home market, usually the US, before en-

tering foreign theatre showings. After first showings it will enter at a time appropriate to the financial opportunities in the order: US pay cable television; network television; foreign television and television syndication' (Locksley, 1988:126).

The exploitation of associate products might also be profitable. Frequently, successful television series cross over to the best selling book lists, TV games become home games and theme music enters the hit parade. Hence, economies of scale and scope have significant implications in the structure of the industry because to take advantage of economies of scope companies must have access to all the appropriate sub-markets. Small firms are bound to face greater difficulties in this race.

Behind this economic rationale, there is the assumption that companies would be better off if synergies were used. However, getting the most out of mergers and acquisitions has not proved as easy as it sounds. 'One reason is simply that the people who come from different companies, with different approaches, have no experience working together and thinking about projects that can help other parts of the firm as well. Even more of a problem, perhaps, is the difficulty of knowing how far to go with the strategy' (Turow, 1992:689). Synergies are clearly difficult to put in practice, although many media companies, operating in the international market, use them to great advantage. The economic advantages for concentration might be very real.

The difficulty about applying this economic rationale to the Portuguese case is that none of the national media groups have substantially invested outside the country and economies of scale and/or scope are almost

impossible within a small country with very limited media consumption. From all Portuguese media groups, Lusomundo was the only group which has achieved, in practice, some advantages from its cross-media strategy: instead of producing two Sunday magazines, it has decided to publish the same (Notícias Magazine) in both *Jornal de Notícias* and *Diário de Notícias*, and it has been using both newspapers to advertise movies and videos distributed and often exhibited by the group.

In most cases, different media within the same group have very distinctive strategies with no management or professional links between them (e.g.. Sonae's *Público* and *Rádio Nova*). Furthermore, in some cases, it is even likely that one company in the same group is actually making life more difficult for the other. The two new TV channels, for instance, are reported to sell advertising slots so cheaply that they find themselves competing directly for advertising revenues with media companies of their own group. In fact, although multimedia strategies and synergies have been used to justify mergers and acquisitions, there is no strong economic rationale to explain the expansion of some media groups.

In Portugal, both in the past and in the present, owning media companies has been a very effective way of enhancing group or personal political power. This does not necessarily mean that companies do not make economic judgements, but that they balance the economic aspects with the political and societal influence that it is supposed to bring. This partly explains why a loss-making media company is often maintained for longer than another loss-making company in a different sector. Moreover, it also partly ex-

plains why some groups or actors are prepared to invest, in the first place, in non-profitable projects like the new TV channels. Actors like the Church or the Balsemão Group clearly want to heighten their ideological/political power.

These two actors plus Lusomundo were allowed to expand almost without political (and legal) obstacles. The Church had claimed, for a long time, that it would like to run a TV channel and the Social Democrat government understood this claim as an inevitable reality. For the government, no benefits would come from a clash with the Catholic Church, in a country where more than 90% of the population is catholic. Similarly, it was also politically inevitable that the Balsemão Group would get a TV license. He was one of the founders of the Social Democrat party, he was already involved in the media, and he had been interested in adding a TV channel to his media group for a long time. Groups which have studied the possibility of applying for a TV licence, like Sonae, realised that once only two would be attributed, their chances of winning were very slim indeed. Winners in this race were historical and established actors.

One of the reasons why newcomers did not succeed in their multi-media strategies is related to their lack of know-how about the political decision-making process and their inability to lobby the government with efficiency. Main media policies are very centralised and taken at very high level (Prime Minister with the assistance of a few Secretaries of State and ministers). This means that those who do not have privileged access to these public figures, have very limited possibilities of getting things their way. In addition, predictability is a very convenient poli-

tical tool and the government is more aware of what can be expected from historical and established media actors than it is from newcomers.

Nowadays it cannot be said that the government controls directly any media group or the public media. There is also no attempt from media groups to openly define a strategy to determine people's political opinions or attitudes. It is recognised that overt moves to control media content would have a backlash effect. And this would certainly be the least effective way of exercising power. What is more likely to be effective, from the governments' point of view, is shaping people's perceptions and preferences in such a way that they accept their role in the existing order of things. Many people accept the existing order of things if they take it as natural or unchangeable, or if they cannot see an alternative to it (Lukes, 1974).

Although diversity in itself is not a guarantee of politically informed citizens, it is clear that diversified sources of information are likely to provide a more comprehensive understanding of political life. In a country with low media consumption and where political control has for so long determined the shape of communications, political and ideological influence is bound to be an extremely important goal for media groups. Hence, if concentration cannot be avoided, it should at least be kept under close scrutiny.

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