Keeping up Appearances: Regulating Media Diversity in Portugal

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***Abstract** / Since the abolition of the 50-years old authoritarian regime in Portugal in the mid-1970s, political discourses and legal texts have incorporated media diversity as a fundamental democratic value. The 1976 Constitution prohibited cross-media concentration and subsequent media legislation contemplated pluralism as a vital societal dimension. This recognition however has always been expressed in vague and inoperative terms as no government has ever had a real interest in preventing concentration of media ownership and in guaranteeing broadcasting content diversity. In an ever fragile political environment, governments have either promoted 'friendly' media groups or, fearing adverse reaction, abstained to act against the perceived interests of the established ones. Taking advantage of the smallness of the country, media owners have efficiently argued that scale was necessary to maintain the media in national hands, and that concentration in itself was a guarantee of media content diversity. The 'foreign enemy' argument has served both the interests of successive governments and domestic multimedia groups.*

The Country and Its Media

Despite the difficulty in conceptualizing smallness, Portugal can be seen as a small state both in relational and absolute terms, to use Geser's terminology (1992). Once the relational approach defines smallness in relation to bigger and more powerful countries, Portugal is relatively small if compared, for example, with two neighbour European countries (Spain and France). The absolute approach looks at the country's characteristics and the size of the population has been understood as a fundamental indicator. According to Pelinka (2005), the

term small state could be used for countries with a minimum of 100.000 and a maximum of 18 million inhabitants. With 10.5 million inhabitants and covering 92,028 km², Portugal can be seen as a typical small state.

Portugal has close economic, political and cultural links with its next-door neighbour, Spain, and with its former colonies and territories such as Brazil, Angola, Mozambique, Guinea-Bissau, Cape Verde, S. Tomé and Príncipe, East-Timor and Macau. Portuguese is the official language of the country. In the Northeast, there is nevertheless a small community (around 7.000 people) speaking Portuguese and *Mirandês*, a Romanic language recognized by the Portuguese state (Sousa, 2003). There are naturally non-Portuguese speakers in the country, namely foreigners and immigrants, but the media and the state have not given particular attention to their linguistic specificities as Portugal is perceived as being homogeneous in linguistic terms.

In the broadcasting sector, the public service television, *Rádiatelevisão Portuguesa* (now *Rádio e Televisão Portuguesa*, RTP), was the unique television broadcasting company up until 1992. As a result of the break-up of RTP's monopoly, there are now four national terrestrial TV channels: two public service channels (RTP 1 and RTP 2) and two commercial channels (*Sociedade Independente de Comunicação*, SIC, and *Televisão Independente*, TVI), and two public service regional channels (one to The Azores and another one to Madeira). In addition to international TV channels (e.g. *RTP Internacional*, *RTP África*, *SIC Internacional*), presently RTP and other media groups produce content and run thematic cable channels such as *RTP-N*, *RTP Memória*, *Sport TV*, *SIC Notícias*, *SIC Radical* and *SIC Mulher*.

Although the RTP's monopoly was only broken up in the early 1990s, throughout the 1980s the most affluent were able to buy satellite dishes and to receive dozens of foreign language television channels mainly from Eutelsat and Astra satellites. For a decade, satellite

television has been a way of circumventing the RTP's monopoly, providing the political and economic elites with alternative sources of international news and entertainment. Comparing with other European countries, cable television has also expanded quite late. The 1990 Television Act (Law n° 58/1990) stated that specific legislation was needed for the cable TV subsector. A decree-law (n° 292/1991) was approved in the following year but only three years later did the government attribute licenses for companies to start operating. The decree-law allowed operators to distribute third party transmissions, 'simultaneously and entirely' so no nationally-based advertising could be introduced and no domestic channels could be provided. By early 1995, the government issued licenses to three companies: *TV Cabo Portugal*, *Bragatel* and *Multicanal* (Instituto das Comunicações de Portugal, 1995: 34). In 1998, the Television Act was reviewed in order to allow domestic cable channels. Following this disposition, two channels, Sport TV and CNL (latter bought by the generalist television SIC and renamed *SIC Notícias*), started to operate this same year.

The launching of Digital Television has been problematical due to technological and business model uncertainties. In 2001, the government has attributed one single license to the consortium *Plataforma de Televisão Digital Portuguesa* (PTDP) but the project did not take off and in 2003 the license was revoked. Recently the process gained a new lease of life. The public consultation process has terminated on 15 October 2007 and a new tender is expected to get underway soon.

The present-day configuration of the media system in general and the broadcasting sector in particular is strictly interconnected with the development of multimedia groups in the country. With the opening up of television to the private sector and the privatization of state media property in the late 1980s and early 1990s, new media groups have joined traditional ones such as the Catholic Church and Impresa (formerly Controljornal). By the mid-1990s, Sousa (1994) has divided the existing media groups into three major sets: *the historical*

actors, those involved in the media since the 1930s (the State and the Catholic Church); *the established groups*, those somehow involved in the media since the 1970s (Controljornal, Presslivre, Projornal) and even since the 1950s (Lusomundo); and *the newcomers*, those who have invested in the media, for the first time, during the 1980s and/or 1990s (Sonae, Emaudio, SOCI, FNAC, PEI, among others).

This design has changed very significantly over the last decade. The state and the Catholic Church have lost media property (through privatization and selling off), and therefore political and societal power. The Catholic Church has nevertheless maintained two important assets: *Rádio Renascença*, the most important national radio station and several hundred regional newspapers. Putting the State and the Church aside, the most important media groups in Portugal are now: PT Multimedia, formerly part of the biggest Portuguese company Portugal Telecom; Impresa, led by the former Prime Minister Pinto Balsemão; Media Capital, controlled by the Spanish media group Prisa; Controlinveste, run by the Oliveira family, and Cofina whose figurehead is Paulo Fernandes. PT Multimedia is the dominant actor in the cable subsector (through TV Cabo Portugal) and it is very strong in film distribution, internet and telecommunication services. Impresa and Media Capital have grounded their cross-media strategies around the national terrestrial television channels, SIC and TVI, respectively (TVI was initially attributed to the Catholic Church but it was sold to Media Capital in 1997). The Controlinveste group has the most reputable news radio, TSF, newspapers and magazines, companies that it has aggregated to its former assets (Sport TV, a sports newspaper and a company dealing with sports transmission rights). In 2005, Controlinveste has bought two of the most important quality newspapers in the country: *Jornal de Notícias* and *Diário de Notícias* (formerly part of the Lusomundo group). Lastly, Cofina concentrated its activities in the newspaper and magazines market (Entidade Reguladora para a Comunicação Social, 2007a; Silva, 2004).

Regulating Diversity

Ownership

In the aftermath of the 1974 democratic revolution, the 1975 Press Law limited foreign capital in Portuguese companies to 10 % and the 1976 Constitution prohibited concentration of ownership and cross-media ownership. However, in spite of the progressive constitutional text and the legal limitation of foreign capital, no specific ownership regulation was produced in order to effectively guarantee the implementation of the constitutional pluralist principle.

Indeed, up until the late 1980s ownership regulation would have been useless anyway because the post-revolution leftist authorities have nationalized almost all important domestic media. Three days after the leftist coup of 15 March 1975, vital sectors of the economy such as banking and insurance were nationalized. Because many leading newspapers were owned by strong economic groups and banks, they became state property. The nationalization of the press was never explained as a political option. 'It was presented as an indirect consequence of the nationalization of the banking sector' (Mesquita, 1994: 368).

Significantly, the nationalization process was not reversed with the removal of the communist Prime Minister, Vasco Gonçalves, in November 1975. The 'moderate' VI provisional government even increased the state's media ownership. With the exception of the Catholic Church's *Rádio Renascença* (RR), radio was nationalized. The newly created national radio company was called *Empresa Pública de Rádiodifusão* (EPR) and later re-named *Rádiodifusão Portuguesa* (RDP). RDP and RR came to be known as the radio duopoly which remained untouched until the explosion of illegal radio stations in the mid-1980s. The

television company RTP (*Rádiatelevisão Portuguesa*) which had been managed directly by the government since the coup was also nationalized by late 1975 and established as a public company. The RTP monopoly only ended with the opening up of TV channels to private initiative in the early 1990s. What is noteworthy about this media structure is that laws drawn up during an exceptional period shaped the media until the late 1980s. For a quite long period, cross-media ownership was the rule but the sole dominant actor was the state.

Since the late 1980s, political and economic circumstances have changed considerably and a new highly evolving media concentration scenario has emerged. In 1987, one year after Portugal joined the EEC, the first majority government (led by Cavaco Silva) was elected since the 1974 revolution. At that time, the country's economy was booming that being the main reason for a substantial rise in advertising revenue. Relatively unconstrained newspapers such as *O Independente* and *Público* were set up and their existence seriously impaired the government's ability to suppress politically damaging material. In this context, the climate of opinion was turning against the concentration of the media in the state's hands and the two Cavaco Silva's majority governments (1987--1995) undertook the most comprehensive changes in the media structure since 1974/75.

The first set of measures directly related to the structure of the media concerned the re-organization of the radio broadcasting sector. By the mid-1980s there were so many illegal radio stations operating that the government could no longer ignore it. Still, 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 (Presslivre). In 1991, the two most important state-owned and controlled newspapers were privatized: *Jornal de Notícias* and *Diário de Notícias*. The government was in a dilemma between the perceived need to control those newspapers and the ideological and political belief in privatization. In a

controversial process, both were bought by *Lusomundo*, one of the most important multimedia groups in Portugal, perceived --- at the time --- as having close links with the government.

The opening up of TV channels to private ownership has been on the political agenda throughout the 1980s and several media groups have shown interest. Following an highly intricate political process, on the 6 February 1992 the Cabinet publicly announced the winners: SIC, led by the former Prime Minister Francisco Pinto Balsemão, got the third national license and TVI, controlled by the Catholic Church, was attributed the fourth license. These structural changes have created unprecedented conditions for concentration.

With António Guterres as prime minister (1995--2002), a new set of sectorial media legislation covering the press, radio and television was approved but no particular concern regarding media concentration is observable. The Press Law (Law n° 2/1999) stated that citizens have the right to be informed and this right is guaranteed through measures that prevent harmful levels of concentration (article 2(2)(a)). However, without quantitative limits on ownership or any reference to foreign capital, this law reveals a vague conception of source diversity and could not be effective. Indeed, in recent Portuguese history, no concentration operation in the press was ever forbidden.

Differently from the Press Law, the Radio Law (Law n° 4/2001) says that one person or company can only own up to five radio stations (article 7(3)). Despite quantitative limits, this law has been circumvented by media groups (Silva, 2004: 159--160). In the television arena, the legal framework has evolved more significantly since the breaking up of RTP's monopoly. Initially, the 1990 Television Law (Law n.º 58/1990) said that no individual or company could own more than 25 % of the capital of one of the two new commercial channels and could not be involved in more than one national channel (article 9(2)). In 1998, a new The Television Law (Law n° 31-A/1998) removed these dispositions and the subsequent Television Law of 2003 (Law n° 32/2003) only considered qualitative and

horizontal limitations. In article 4(3), it is said that horizontal concentration is to be supervised by the Competition Council (*Conselho da Concorrência*) and communicated to the Media Authority (at the time, *Alta Autoridade para a Comunicação Social*, AACCS). The AACCS had the responsibility to prepare a binding statement that can only be negative if confirmedly free expression and the confrontation of diverse opinions are at stake. In such a sensitive matter and without firm guidelines, how could possibly the AACCS state that a certain level of media ownership concentration *confirmedly* puts at stake free expression?

The most recent Television Law (Law nº 27/2007), prepared by the present-day socialist government (in power since 2005), is even more complacent regarding concentration. It merely states that the general regime of competition is applicable to television operators and distributors, namely in relation to company concentration and ownership transparency. If the 2003 TV law did not provide any operative tools to decide on acceptable levels of concentration, the present TV law has eliminated the qualitative argument against concentration: the protection of pluralism and diversity, considering only the economic perspective (article 4). In all these legislative acts, vertical integration in the sector, an important dimension to ensure pluralism, was never considered.

In fact, the opening up of the electronic media market created cross-media opportunities and economic groups have organized themselves to acquire state property, to buy existing companies and to launch new media products. In this highly volatile and ever changing media scenario, the legislators have acted as if media concentration should be accepted or even promoted. Source diversity was not high on the agenda and the setting up of multimedia groups was perceived as a natural (even desirable) development. Without an unambiguous concentration law and merely with sectorial legislation, no effective barriers were established to media concentration and the media regulatory bodies find it almost impossible to ensure that media concentration levels do not harm pluralism and diversity.

The current government is, for the very first time, preparing a draft bill on media concentration which is now under public consultation. However, if it is approved, it is highly probable that no substantial changes in the market structure will take place. The government believes that media concentration levels do not deserve special concerns and the draft bill was designed accordingly. The unique objective of this legislation is said to be the promotion of the freedom and pluralism of speech and the safeguard of the editorial independence *vis-à-vis* the political and economic power in a context that, according to the government, is not preoccupying. The legislation is needed, states the draft bill, because the general regime of competition that rules operations of concentration has objectives that are predominantly economic. In any case, the draft bill also argues that defining limits to concentration would benefit the companies because it establishes a more favourable competition framework.

The legal duty to publicize the name of all shareholders of media companies is perceived by the government as a fundamental aspect of the draft bill. This might however be totally irrelevant as this obligation is contemplated in previous legislation and there seems to be no obligation for groups to publish integrated information on their assets (only the shareholders of enterprises). Integrated information could in reality guarantee a global view over the groups and their real dimension. The draft bill also establishes that horizontal limits to concentration are exceeded when one company has more than 50 % audience share in a given relevant market. In case of cross ownership, which is for the first time addressed by a legal text (since the 1976 Constitution), this new draft bill intends to establish limits in the second (to one third of the audience) and in the third (to 16.6 % of the audience) relevant market. If multimedia companies are in such situation, the legislation has the answer to their problem: the selling off of a company or parts of the capital until no shareholder has a dominant position (30 % of the capital) or --- if groups do not wish to change their market structure --- the implementation of public mechanisms that would ensure independence and pluralism,

such as an ombudsman or more independent editorial statutes. The draft bill also addresses the vertical integration, guarantying the access of producers to distribution networks exploited by operators with more than 50 % of the market.

If approved as it stands, the concentration law is bound to be inconsequent in terms of market structure. First of all, because the legislator sees the *status quo* as unproblematic and the draft bill was planned accordingly. Secondly, because the law itself will eventually incorporate the necessary mechanisms to avoid the potential need to alter the market structure such as more independent editorial statutes or the institution of an ombudsman. Lastly, because it is not clear who defines and by which criteria what a relevant market is. The draft bill states that the Competition Authority and the ERC have responsibilities in the matter but who has effectual power to decide what a relevant market is?

Content

Though in a very incipient way, the current government and the Media Authority (*Entidade Reguladora para a Comunicação Social, ERC*) are trying to be in line with the renewed international interest for diversity namely due to the 2005 UN Convention on Cultural Diversity and the Council of Europe's recommendations on the issue. Indeed, up to now, general legal principles regarding pluralism and diversity have had no consequence in the audiovisual scenario. Despite the variety of thematic channels offered by cable companies, the so-called generalist terrestrial television channels ended up with a very limited selection of programmes. As Lopes (2007) demonstrates, in prime-time, entertainment has been the only option for spectators without access to thematic cable channels. Since the opening up of the television market in the early 1990s, private operators were in actual fact allowed to define

their programming strategies according to their business interests. They fiercely fought for audiences in a highly competitive environment and the Media Authority at the time, *Alta Autoridade para a Comunicação Social*, did not have the legal tools and resources (both human and material) to enforce vague pluralist principles.

The original SIC and TVI programming objectives and proposals were soon forgotten as audience maximization became the only rationale for their scheduling policy. This blunt disrespect did not however bring any negative consequences for the television companies. Their 15-year licenses were renewed in 2006 by the newly created Media Authority ERC which has started operating on February 2006 after the extinction of the AACCS. Lacking legitimacy and with little time to address such a complex and politically sensitive issue, the ERC has renewed the SIC and TVI licenses for another 15 years (deliberation 1-L/2006). The renewal was accompanied by the recognition that the generalist television operators did not comply with the law and did not act in accordance with what was proposed in their 1990 candidacy dossiers. According to the ERC, commercial operators did not meet the terms in aspects such as the number of news bulletins; presence of television genres such as interviews, debates, and feature programmes; programming for diverse audiences (e.g. children and young people), and cultural and educational programmes. The simultaneous renewal of commercial channel licenses and the public recognition that they have failed their compromises brought to the fore the impotence of legal tools and implementation mechanisms namely the limitations of media regulatory bodies. The fragility of the situation was recognized by the President of the ERC himself. Confronted with the blunt deviation of TVI's project (firstly controlled by the Catholic Church, latter by Media Capital and now by the Spanish media group Prisa) which could justify the non-renewal of the license, Azeredo Lopes has stated: 'This is true but I cannot change the past' (*Público*, 20 November 2006).

The 2007 Television Law (Law n° 27/2007) addresses this powerlessness and implies that --- in the future --- generalist television channels are expected to do more in terms of diversity if their licenses are to be renewed. At least, it gives the ERC more refined tools to supervise television content and to legitimize any eventual non-renewal of a given license. Amongst other aspects, article 15(4), states that for the purpose of establishing a ranking between different applications submitted to tender the following criteria shall be taken into account: a) the contribution of each projects for the improvement of the television offer, which shall be weighed according to the guarantees of protection of pluralism and independence in relation to political and economic powers; b) the contribution of each project in terms of diversification of the television offer which shall be weighed according to their originality, investment on innovation and creativity, and the guarantee of access rights for minorities and under-represented tendencies. Furthermore, it is clearly expressed that the performance of the television activity depends on the operator's compliance with the conditions of the licensed or authorized project (article 21(1)).

Article 23 of this law was particularly contested by the broadcasting operators because it contemplated that by the end of the 5th and 10th year after their licenses have been granted, the ERC shall prepare and make public a report on the compliance of operators with binding obligations and conditions, issuing due recommendations thereafter. Considering that the report of evaluations shall be taken into account in the future ERC's renewal decision, the operators believe that their programming freedom is at stake and have publicly contested what they perceive as unacceptable constraints. The new television law does not *per se* change the weak media regulatory tradition but, in legal terms at least, the ERC has a renewed force (clearer assessment criteria and legitimizing tools). Commercial channels are expected to take more seriously their social responsibilities in terms of content.

If generalist commercial television channels are supposed to do more in the future, the public service broadcasting operator, RTP, has, according to the socialist executive, special obligations in terms of diversity. For that reason, the government is working on a new contract for the public service concession. Presently under public consultation, the concession contract between the State and RTP is quite detailed in terms of programming diversity paying particular attention to children and young people and to information. Clause 6 states that RTP should provide a wide and varied programming which promotes cultural diversity and takes into account the interests of minorities. It should provide rigorous and plural information, programmes for children and young people and should guarantee cultural, educational and information programming for specific audiences. The unprecedented level of specificity in the contract (ranging from programmes for specific age groups to themes and social actors' differentiation in news bulletins) suggests that the company might be made accountable for its actions. The ERC has also supervising responsibilities and the Parliament is supposed to be regularly informed on the RTP's performance.

In parallel with the government moves, the ERC has also taken interest on diversity or, more concretely on political pluralism. In this sphere, the new media regulatory body believes that the public service television channels have additional obligations. Therefore, in May 2007, the ERC has decided to do a study to 'rigorously and systematically examine through the number and nature of news items on which the government or political parties are the main actors if there is a equitable and plural treatment in the public service television information' (Entidade Reguladora para a Comunicação Social, 2007b). The ERC intends to develop a model of monitorization for the television information, based on the selection of news according to their protagonists.

The conception of pluralism underlying this study is very narrow as it merely takes into account the formal political structures, leaving out complex social processes and highly

differentiated political participation mechanisms. Implicitly, this study perceives political pluralism in broadcasting as a mirror of the parliamentary equilibrium. In a country with high abstention rates and new forms of public debate namely in new online interactive platforms, the public service broadcaster is expected to go beyond the equitable representation of political-party structures.

Smallness as a Protectionist Smokescreen?

In Portugal, little attention has been given to media diversity in general and in the broadcasting sector in particular. The constitutional prerogative prohibiting concentration of media and cross-media ownership was never adequately legislated and the media regulatory bodies have not had the necessary means or will to prevent concentration and to ensure content diversity in broadcasting. Indeed, despite the occasional political rhetoric, successive governments have acted as if media concentration should be allowed and eventually promoted. Subsectorial laws were bound to be inefficient in terms of cross-media ownership and the concentration law which is now under public consultation, if approved, is also meant to be inconsequential. If little was done in terms of source diversity, the recent attempts to actively promote political pluralism and cultural diversity in both commercial and public service broadcasting services are still incipient and tentative.

Despite the economic relevance of subsectors such as cinema distribution, music industry, television fiction and books (not even addressed by the concentration draft bill and ignored as vital sectors to define cross-ownership) that contribute to the financial strength of Portuguese multimedia groups, governments have been chiefly concerned with the political and societal influence of groups owning electronic media. The Balsemão group, Impresa (with SIC and

thematic cable channels, particularly the news channel *SIC Notícias*), the Catholic Church (it has lost TVI but controls the powerful *Rádio Renascença* and has a strong presence in the regional press), Media Capital (with TVI, *Rádio Comercial* and *Rádio Clube Português*), and Controlinveste (with the influential news radio TSF and daily newspapers *Jornal de Notícias* and *Diário de Notícias*) have been powerful forces that governments were not willing to face. The vast majority of democratic governments since the mid-1970s have had precarious existences. Hence long-term media policies were unthinkable and challenging established media groups interests was certainly not amongst their political priorities.

So, governments had no interest in moving forward and the media regulatory bodies did not have the necessary means to enforce generalist diversity principles. The AACS, set up in 1998 and extinguished in 2005, was perceived as largely irrelevant mainly due to lack of political independence and inefficient procedures. Whether this perception is adequate or not, the fact remains that it gave sustenance to continued public scepticism and to a reduction of public expectations regarding the scope and performance of state media regulatory bodies. Fifteen years after the AACS foundation, the new (by statute, ‘public and independent’) media regulatory entity, the ERC, has an accumulated legitimacy deficit and a long path ahead to transform itself into a socially relevant structure. The non-existence of a strong media regulatory culture in the country is strictly interconnected with the lack of political investment and determination. The state’s intertwined forces had no objective interest in promoting diversity.

Looking back at the Portuguese media policy and regulation, it is difficult to establish a direct link between the smallness of the country and the lack of significant pro-diversity measures. This is not to say that the shortage of resources, small audience and advertising markets, and other dependencies that characterize small states did not play a role. However, in the Portuguese case, the political history and the configuration of the media policy network

are central aspects if one wants to explain why pluralism and diversity have not been in the agenda. With the exception of the 1987--1995 period (when media reforms were effectively introduced), the Portuguese recent history has been marked by political instability and governments --- perceiving their own electoral fragility --- have been extremely cautious in relation to the media. This means that the proposition that small states tend to interventionism (meaning strong diversity regulation) does not seem to apply to the Portuguese reality.

If governments perceived action in this sphere as a political liability and turned a blind eye to diversity, the media groups have actively acted as a lobby to prevent legal and regulatory measures, arguing that concentration is crucial to ensure diversity of products and control over national media. Media owners have consistently argued for more autonomy from the state in order to pursue their business objectives and media laws and regulation have always been regarded with suspicion. Concentration limits were (and still are) understood as an unacceptable interference in market mechanisms and pro-active diversity regulation is seen as state's illegitimate interference in programming freedom. The Chairman of the Impresa group, Pinto Balsemão, believed that there aren't too many groups in the country and argued for stronger Portuguese multimedia groups: 'strong media groups are necessary to counter-balance foreign investment in the area' (in Silva, 2004: 147). Before the selling off of Media Capital to the Spanish group Prisa in 2005, the then CEO, Paes do Amaral, also publicly expressed the importance of strong media groups to guarantee that Portugal remained a decision centre in the media sector: 'I believe that in the media sector it is not desirable that the main media groups are controlled by Spanish media. It is not good' (in Silva, 2004: 165). This belief however did not prevent Paes do Amaral from selling off Media Capital to Prisa in 2005.

Although there is a very limited penetration of Spanish audiovisual products in the Portuguese broadcasting landscape, the fear of a Spanish offensive (today translated into

economic dominance) is --- for historical reasons --- deeply ingrained in the Portuguese imaginary and it has been used as a useful rhetoric by media owners. The need to maintain a domestic media landscape has been presented and accepted as a reasonable argument. Scale is therefore an important argument against source diversity particularly if --- the argument goes --- the defence of the Portuguese identity is at stake. Moreover, media concentration can even be presented as a condition for content diversity. The former head of the Lusomundo, Luís Silva argued that concentration is a condition ‘to keep the media alive’: ‘the *Diário de Notícias* newspaper would have had a complicated fortune if it was not integrated in a media group’ and ‘TSF would not exist today --- and it is a great media product --- without the inner strength of the group’ (in Silva, 2004: 135). The Portuguese case appears to be therefore in accordance with the protectionist perspective: industry and politicians argued against ownership regulation in order to protect Portuguese media companies.

Clearly, in Portugal, source and content diversity is formally a valued principle. Its relevance is expressed in the most important legal instruments and it is incorporated in governments’ programmes and discourses. To this overt preoccupation however does not correspond pragmatic action. The media groups were allowed to develop their business strategies without effective barriers to their vertical and horizontal expansion and the generalist television channels could become *de facto* entertainment operators ignoring their own proposals during the licensing process. Indeed, despite the rhetoric, the *status quo* seems to serve both the state and the multimedia groups’ economic interests.

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