Introduction

The interrelationship between media and democracy in Italy has historically been characterized by *lottizzazione*, a practice through which managerial, as well as editorial, positions in the public service broadcaster (RAI, *Radiotelevisione Italiana*) were assigned on the basis of an elaborate party-quota system. Whereas this system, in place from the late 1970s to the early 1990s, was often criticized as a sign of corruption and undue influence, it also had the lofty intention of improving political pluralism, after decades of the Christian Democrats’ cultural hegemony in Italy’s main cultural industry (Mancini, 2009).

Since the first appointment of Silvio Berlusconi as prime minister (1994), the relationship between the political system and the media sphere has changed. In RAI, there was a shift from *lottizzazione* to a “spoils” system, as key positions inside the public broadcaster were occupied by managers and journalists close to the media mogul. Indeed, during the 2000s, the public broadcaster came to represent the very core of Berlusconi’s conflict of interest: owner of Mediaset, RAI’s competitor in the commercial broadcasting sector, and head of government.

Media concentration

The level of media concentration, and the size of Berlusconi’s conflict of interest, reached levels that had no equals in other liberal democracies. Concentration in the television sector was of great concern: since the mid-1980s, the broadcasting market had become structured in a duopoly, with RAI and Mediaset controlling more than 90 percent of the audience share. High levels of market concentration continued to characterize the television sector throughout the 2000s. By 2007 the concentration ratio for the two broadcasters was still an alarming 4,639 points in the Herfindahl–Hirschman index (Colapinto, 2010: 62). In 2008, Mediaset alone controlled 55 percent of national advertising revenues for television (AGCOM, 2009: 80).

For these reasons, the Italian case has received wide attention. A considerable body of work has been published in English that has investigated the challenges facing public broadcasting in the country (Richeri, 1990), analyzed the practice of *lottizzazione* inside RAI (Mancini, 2009), studied the evolution of the Fininvest/Mediaset conglomerate (Balbi and Prario, 2010), analyzed media policies and pluralism (Padovani, 2009; Casarosa and Bolgi, 2011), and contextualized those policies within broader trends in the cultural industries (D’Arma, 2009). In this chapter,
after briefly reviewing some of this history, I focus attention on media policies for the print media, and discuss the difficulties of properly regulating conflicts of interest in Italy. Finally, I examine changes that have occurred in the media sector since the early 2000s, with a focus on developments in television and online media, and the significance of these changes for Italian democracy.

**Media policies**

The history of media regulation in Italy has brought to full visibility the tension between a pro-market media sector, where antitrust limits have been lax, and the normative ideal of a pluralistic public sphere, where citizens should be informed and entertained by a variety of sources. We notice this tension in the ways in which governments have developed their media policies: whereas public interventions through direct and indirect support of some media sectors, such as public service broadcasting and the print media, have been put in place to increase diversity of viewpoints in the public sphere, the legislator has been reluctant to set limits on concentration in the television sector.

Media policies that have favored market concentration in the TV sector have been amply discussed elsewhere (Padovani, 2009; 2015). For the purposes of this chapter, I call attention to Law No. 223 of 6 August 1990 (the so-called Mammi law), which originally legitimated the duopoly in television broadcasting. Although subsequent laws had tried to set stricter antitrust measures, various loopholes de facto allowed the status quo to continue and Mediaset to maintain its dominant position as the main commercial broadcaster in the country.

**Print media**

Whereas media policies for the TV sector had failed to set limits to concentration, rules for the print media had been stricter. Even the Constitutional Court (Sent. 420, 1994) had pointed out the “incoherence” and “irrationality” between the two different legislative approaches, and underlined that antitrust limits for the print media sector (according to which no group could control more than 20 percent of national circulation) should have informed the legislation in the broadcasting sector in order to protect “pluralism of voices” (Art. 14, Par. 5).

Indeed, the legislation for the print media sector had traditionally been more in tune with the need to secure transparency and encourage plurality of opinions in the public sphere. Historically, the most important reform law in this sector was Law No. 416 of 5 August 1981, which detailed the conditions for the ownership structure of print media and established that such ownership should be made public and transparent (Art. 1, Par. 5.a). Most importantly, the law set up a system of direct as well as indirect public intervention in favor of the printing press (Art. 4). Publications run by cooperatives, political parties, publications for expatriates, or those published in any of the languages spoken in the autonomous regions of the Northern borders (French, Ladin, Slovene, and German), have been among those benefitting from this law.

Although inefficiencies in the system, and even abuses of public funds, have pointed to the need to fundamentally revise some of the ways in which those fundings have been appropriated (Polo, 2010: 140–1), the legislation of the publishing sector has contributed to expanding pluralism of expression, as well as political and linguistic pluralism. The sheer availability of tens of national dailies (155 in 2013, according to the Italian Federation of Newspapers Publishers) on the newsstands gives visibility to the vibrant diversity of opinions and political positions that exist in the country. This presence is important. Indeed, although the print media sector is not as concentrated as television, powerful capitalists with interests in a multiplicity of sectors have traditionally owned the most established publications.
A brief review of the ownership of newspapers and magazines illustrates the web of interests behind Italy’s popular press. For example, in 2011, the two most powerful publishing groups in the country, Gruppo Editoriale L’Espresso and RCS Corriere della Sera, shared approximately 36.8 percent of the market (AGCOM, 2012: 139). In the same year, Mondadori (of which Silvio Berlusconi’s Fininvest owned approximately 53 percent) commanded 14 percent of magazines sales (AGCOM, 2012: 149).

Who was behind some of these groups? At the time of writing (Winter, 2014), Giuseppe Rotoli, who controlled the business of private health care in the wealthy northern region of Lombardy, remained the single most prominent stockholder of the newspaper Corriere della Sera (the Italian newspaper of record). Another prominent figure in the newspaper sector was Andrea Riffser, who owns the dailies La Nazione and Il Resto del Carlino, and the news agency Polypress. Riffser is the heir of a family business with interests in the gasoline sector.

Compagnia Industriale Riunita (CIR), controlled by the De Benedetti family, was behind the Gruppo Editoriale L’Espresso, publisher of the weekly magazine L’Espresso (among others) and of La Repubblica, the second newspaper in Italy in terms of circulation. The group’s core business, however, was not the news media, but energy production and distribution (CIR owns Sorgenia, active in the sector of gas and electricity), as well as elder care, the private health care business, venture capital, and private equity.

These examples raise the legitimate question of whether—and, if so, to what extent—news content might have been slanted in favor of these powerful stakeholders. The public financing system, originally established in 1981, created an important counterbalance to private interests. The subsidies have sustained smaller publications, those that do not have large amounts of capital behind them, as well those that express points of view that are not in the mainstream. This has represented a crucial support for promoting pluralism in the public sphere.

From lottizzazione to the spoils system

The public service broadcaster has provided, at least in principle, another important contribution to the public sphere. However, this ideal function has often been challenged by a political party system always ready to intervene in RAI’s affairs.

The kind of power exercised inside RAI through the lottizzazione system of the 1970s and 1980s, with its party logics of assigning administrative and editorial positions based on quotas, had begun to change during the 1990s. Various elements seemed to delegitimize the logic of strict party control over the broadcaster: the emphasis on formal training and professional values of objective reporting, the debacle of the post-war party system during tangentiopoli (the bribesville scandals of 1992–3), and the growing competition of online news, which required more frequent and direct interactions with audiences (through blogs and, later, social media). Market and industrial imperatives seemed to have replaced the strict control of the political establishment. An emphasis on objectivity in reporting, especially coveted by the new generations of journalists (Padovani, 2005), together with a focus on “lifestyle” politics and “soft” news, seemed to break away from the tradition of advocacy journalism. This, however, was only partly true.

Indeed, the right-wing coalition in power for most of the 2000s exercised ample control over the broadcaster. As has been discussed elsewhere (Padovani, 2010; Curran, 2011: 20–1), this was the time when people from the entourage of the prime minister, from Mediaset, or from Berlusconi’s own political party, or his coalition, occupied top managerial posts and editorial positions. This created great concerns for those advocating for media independence in the country and was evidence of Berlusconi’s far-reaching conflicts of interest.
Conflicts of interest

Indeed, a key area of concern for the relationship between media and democracy in Italy, has been the issue of regulating conflicts of interest. Even though Berlusconi himself had promised that he would relinquish control over his media empire after being appointed prime minister, that never happened. Quite the contrary: Fininvest, the holding company that controls Mediaset TV channels, remained firmly in his hands. Moreover, his family tightened its grip over Mediaset and expanded its presence in various other fields, including newspapers and film production, soccer, finance, banking, and insurance.

Pier Silvio Berlusconi (Silvio’s son) became chief executive officer of Reti Televisive Italiane (RTI), the corporation in charge of television activities for Mediaset, and later chairman of Mediaset’s board of directors. Marina Berlusconi (Silvio’s oldest daughter) was president of Fininvest and, in 2003, became chairman of the board of the publisher group Arnaldo Mondadori. She also continued to be a member of Mediaset’s board of directors. Both Marina and Pier Silvio held executive positions in various other firms, including the insurance group Mediolanum, the film production house Medusafilm, and the investment bank Mediobanca.

Another daughter, Barbara, sat on the board of directors of Fininvest and, since 2011, on the directors’ board of the premier league soccer team AC Milan, of which Fininvest was 100 percent owner. Paolo, Silvio’s brother, became majority stockholder of the daily Il Giornale (previously owned by Silvio), after Silvio had relinquished his shares in compliance with the 1990 Mammì law prohibiting cross-media ownership. In 2011, Paolo acquired the national daily Il Foglio, previously owned by Veronica Lario, Silvio’s second ex-wife.

A law regulating conflicts of interest?

Law No. 215 of July 2004, passed during the second Berlusconi government, defined conflict of interest and established that those who hold government responsibilities should “dedicate themselves exclusively to the care of public interests and abstain from putting into action and participating in deliberations . . . in situations of conflicts of interest” (Art. 1, Par. 1). Whereas the law forbade those with government responsibilities from holding other titles or other positions while in office (Art. 2), it never challenged the issue of media ownership. In fact, it defined conflict of interest as a situation in which an elected government official “participates in or omits an act” that might have a direct repercussion on his patrimony, or the patrimony of his immediate family (Art. 3).

Conflict of interest was therefore defined as a subjective, potential problem, rather than an objective one. This meant that it was sufficient for Silvio Berlusconi to leave the room while lawmakers voted or discussed any regulations that might have personally benefited him, for Berlusconi not to be in breach of the law. The irony was evident: according to this formulation, conflict of interest was only a potential problem, rather than an a priori condition that had to be prevented. As such, conflict of interest could be sanctioned only after lengthy procedures would have provided evidence of any “specific” and “preferential” impact of a government act or a law on somebody’s patrimony. Certainly, not a very efficacious rule!

Whereas it would have been naïve to expect that any Berlusconi government could have imposed stricter regulations on conflicts of interest, a more vigorous position would have been expected from the center-left coalitions, in power on various occasions since the 1990s (1996–2000; 2006–8). During the XVth legislature (2006–8), for instance, a bill was proposed establishing that those with a patrimony of more than 15 million euros would have to put their corporations under a blind trust if they occupied top government positions, at the national as
well as at the local level. The bill declared that those with such patrimony were *incompatible* with public office, but failed to establish that they would be *ineligible* for public office. For obvious reasons, ineligibility would have been vehemently opposed by the right-wing coalition, intent on protecting Berlusconi’s interests and political ambitions. At the same time, the bill was considered “too weak” by those on the left who wanted stricter rules (Fusani, 2007). Eventually, the proposal failed to gather enough support even within the left-wing government coalition.7

In interviews with lawmakers and media professionals, the importance of regulating conflicts of interest was unequivocally stated. A prominent Democratic Party official, the former Minister of Communications for the Prodi government (2006–8) stated that “regulating conflicts of interest will be high on the agenda of any future government” (Gentiloni, personal interview). For the head of the Italian Press Federation (*Federazione Italiana della Stampa*), conflict of interest was the “cancer” of the country’s democracy (Natale, personal interview). Still, at the time of writing (Winter, 2014) there had been no new regulations in this field and discussions about it have remained taboo in public discourse (d’Arcais, 2013). In part, this was due to the composition of the governing coalition that resulted from the 2013 national elections (the center-left, center-right-wing government led by Enrico Letta, April 2013–February 2014) and the continuing prominence of Silvio Berlusconi on the political scene. Still, addressing the question of conflict of interests remains one of crucial importance for the future of Italian democracy and should be a priority on the agenda of any government.

The duopoly

After having examined the regulations in support of the publishing industry and the unresolved issue of conflicts of interest, we need to analyze the conditions of the television industry, as television remains a crucial factor in the relationship between media and democracy in Italy. Is this sector still dominated by the duopoly? Have new delivery technologies, including digital terrestrial television and satellite television, changed its conditions?

In the sector of free-to-air television during the 2000s and early 2010s, the broadcasting channel LA78 was particularly successful. Although the channel had initially struggled to make a profit, given its relatively low audience share compared with RAI and Mediaset, its focus on high-end audiences and on news and public affairs programs has been a winning strategy.9 Still, RAI and Mediaset maintained their prominence in the very important sector of news and public affairs programs, a sector that has traditionally represented the core of the electronic public sphere, as news bulletins remain the main source of information for the majority of Italians.10

For instance, in 2011, RAI’s main news bulletins, TG1, generated an audience share of 23.7 per cent, while TG5, Mediaset’s flagship news program, commanded a 20.1 percent share. However, it is important to notice that the performance of LA7 was also particularly impressive in this sector, as the audience share for its prime-time news bulletin, TGLA7, grew from 5 percent in 2010 to 10 percent in 2011 (AGCOM, 2012: 118). These data reveal that, overall, news programs on generalist, free-to-air television, have continued to occupy a central position in the electronic public sphere. In comparison, the audience share of SKY TG24’s prime-time edition (TG24 is the news bulletin on SKY Italia satellite television), for instance, has been minuscule (0.32 percent in 2011, according to AGCOM, 2012: 118).

Throughout the 2000s, the “historical” channels (RAI and Mediaset) also maintained a prominent position in the digital terrestrial television sector, even as audience share for generalist
television slowly decreased during the decade. In 2001, the six generalist channels of RAI and Mediaset combined had an audience share of 90.4 percent (RAI, 2002: 27); by 2012, that share had dropped to 62.0 percent (RAI, 2012: 30). During the same period, new national channels were growing: from a share of only 2.9 percent in 2009, they had reached 11.9 percent of audience share in 2011 (E-media, 2012: 3). Among those new channels, there was Cielo, News Corporation’s channel on the digital terrestrial platform. During the 2000s and early 2010s, the consumption of mobile television was also increasing. In 2007, viewership of mobile TV was only 1 percent; in 2013 it had reached 6.8 percent (CENSIS, 2013: 2). The sector of mobile television had opened up to global competition, with operators such as the Chinese H3G and Vodafone Omnitel alongside Telecom Italia.

In the sector of pay TV, Sky Italia, the satellite television platform owned by Rupert Murdoch’s News Corporation and in operation since 2003, has remained the dominant player. By 2011, it had almost five million subscribing households and controlled 77.4 percent of the pay TV market (AGCOM, 2012: 124). Mediaset Premium (Mediaset’s pay-per-view offer on the digital terrestrial television platform) was a distant second, with 17.4 percent of the market.

From this overview, it is clear that the duopoly has been losing ground as new operators have entered the market and new technologies have been developed. However, RAI and Mediaset still represent key players, especially in the sector of news and public affairs programs, a sector that is vital for the relationship between media and democracy.

Emerging media

A chapter on media and democracy must also include references to emerging communication technologies and how these might have contributed to the creation of a more diverse media environment in the country. In line with developments elsewhere, social media have greatly contributed to changing the ways in which Italians receive and share information and news. Increasingly, users have interacted on popular mainstream sites such as Facebook and Twitter to gather information, and in 2013, the number of downloads of informative apps for smartphones and tablets had doubled compared with the previous year (CENSIS, 2013: 3).

The use of social media might have a positive impact for the promotion of a more pluralistic public sphere as sources multiply exponentially and users become more active. Politicians and journalists have certainly taken notice. Even Silvio Berlusconi attempted to engage different publics and modalities of communication when he set up a Facebook page and Twitter account in 2000 and 2013, respectively. Yet his “friends” and “followers” had been consistently less numerous than, for instance, those of Matteo Renzi, then mayor of Florence (since 22 February 2014, Italy’s prime minister). When Berlusconi announced his decision to run for the 2013 national elections, the hashtag #nonlovoto immediately became a trending topic on Twitter. Still, his surprisingly positive showing at those elections reminds us that online behaviors are not valid predictors of offline voting preferences!

Conclusions

The history of the relationship between media and politics in Italy has illustrated the importance of supporting public media in the face of commercialization and consolidation of the cultural industries. In particular, the presence of a lively print media sector and an established public service broadcaster, might have contributed to improving pluralism in the public sphere.

Indeed, neither a free market nor technological innovations can guarantee diversity of viewpoints. For pluralism to be supported, public sector need to be strengthened. Moreover,
regulation of conflicts of interest, aimed at preventing the consolidation and centralization of political and media power in the hands of a few, is also necessary for promoting a healthy relationship between media and democracy.

Notes

1 The Herfindahl-Hirschman index is a measurement (0–10,000 points) of market concentration. As a point of comparison, notice that the United States government defines firms with indexes in excess of 2,500 points as “highly concentrated” (Department of Justice and the Federal Trade Commission, 2010).

2 The notion of the public sphere received wide attention after the publication in English of Jürgen Habermas’s The Structural Transformation of the Public Sphere (Habermas, 1989). According to that initial formulation, the public sphere was to be conceived as a sphere protected from both government pressures and market imperatives, where citizens could freely share information and deliberate on issues of public interest. The notion of the public sphere gained influence in the field of media studies thanks primarily to the work of Nicholas Garnham (1992) and his analysis of public service broadcasting as the embodiment of the ideals of the public sphere. Although various scholars (Benhabib, 1992 and Fraser, 1992, among others) have mounted important critiques of what they considered to be a male-dominated and ethnocentric concept, the notion of the public sphere, as a “community of authors, readers and writers” (Benhabib, 2008), continues to be a central category for the study of the role of the media in democracy. For an analysis of the relevance of the notion of the public sphere in contemporary media studies, see Lunt and Livingstone (2013).

3 Other milestones in the history of media legislation are: Law No. 249 of 31 July 1997, Law No. 112 of 3 May 2004, and Legislative Decree No. 177 of 31 July 2005.

4 For an in-depth analysis of this law, see Murialdi (1998).

5 In 2011, the Herfindahl-Hirschman index for newspapers in Italy was 886 (AGCOM, 2012: 139).


8 Owned by Cairo Communications.

9 The prime-time audience share of LA7 grew from 2.6 percent in 2008 to 4.0 percent in 2012. For a detailed analysis of LA7’s performance despite a declining market share for generalist television channels in Italy, see Siliato (2012).

10 In 2011, 86.4 percent of Italians used news bulletins as their main source of information (CENSIS, 2013: 2).

Bibliography


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