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"More Owners than Ever" Concentration in the Latin American Communication Landscape of the 21st Century

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Abstract

This article examines the process of concentration of communication media ownership in Latin America during the first 15 years of the 21st century. It includes an overview of the various segments and main indicators, and a comparison of industries and countries as background for identifying trends. Building on previous studies of the communication and telecommunication media landscape of Latin America, this article introduces for the first time a comparative historical series that enables understanding the subject matter in more depth and with improved documentation. This study includes data from five Latin American countries: Argentina, Brazil, Colombia, Chile and Mexico. This article analyzes to what extent the concentration is a widespread process in Latin America. Even though the effects of concentration on the diversity of opinions and cultural options deserve further scrutiny, documentation on how concentration has strengthened provides an empirical basis to sustain the debates around such diverse effects.

Keywords: Communications; Concentration; Convergence; Latin America; Media

Introduction

In the 20th century, cultural industries shifted towards a market orientation in an unprecedented way globally. As Adorno and Horkheimer [1] warned early on, in the first half of the century a substantial part of cultural production embraced forms of capitalist production. This brought about changes in the cultural system: on the one hand, the search for economies of scale leading to financial returns, and on the other, a larger access of the population to cultural assets and resources, which until then had been restricted to the well-to-do sectors of society. The process of concentration of communication media ownership had started before, particularly in the sphere of print media, with a reduced number of newspapers in the early 20th century, when advertising became an economic driver of production [2]. The market orientation of culture, in turn, has led to an unparalleled increase in the concentration of capital.

Mass access to industrialized culture, the expansion of mass media – in particular, the audiovisual sector--, and concentration of ownership in an economy of scale are all traits of the 20th century. For some authors [3], the main concern, which is resumed by this study, had to do with the fact that the concentration of ownership was viewed as a symptom of concentration of power, and the assumption that concentrated power undermines the foundations of democratic coexistence.

The 21st century has seen an escalation of this complexity, coupled with a profound and pervasive technological transformation. No sector of industrialized culture is in essence similar to the previous century—whether it is in the breadth of access and distributed services, or in the infrastructures used to produce and convey content, or the marketing strategies and the share in market revenues, or the relationship with users and the work processes for organizing production [4].

In Latin America, these processes coexist with a socioeconomic gap in a highly unequal region of the world. In particular, communication media in Latin America, which have played a leading role in the process of cultural modernization, have followed a commercial logic of operation with strong de facto political conditionings. Indeed, Latin American media outlets adopted from the beginning a model that combined mass access to radio and TV (papers were for the elites, with partial exceptions in Argentina, Chile and Uruguay) with a commercial model funded by advertising and highly concentrated in large cities [5].

The levels of economic and geographic concentration in the media sector of Latin American are higher than in Europe and the USA. A recent study led by Eli Noam [6] found that two companies operating in the region are among the world's ten largest: Telefónica, ranked fifth, and América Móvil, in the tenth position. These companies started their accelerated expansion in the 1990s and posed a challenge for the large groups of traditional media in the region. However, media groups also have global relevance: Televisa plays a role in Mexico's eight percent share in global content exports, while Globo helps Brazil achieve its one percent share of global content exports. The income of telecommunication companies, however, exceed by several orders of magnitude those of media companies. The connivance of interests between regulating and regulated entities and the lack of checks and balances in the form of plural public services have aggravated the situation in the region.

Theoretical Framework: Concentration Revisited

In recent years, the issue of media concentration has drawn more attention in both the political and the academic spheres. With the advent of the internet and the growth of convergence between the audiovisual sector and telecommunications, mergers and acquisitions became increasingly relevant.

According to Iosifidis [7], excessive concentration jeopardizes pluralism and diversity. That is, in activities associated with communication, information and culture, concentration processes carry double implications: in addition to the economic situation, the intangible goods that are the outcomes of these activities carry a symbolic significance. Therefore, concentration and public interest cannot be dissociated from the analysis of conformation of communication media systems and the industries that produce and distribute information and entertainment at massive scale.

At present, the debate around concentration has become increasingly complex due to the mainstreaming of the internet, which on the one had enables an exponential multiplication of the messages conveyed, and on the other enables global companies such as Facebook and Google, which dominate growing shares of global industry revenues (via advertising), to thrive. Noam [6] has summarized the new debate in the following terms: for some, the power of media conglomerates has never been more important, while for others, the Internet has brought about an open attitude and diversity.

To study the centralization of capital in the industry, it is necessary to consider at least two complementary dimensions: on the one hand, market operation and concentration ratio analysis, and on the other, to what extent to which the process of concentration affects the circulation of messages and social, political and cultural pluralism. The latter has been mainly addressed by communication sciences, while the former has become a late subject matter for some economists.

In this section, to provide a theoretical context for this analysis, the tensions existing in the approach to concentration are described from the theoretical and ideological perspectives that have nurtured the debate.

As Just [8] has pointed out, tensions between the liberal school and models of public interest or social values have led to ideological battles denoting a division between the supporters of market efficiency and the advocates for public action to achieve the goals of a communication policy. They also underline the different conceptions of media systems: are they basic institutions for debate, cohesion and public trust or, on the contrary, are they like any other type of company? In short, the main conflict is about economic-mercantile and non-economic-mercantile values. With convergence, these principles have deepened the discussion on the convenience or inconvenience of having a specific regulation in the communication sector to curb concentration.

While some argue that the pervasiveness of information made available by the new platforms makes specific regulation unnecessary [9], others believe that concentration is on the rise [10] and should be limited, since the domination of a culture and information sector by one company (or a small group of companies) represents an accumulation of power that influences the decisions and opportunities of the rest of the social actors [3].

In turn, the historical divergence between regulatory traditions in media and telecommunications hinders the achievement of objectives of public interest; therefore, cultural and social values may be undermined, resulting in an overall reduction of media pluralism [11] when only the variable of market efficiency is considered.

As Just [8] indicates, there are diverse regulatory traditions in the field of media that are based on the particular role of media as public opinion influencers. The established protections can be interpreted as a government restriction on the freedom of expression (censorship), or as an obligation to regulate with the goal to guarantee the pluralism of the media (control of concentration). The contrast refers to negative and positive views of freedom of expression.

For Baker [10], the justification of a specific regulation that controls the ownership of communication systems - which, with its ups and downs, exists throughout the West - emphasizes the importance of having diversity of owners to guarantee a more egalitarian distribution of communication power, and provide safeguards against the abuse of the power of the media if these are in a few hands.

On the other hand, Freedman [12] emphasizes that a complete analysis of the process that is currently taking place should include data on the ownership of the media, the ownership structure of the markets, tables concerning income and profits, market shares in terms of revenues and audiences, and concentration levels.

To provide the full picture, it is interesting to review the different positions on the subject. Any classification attempt will be somewhat arbitrary. Noam [6] identifies two schools: pessimistic or optimistic, and adds that based on research, the general trend supports the pessimists in relation to an increase in the concentration of ownership of content-producing media, and the optimists with regard to the carriers distinguishes between the liberal tradition and the one promoting robust public debate. This work includes a third category, more linked to the criticism of the capitalist system that understands that media ownership concentration is inherent to the system. In this way, the spectrum includes the liberal school, which proposes liberalizing the information and communication market; the pluralist tradition, which promotes the development of the market but with State intervention with the aim of limiting the most harmful effects of concentration; and the critical positions, which give an ideological reading to the phenomenon of concentration, since they consider the media a mechanism for legitimizing the conditions of existence based on the exploitation of man by man.

One of the most radical theses linked to the idea of a free market is that of Adam Thierer [9], who proposes that criticisms of media concentration are based on true myths. In the information society, says the author, there would be an abundance of information, so the concentration of ownership would not imply a reduction of information options, especially from technological developments. A similar position is endorsed by Benjamin Compaine, who affirms that there is no empirical evidence on the effects of the concentration of property in reducing the diversity of the content offered by the media [13]. In recent years, studies in economics have shown greater interest in the functioning of media systems, in step with the growing importance of communication in the global economy. In this regard, Rennhoff and Wilbur [14] developed a proposal to relate diversity and concentration to econometric models. Cunningham and Alexander [15] present a numerical model of positive equilibrium between the number of companies in the broadcasting industry and the welfare of consumers.

The set of authors and traditions that tend to be grouped as "pluralist" and are framed in the need to promote a "robust public debate" is broad and very diverse. As Gillian Doyle [11] observes, there are two logics to address the issue of concentration. On the one hand, the economic or industrial arguments that tend to favor a more liberal approach to the problem, with inclinations to allow levels of concentration. On the other, Doyle studies the positions that are concerned with society and citizens, political power, political pluralism and cultural diversity.

Although his position shares some of the questions raised from the more economic perspective of the liberal tradition, Noam [6] finds that most media industries have experienced a gradual but steady increase in concentration in recent decades. According to his research, first of the US market and then of several other countries, the media sector still shows concentration indicators that are lower than those of the telecommunication sector, although the gap has been reduced in recent decades. His empirical studies justify a moderate intervention of the State to avoid an even greater concentration.

According to Freedman [12], a pluralistic perspective on property proposes that the media should articulate the widest possible range of perspectives to allow citizens to search and be guided by as much information as possible. The regulation of concentration is necessary to break an unacceptable accumulation of power that distorts or limits the possibility of the media to reach that goal.

Finally, the critical school - some of whose authors have points of contact with the philosophy of "robust public debate" - has denounced the processes of concentration of property. In a pioneering work, Ben Bagdikian [16] demonstrates how media owners promote their values and interests. Their interference in the editorial line can be indirect, through the influence of the editors and self-censorship, or direct, when the rewriting or deletion of text is requested. Along the same line, more recently, Robert McChesney [17] warned about the risks of global communication concentration, across historical national boundaries. The logic of the market and convergence leads to a global oligopoly of media in the process of integration with other information and communication activities, says McChesney. Fuchs and Mosco [18], taking up the value of the Marxist theory for communication studies, highlight how the concentration of ownership plays a fundamental role in the process of capital accumulation.

In Latin America, studies of the concentration of media ownership have been mostly influenced by the last two schools. During the 1970s, the concentration of ownership took a considerable part of the research agenda, with the pioneering works of Pasquali, Mattelart and Muraro [19-21]. Following a period of low production, in the late 20th century studies in this field were resumed in Latin America, as Miguel de [22] has shown.

Methodology

Several authors [6-8] agree that it is extremely difficult to develop a single method of measurement capable of accurately weighing the economic and socio-political power of media companies. Furthermore, the task of developing a consistent methodological approach to competition and pluralism is increasingly complicated by the challenge of convergence that blurs the borders between the different sectors. Metrics based on economic criteria used in the industrial economy (and outlined below) are not completely adequate to quantify the levels of concentration in the media industry, given that they cannot account for the integral impact of the media on culture, society and politics, let alone in a framework of conglomerate convergence with telecommunications and the Internet.

Given this situation, Just [8] stresses that the double function of the media as economic and cultural asset creates a conflict of values for public policy, since it must safeguard competition, on the one hand, and ensure pluralism, on the other. Due to this, Just proposes a series of issues to consider in defining an adequate instrument to analyze the concentration of media ownership:

- Study when the traditional indicators used by economic studies to measure concentration can be applied in the communication sector.

- Analyze which is the most relevant market in the communication sector in an increasingly convergent environment.
- Consider how much diversity of media exists and how it can be quantified.
- Investigate what kind of market structures cause certain types of content and effects on public opinion.
- Weigh the combined market power of the companies comprised in multimedia groups and their effect on media ownership.

Iosifidis [7] proposes combining different types of measurement as an approximation to a good method, since a single mechanism cannot capture both the quantity and quality of consumption, and determine the influence exerted and the access to the diversity of content offered. Even though we agree with Just and Iosifidis in the strategic orientation of research about information and communication concentration, there are limitations of data availability in different industries and countries, resources and capacities that must be considered when planning such a study.

Given this limitation, Iosifidis [7] states that the sales and profits of large companies can be an adequate indicator of their power and reveal their ability to win markets compared to the rest. And he adds that political and economic diversity and economic power are often connected, since the latter determines control over supply. Based on these premises, it is possible to assume that the criteria used to measure market power can be used, at least in principle, to infer the influence of the media.

The core of the issue is that it is hard to assign a precise and general level to diversity, pluralism and concentration to make them attributes of media systems compatible with the public interest. Markets that tend towards concentration due to their production demands, due to their costs of entry and operation, such as the media in convergence processes, may aspire to develop "moderate competences" in order to encourage diversity. Their atomization, on the other hand, would lead, according to Van der Wurff and Van Cuilenburg [23], to the "ruinous competition" that would destroy its very base of functioning.

One problem that the analysis of concentration must deal with is the definition of "relevant market", because in addition to the processes of horizontal concentration (control of different companies in the same link in the value chain of an industry) and vertical integration (control of different links in the value chain of an industry), information and communication activities are increasingly experiencing processes of conglomerate concentration, as a result of convergence.

These processes express the crossing of activities among different sectors, so the position of a group can be dominant in a media system not only because of its control of one of the industries, but also because it constitutes a barrier to entry in several of them, as a result of its multimedia expansion. Examples of this are the bundling of programming/contents, the anti-competitive practices in the "tied sales" of convergent services (triple play, for example), or the bundling of advertising spaces.

When it comes to concentration, different variables come into play:

- Concentration of ownership (horizontal, vertical or conglomerate operations).
- Concentration of income.
- Concentration of audiences/subscriptions.
- Centralization or accumulation of power.

It is difficult to find effective methodologies that allow quantifying all these variables at the same time and weighing them together. The most commonly used methods usually combine the first three dimensions-concentration of ownership, concentration of income and concentration of audiences.

The difference among methodologies is indicative of a wide range of variables to be factored in when studying concentration. Furthermore, it is fundamental to consider the possibility of obtaining the essential data that is required to develop each of the methods.

The following are the main methods, as explained by Albarran [24] and others:

- **Concentration ratio (CR):** It is used to measure one or more of the first three variables, as it quantifies the audience concentrated by the first, the first four or the first eight companies in each market in relation to the total of said market. This method is also used to measure the share of revenues of the first, the first four or the first eight companies in a market in relation to the total revenues of that sector.
- **Lorenz curve:** It is a graphical expression of the distribution of income in a given market in relation to a limited number of companies. As Albarran points out, the Lorenz curve can only be useful for measuring a limited number of companies, and its effectiveness is also limited, although it is a valid method for measuring the concentration of wealth in a country, for example.
- **Herfindahl-Hirschman Index (HHI):** It is a measure of the concentration of income and audience/subscriptions. This method, used for example by the Antitrust Division of the US Department of Justice, adds the squares of the relative sizes of the companies in a given market.
- **Noam index:** This researcher criticizes the previous systems and points out that the concentration indices in general do not account for the smaller companies, nor explain how the market is distributed within CR4. For its part, the HHI cannot account for the diversity existing in the market. For this reason, he proposes combining the HHI with the number of existing voices. The Noam Index takes into account the number of voices available as it seeks to combine market power (HHI) and pluralism (number of voices). Noam’s proposal consists of dividing the HHIby the square root of the number of existing media.

In Latin America, concentration studies that compare the situation in several countries adopted the CR4 methodology as a result of the poor transparency of the communication companies' economic reporting and the consequent scarcity of consistent data on the income of each sector and the participation of companies in them. Regarding audience statistics, there are no official measurements. To implement indicators such as the HHI or the Noam Index, accurate information should be available from all players in all markets, which in Latin America is not yet possible.

Based on the above, this article focuses on the concentration of revenues and audiences of communication systems in Latin America. Therefore, it uses as a benchmark the market power of the four main operators in each market (CR4). This indicator shows the economic power of the large groups in the communication sector.

The main objective is to measure the concentration of communication markets, and to provide an empirical basis so that future work with more complex and complementary methodologies can analyze further the consequences of concentration in terms of restricting pluralism. The research includes a historical analysis of the evolution of concentration in five key countries (due to their economic and demographic importance) in the region, which helps to measure the most general trends present in Latin America in the first 15 years of the 21st century.

The inclusion of a historical series has, in turn, its nuances. Given that there are no official aggregate figures available from either the state or the companies, the information has been obtained from various sources: partial reports from government agencies, reports from financial institutions, academic articles, non-governmental organization and journalistic reports, and annual reports from the companies that are listed on the stock market, among others.

Each has its own method of data gathering, usually different from the rest. This entails the risk that the data used come from different indicators, which might distort certain comparisons. This situation occurs both when comparing countries and when comparing data from different years. Much work has been done to ensure the consistency of all the data used and processed, as a result of several years of research leading to the most reliable information.

Findings

The expansion of conglomerate groups driving concentration in the information and communication sector in Latin America in the 2000-2015 period occurred - paradoxically - at the same historical moment that a new set of regulations were introduced, calling for a more active role of the state, and signaling concentration as a problem of public policy, particularly between 2004 and 2015.

Few of these public policies were consistent with their premise and almost none was effective in curbing or lessening the ownership concentration rates.

Until 2014, there were five major groups operating in the region with leadership and expansion capacity beyond geographical boundaries and industrial sectors, namely (in order of importance based on turnover): Telefónica, América Móvil, Globo, Televisa and Clarín. At that time, the two telephone companies mentioned ranked much higher than Globo and Televisa, since their revenues were ten times higher than those of the multimedia companies from Brazil and Mexico. These, in turn, doubled the income of Grupo Clarín of Argentina.

It should be noted that, if only Telefónica and América Móvil are considered, these groups are present in 18 of the 35 markets analyzed in this research, with shares that reach at least 30% of the market.

Encompassing the five large conglomerates of the region in the same, it can be noted that these are present in 28 of the 35 sectors under review. But it can also be seen that the type of presence is completely different if one considers the telephone companies or the groups coming from the media sector. The former show a sequential presence, with a substantive dominance in pay television, fixed and mobile telephony, and the provision of internet access services.

The media groups have a more diversified presence, since they have begun the process of convergence towards the telecommunications sector (especially Televisa and, outside the period of this study, Clarín), but with limited participation in their territory of origin. In this way, the telephone companies are international or pan-regional groups with a strong presence in the region and a turnover far higher than that of the large media groups.

For their part, traditional media have taken advantage of their ability to influence the political agenda to promote their interests and start the journey towards full diversification (presence in all or almost all information and communication markets) before the telephone companies.

The outcome of this dispute with clearly differentiated interests between media and telephone companies will determine the evolution of communication concentration in the region.

Each of the countries surveyed in this article responds in its communication market to variables that combine specific social, economic and political-regulatory histories with a regional framework of notable similarities and a global context of technological transformation that determines the evolution of markets and the endogenous tendencies. It is a combination between the singular configuration of the information and communication industries of a national culture, and the progressive passage towards the intertwining of processes beyond the borders of each country.

The main groups that operate in Latin America are, in most cases, of Latin American origin, with the exception of Spanish capital in Telefónica or American capital in Direct TV.

The general trend of increasing levels of concentration and convergent conglomeration of information and communication activities is reflected in **Figure 1**, which shows the evolution of CR4 in the first fifteen years of the 21st century in the largest Latin American economies.

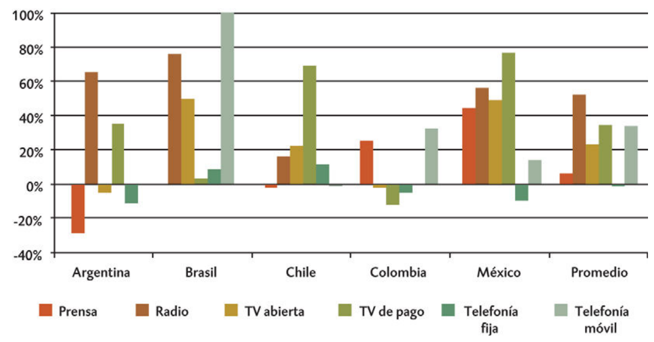

Figure 1: Evolution of concentration, CR4, 2000-2014.

In almost all of the surveyed industries and in almost all countries, the levels of domination of the main groups were strengthened. Given that the public policies outlined in some of the cases included in the study have not altered such a trend, it is therefore considered structural. **Table 1** shows the data used for **Figure 1**. Six of the seven markets analyzed in the research are taken, since the data corresponding to Internet providers in the year 2000 is not accurate enough to perform an adequate study (at that time, access to the Internet in Latin America was very low). The columns include two indicators per country in each sector. First, the CR4 reached in each market in 2014. The percentage column indicates how much the concentration has evolved between 2000 and 2014, taking as a baseline 100, the data corresponding to the CR4 of the year 2000. It is noted that for the calculation of the averages the data for Brazilian print media have not been recorded, since the increase of 169% in its level of concentration may be due to different ways of collecting the data between 2000 and 2014, that is, to a methodological problem.

Table 1: Evolution of CR4 (concentration ratio) in Latin America 2000-2014.

	Newspapers CR4 2014	**% variation 2000-2014**	**Radio CR4 2014**	**% variation 2000-2014**	**Free-to-air TV CR4 2014**	**% variation 2000-2014**	**Pay TV CR4 2014**	**% variation 2000-2014**	**Fixed Tel. CR4 2014**	**% variation 2000-2014**	**Mobile Tel. CR4 2014**	**% variation 2000-2014**	**Average**
Argentina	45	-28.5	58	65.7	92	-4.2	84	35.5	87	-10.3	100	0	9.7
Brazil	89	169	23	76	69	50	97	3.1	98	8.8	99	125	52.6
Colombia	66	-1.5	65	16	92	22.6	93	69.1	83	12.1	99	-1	19.5
Chile	94	23.3	77	No data	91	-1.1	89	-11	90	-4.3	97	32.8	8.3
Mexico	58	45	47	56,6	100	40.2	94	77.3	91	-9	100	13.6	38.7
Average	65.7	41.8	54	52.7	88.8	23.3	91.4	34.8	89.8	-0.5	99	34	

The data shown in **Table 1** allow us to draw several important conclusions for this work. Free-to-air television (CR4 88.8%), pay TV (CR4 91.4%), fixed telephony (CR4 89.85%) and mobile telephony (CR4 99%) are sectors with such a concentration level in the hands of the four main operators that these markets can clearly be classified as oligopolistic. The printed newspapers and radio sectors have indicators with lower concentration levels, but this is where CR4 has increased the most in the 14 years analyzed. With the exception of fixed telephony, an inversely proportional relationship can be established: the greater the CR4, the lower the growth of the concentration. This makes sense, in fact, since the markets are so saturated in their oligopolistic trend that they no longer admit any more concentration. In any case, it should be noted that there has not been a de-concentration process despite the regulatory activity of the state(Argentina) or the promotion of competition through both regulatory and market mechanisms (Mexico). Fixed telephony is the exception; it should be noted, however, that it is a market of declining importance, and in several countries the number of installed lines has decreased.

If one considers the evolution of concentration by countries and not by markets, it can be seen that there are two countries where the concentration has increased notably: Brazil (52.6%) and Mexico (38.7%). One country, Colombia, has had an increase in the average concentration, with 19.5%, while Argentina (9.7%) and Chile (8.3%) have more moderate results. When retrieving research data from the year 2000 (Author, 2006), it is key to remember that at that time it was found that the largest markets (Brazil and Mexico) had lower concentration indicators. Also in the analysis of the evolution of the concentration by country, an inversely proportional relationship can be seen: the less concentrated the countries were in the year 2000, the more the increase in concentration over the last 14 years.

From the analysis of the changes that have taken place in terms of concentration both by market and by country, it turns out that, even starting from levels of concentration higher than those of other regions of the world, concentration in Latin America is not only very high but also tends to increase.

If the ongoing convergence process is considered, which encourages the disappearance of previous barriers between markets, it would not be unreasonable to expect that the levels of concentration -this time, enhancing a clear conglomerate tendency will continue to grow.

If the different sectors are analyzed separately, from 2000 to 2014, in the various measurements included in the research carried out by the authors, the trend can be seen in greater detail. As an example, the cases of free-to-air television (communication media) and mobile telephony (telecommunications) are presented.

In the case of the free-to-air television, in every country there is a decline in consumption, coupled with increased competition from pay TV with linear programming and, in recent years, catalog proposals that use the internet as a platform for distribution and therefore are known as OTT (e.g., Netflix).

Although the presence of these offers in Latin America is lower than in the central countries, this is partly due to the lag in the provision of fixed and mobile infrastructures ensuring good levels of Internet connection, and to the lower income levels of the population. As a result of the latter, large segments are still unbanked, which restricts the subscription to some proposals.

Free-to-air TV is one of the most historically concentrated media. By using the spectrum, a finite and scarce public resource, and involving costs in an economy that requires articulating different productive links, television constitutes an obstacle to the open competition of many operators.

Figure 2 shows the evolution of the concentration ratio in the five countries. In the case of Brazil, the data corresponding to the first study (year 2000) was not included, since it had not considered the network organization of Brazilian television, something that was corrected in the following works of the research series on concentration in Latin America developed by the authors.

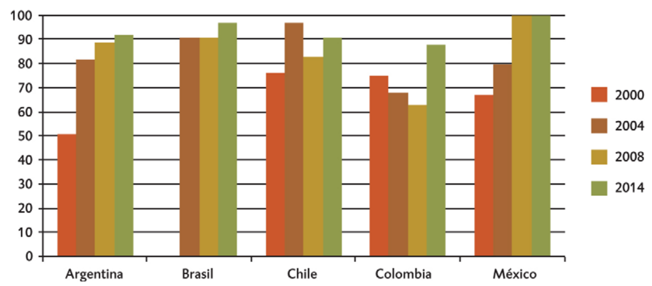

Figure 2: CR4 Free-to-air TV.

For its part, mobile telephony has grown to become the main telecommunications service in Latin America over the last decade, with very different modes of access by the population as a consequence of the socioeconomic fracture that is distinctive of the region.

Thus, more than 75% of existing lines operate through prepaid cards, while only a minority has more robust subscriptions and services such as 4G. Since 2010, on average, mobile telephony has become the main source of income for the sector, and the main carriers have geared their corporate strategies to leverage its potential. In this way, serving as a channel for communication and mobile connectivity, mobile telephony has become the main revenue driver of all the information and communication segments.

Figure 3 indicates that mobile telephony has the highest level of concentration possible in almost all the countries studied.

After a first phase in which the services were launched, their subsequent consolidation was contemporary with the concentration of the sector that, in general, corresponds to high levels of cartelization, leading to scarcely competitive dynamics in the prices and subscription offers for end users.

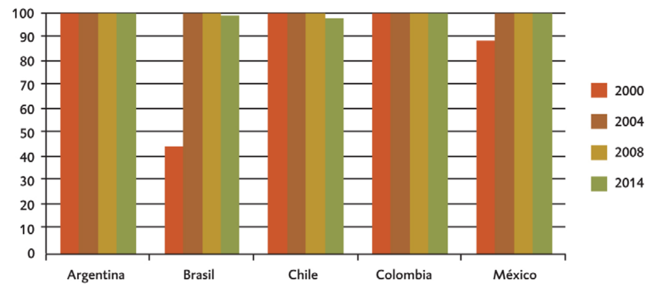

Figure 3: CR4 Mobile telephony.

Now, if instead of taking as benchmark the concentration ratio CR4 and measuring the share of the first four operators of each communication segment, CR2 were used (see **Figure 4**), that is, the incidence of the two main companies, the outcome would be an exacerbation of the previously described trends.

That is, it would be evident that in the most populated countries and most robust economies of Latin America, real competition in the communication ecosystem is very scarce, since there are virtual duopolies in almost all industries other than radio (the medium of lesser economic importance).

Indeed, the communication concentration levels in Latin America are so high that the CR4 method-which is suitable for other regions of the planet-is too loose a fit.

The sealing of concurrence has a double appeal to public policy. First, access to media, and information and communication networks, is denied on equal terms to numerous actors in society, thus eroding their right to freedom of expression. Second, competition is structurally distorted and freedom of trade is affected **(Figure 4)**.

On the other hand, these new indicators on the evolution of concentration in the region show that the opportunities that the so-called digital revolution presents by breaking down part of the production chain --fundamentally the links of distribution, exhibition and consumption of content and communications--, do not bring an opening of markets. An opening of the markets had been the general assertion of political and advertising claims, though it does not occur in practice. Nor does it allow the entry of new players to expand the participation of these sectors.

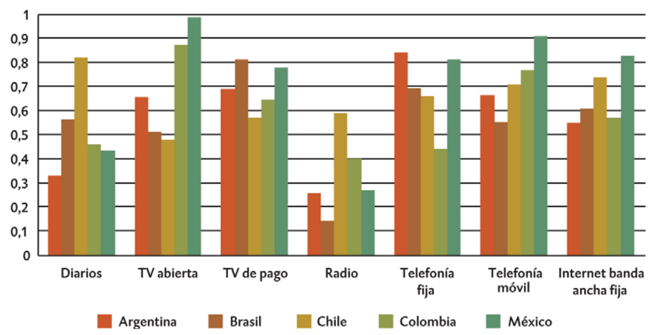

Figure 4: CR2 Comparison, 2014.

Conversely, concentration has intensified over the first 15 years of the 21st century, reinforcing the endogamic nature of this process, given that any potential entrants in the pay television market, for example, come from the telecommunications segment and vice-versa. These indicators are of relevance when it comes to evaluating how mass communication and information is produced and circulated socially. As Mendel, et al. [25] point out, "In most of the countries, for an important sector of the population traditional media (television, radio and newspapers) still represent the main source of news and information source on current affairs."

The challenge for the continuity of studies on the concentration of media ownership in Latin America, which have included the telecommunications sector in the early research undertaken by the authors of this paper, has to do with adding as an indicator the digital networks as well, with a view to measure and understand the convergent transformation of the communication ecosystem.

Conclusions and Closing Remarks

The first 15 years of the 21st century in Latin America show that the processes of concentration of the communication activities surveyed in this work have spread and are of a conglomerate nature, with corporations boasting a dominant position in several of the media that, until the last decade of the last century, generally remained segregated. While concentration then was fundamentally horizontal and showed movements of vertical integration --with leadership in each industry striving to integrate the different links of the value chain in the same business structure--, for more than a decade now the expansive trend of the most powerful conglomerates has prevailed, encompassing several activities at the same time.

In a historically concentrated structure, boosted by the absence of public policies to prevent the excessive dominance of a few groups in the media scene, and in contrast with the central capitalist countries, in Latin America the effect of the inclusion of telecommunications in the media reinforces the trend towards concentration and an oligopolistic configuration of a few conglomerates with regional scope.

This research reveals that the various industries show levels of concentration that is incompatible with the objective of promoting diversity, which is, in turn, a public policy mandate. Considered in isolation, each sector shows the absolute dominance of four or even fewer groups, while the whole picture is not very encouraging from the perspective that seeks to achieve a greater plurality of owners.

In turn, studies on the concentration of ownership of media and communication industries face the challenge of assimilating the metamorphosis of convergence, as well as its unfinished nature (given that these are ongoing processes), which prevents us from making assertive conclusions about their evolution. In addition, in Latin America this type of studies is cut across by the challenge of dealing with a sector that, in general, lacks reliable statistics from state sources, and in which companies are reluctant to disclose basic data on the functioning of the markets.

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