

# Advertising, pluralism and elections: local governments and their media spending

## Publicidad, pluralismo y elecciones: gobiernos locales y sus gastos en medios de comunicación

### Publicidade, pluralismo e eleições: governos locais e seus gastos em meios de comunicação

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#### ABSTRACT

Local governments buy advertising space in the media, establishing commercial relationships with them. This work maps and critically reviews the advertising expenses of Chilean municipalities between 2012 and 2016, and identifies their main characteristics. Municipal expenses are concentrated in news media located in their areas of direct influence, there are differentiated dynamics between the municipalities of the Metropolitan Region and other regions of the country. It is also confirmed that electoral logics permeate decisions about institutional advertising.

**Keywords:** government advertising; pluralism; local government; media; elections.

#### RESUMEN

*Los gobiernos locales compran espacio publicitario en medios de comunicación, estableciendo relaciones comerciales con estos. Este trabajo mapea y revisa críticamente los gastos en avisaje publicitario de las municipalidades chilenas entre 2012 y 2016 e identifica sus principales características. Los gastos municipales se concentran en medios ubicados en sus áreas de influencia directa, pero se distinguen dinámicas diferenciadas entre los municipios de la Región Metropolitana y de otras regiones del país. Se confirma, además, que las lógicas electorales permean las decisiones sobre publicidad institucional.*

**Palabras clave:** publicidad gubernamental; pluralismo; gobierno local; medios de comunicación; elecciones.

#### RESUMO

Os governos locais compram espaço publicitário em meios de comunicação, estabelecendo relações comerciais com estes. Este trabalho mapeia e revisa criticamente os gastos em propaganda publicitária das municipalidades chilenas entre 2012 e 2016 e identifica suas principais características. Os gastos municipais se concentram em meios localizados em suas áreas de influência direta, mas se distinguem dinâmicas diferenciadas entre os municípios da Região Metropolitana e de outras regiões do país. Além disso, se confirma que as lógicas eleitorais permeiam as decisões sobre publicidade institucional.

**Palavras-chave:** publicidade governamental; pluralismo; governo local; meios de comunicação; eleições.

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## INTRODUCTION

Official advertising published in the media represents an opportunity to transfer economic resources from public services belonging to different State levels to the media. It is a legitimate exchange, associated with disclosure obligations of public activities related to these services. However, at the same time, it is a practice that requires scrutiny due to its potential negative externalities. Public organizations such as the Inter-American Commission on Human Rights (IACHR), through the Rapporteurship for Freedom of Expression, have indicated that the lack of transparency and known criteria for the allocation and withdrawal of official advertising facilitate the establishment of gray areas in the relationship between governments and media that may violate freedom of expression and informative pluralism (CIDH, 2012, 2015).

The few studies available in Chile regarding the issue of official advertising (see, for example, Fucatel 2005) have focused on estimating amounts and patterns of allocation of official advertising by the central government. There is almost no data available regarding what happens at the local level between municipalities and media, despite the relevance that regional and local media have for the consolidation of local identities (Arriagada, Correa, Scherman, & Abarzúa, 2015), political socialization and civic participation (Kleis Nielsen, 2015; McLeod, Scheufele, & Moy, 1999). The existence of independent media, which have the capacity to challenge the authority, is considered a relevant indicator to observe the quality of democracies at the subnational level (Gervasoni, 2016), which is why we believe it is relevant to inquire at this level.

In a comprehensive approach to the term, the IACHR (CIDH, 2003) defines official publicity as “paid advertising in the press, on radio and on television, government-produced or -sponsored software and video material, leaflet campaigns, material placed on the Internet, exhibitions, and more” (p. 187). From this perspective, the concept of official advertising involves all communication actions undertaken by public bodies. For the purposes of this research, however, we focus exclusively on official advertising published in the media and not in other communicational actions, since we seek to explore economic exchanges between local governments and the media.

This research is framed on a national context where there is no specific regulation on the allocation of government advertising and there is little centralized public information regarding the magnitude of that

expenditure. Our general objective is conducting a diagnosis on the volume and characteristics of advertising purchases in media by Chilean municipalities, which allows us to explain the main elements of the practice of allocating government advertising at the local level<sup>1</sup>. The data with which we work for this article derive mainly from requests made through the Transparency Law to all municipalities in the country. This made it possible to work at a population level and not with a sample of municipalities, which contributes to the robustness of the analysis.

As a first specific objective, we propose to identify the profile of the media that receive resources from local governments by selling them advertising space (according to type of media, property and geographic location). As a second specific objective, we propose to explore how the characteristics of the municipalities explain their advertising spending patterns, with emphasis on political variables, such as the proximity of municipal elections and the mayor’s nomination for reelection.

The contribution of this article is double: in the first place, we provide data not available until now to explore the relationship between local governments and the media for the Chilean case. Secondly, and from this diagnosis, we problematize aspects about the uses of official advertising at the local level that are of interest beyond the case studied. On the one hand, the way in which public resources are distributed in a poorly regulated context and the differences observed in advertising spending practices at the sub-national level, which are often lost in national approaches. On the other hand, we explore the presence of political rationalities in the distribution of advertising to regional and local media. We understand this work as an insert in a debate about the relationship between the use of official advertising by governments and pluralism in media systems, a debate in which concerns about the political economy of the media and its consequences for the type of content produced by them converge, as well as for the quality of local democracies, aspects that will be addressed in the next section.

## OFFICIAL ADVERTISING AND PLURALISM: THEORETICAL FRAMEWORK

From a normative perspective, the media provide a space for the exhibition and discussion of public affairs that makes them central institutions for the functioning of modern democracies. The media is expected to act

as pillars of a democratic dialogue between authorities and citizens, fulfilling functions such as informing, participating in public life, questioning the authorities and offering a channel for the participation and expression of different voices (Christians, Glasser, McQuail, Nordenstreng, & White, 2009). This public role attributed to the media is the basis on which journalism and its relationship with democracy is built (see, among others, Hallin & Mancini, 2004; Merrill & Lowenstein, 1974), which coexists, however, with the commercial imperatives of companies inserted in media industries and that work –as in the Chilean case– almost exclusively on financing models based on advertising sales.

The discussion regarding official advertising is linked, on the one hand, to a tradition that problematizes the political economy of the media and questions their capabilities to resist editorial pressures in contexts of economic dependence (Jansen, 2010; McChesney, 1999) and, on the other hand, it is a discussion that connects with the liberal root of the normative discourse on the public role of the media. The above since the capacities of public scrutiny of the media towards the authority are reduced when the latter has the capacity to make administrative decisions to increase its influence on these spaces of content generation, facilitating the capture or media patrimonialism (Besley & Prat, 2006; Márquez-Ramírez & Guerrero, 2017; Waisbord, 2012).

The arbitrariness and lack of transparency in the allocation of resources by public entities is identified by the Rapporteurship for Freedom of Expression of the Inter-American Commission on Human Rights as the main element of risk regarding official or government advertising. This arbitrariness allows official advertising to become a mechanism of censorship or to facilitate the co-optation of the media by public entities that act as advertisers (CIDH, 2012, 2015), which can damage the capacity of the media to fulfill its watchdog functions. This threat is recognized in instruments such as the Reporters Without Borders Freedom of Expression Index, which includes among its indicators questions about the distribution of advertising and subsidies. As discussed by Sapiezynska and Lagos (2016), these indicators seek to measure whether official advertising is distributed fairly and apolitically, and if it is not arbitrarily withdrawn by governments as a mechanism of pressure on the media.

The discretionary allocation of resources through advertising expenses can turn this practice into a mechanism of reward and punishment directed at media

allied or hostile towards elected authorities (Becerra, 2011; Waisbord, 2014). These practices are facilitated in poorly economically diversified contexts, where limited private advertising options favor the establishment of patronage relationships in which favorable coverage is exchanged for the necessary economic resources (Open Society Institute, 2005). Analyzing the Argentine context, Picco (2013) discusses how official advertising constitutes a mechanism through which provincial governments turn the media into allies and promote a monochromatic and uncritical discourse in the local public debate. This type of favoring synergy points directly against pluralism, understood as a social value related to the diversity of content, the promotion of participation and public debate (Gibbons, 2005).

As Apreza (2010) argues, when the State becomes an advertiser and confuses executive action with political action, what should be a channel of communication with citizens (official advertising) becomes a *Gordian knot* for pluralism, by threatening both internal and external pluralism. We follow the categorization proposed by Hallin & Mancini (2004) to specify that internal pluralism responds to the levels of diversity that are observed within a media, while external pluralism refers to the diversity of communication channels and postures to which citizens have access in a media market. In this logic, internal pluralism would be threatened if the allocation (or threat of withdrawal) of official advertising acts as a censorship mechanism and restricts the editorial freedom of a specific media or journalist. External pluralism would be threatened if decisions on official advertising benefit certain media in detriment of others in an unfounded and sustained way, favoring the concentration of markets or impacting their structure.

There is an important body of recent research in Latin America that has collected data on the phenomenon of official advertising, which in large part comes from civil society organizations and has been associated with communication policies discussion processes<sup>2</sup>. In Mexico, there is evidence of an instrumental use given to official advertising and the strong capacity derived from that of central and local government authorities to define journalistic contents (Dupuy & Ruelas, 2014). The recent discussion about a new regulation on official advertising in that country has given rise to initiatives such as the Observatory of Expenditure, which aims to gather information on this issue at the national and federal levels (see, among others, Sánchez, 2011). In Argentina, the Open Society Institute (2005) inquired about how the official agenda

acts as a mechanism of subtle censorship in provinces. This same institution comparatively documents the reality of official advertising at the Latin American level in a subsequent report made with the Asociación por los Derechos Civiles (Association for Civil Rights), which includes the Chilean case. Regarding Chile, this report indicates, based on interviews with media owners and local personalities, that the purchase of advertising is associated with expectations of deferential treatment by the media to certain authorities, especially at the regional and local level (Asociación por los Derechos Civiles & Open Society Institute, 2008). The diagnosis made by the aforementioned institutions coincides in fundamental elements, such as the tendency to opacity in the decisions on advertising investment by governments at their different levels, the difficulties of accessing this information, the frequent expectation of reciprocity by the media that receives public resources and the indirect and direct pressures that the media and communicators receive as a result of this type of transactions. Academic studies focused on content analysis have supported the suspicion that public advertisers have the ability to introduce biases in information coverage. Di Tella & Franceschelli (2011) demonstrate that economic transfers from governments to the media are expressed in content of a favorable nature to those administrations, even when monitoring by ideological affinity between media and governments. Young (2006) investigates the Australian case and demonstrates that the greater the amount of resources received from government advertising, the lower the coverage given to critical aspects of said government, thereby damaging the quality of public information.

Finally, it is important to note that the instrumentalization of official advertising –with the consequences discussed in this section– is directly associated with the phenomenon of personalization and politicization of public communication, which translates into the political-electoral usufruct of resources intended for institutional communication (Crettaz, 2019; Young, 2007). The public resources thus used make visible the achievements of elected authorities outside the times and conditions under which electoral campaigns are regulated (Ingelmo, 2017), which gives competitive advantages to incumbent candidates over those who try to win those positions. These competitive advantages are known as officialism advantages, a systematic and sustained bias in favor of those who govern at the expense of new candidates (Schiumerini & Page, 2012). Thus, the misuse of official

advertising not only impacts the editorial autonomy of the media or the formation of media markets, but also the quality of local democracies.

#### CHILEAN REGULATION, PLURALISM AND OFFICIAL ADVERTISING ALLOCATION

To date, there is no comprehensive regulation in Chile that addresses the distribution of official advertising per se, but rather a series of criteria dispersed in various regulatory bodies and jurisprudence. Among others, the Press Law (Law No. 19,733 of 2001) established a decentralizing criterion, establishing that ads that have a regional, provincial or community focus should be addressed to regional, provincial or local media. This principle has been reinforced in the different Public Sector Budget Laws –which are approved yearly–, which establish minimum advertising quotas in local media, which must be distributed territorially in an equitable way<sup>3</sup>.

In Chile, the mechanisms of distribution of official advertising were analyzed by an Investigative Commission of the Chamber of Deputies in 2006, which recommended discussing a law regulating the allocation of official advertising and promoting transparency in the selection of media by public bodies (Cámara de Diputados, 2007). This recommendation did not yield legislative results but set a formal precedent on the subject. The report expresses that the lack of regulation can favor the concentration in the ownership of the media, if the media belonging to conglomerates are favored with advertising guidelines more frequently, to the detriment of regional and local media of an independent nature. This concern expressed by legislators is consistent with available records that indicate that official advertising, in practice, has been another element in the consolidation of concentration patterns of media ownership, by favoring conglomerates with criteria that not always are transparent to the public (Fucatel, 2005; Monckeberg, 2009). This background links, therefore, poorly transparent practices in the allocation of official advertising with limitations to informative pluralism, a phenomenon widely discussed in the Chilean context and mainly associated with the high concentration of media ownership (Becerra & Mastrini, 2017; Godoy, 2016; Sunkel & Geoffroy, 2002). The Chilean media system is characterized, in this sense, by having few dominant actors in each media industry, which also tend to concentrate the advertising (Godoy, 2016).

There is little information available on advertising practices at the local level, except for the actions undertaken by the Office of Comptroller General of the Republic. This institution has detected that advertising and dissemination expenses are sensitive to election years and increase during these periods (Contraloría General de la República, 2016). As a result of these findings, the Comptroller's Office has tried to discourage the personalization of public communication through a series of administrative decisions that aim to object to the use of mayors' image at the center of advertising elements such as posters, cards and others. These objections have also been extended to cases of misuse of media advertising, when the advertising space is used to highlight achievements of the elected authority or when editorial content is purchased directly for promotional purposes<sup>4</sup>, which contradicts the *institutional* nature that the regulations in force grant to advertising funded with the public budget. These practices at the local level are framed in a context in which the mayors' relevance has grown in Chilean politics (Mardones, 2006) and in which local politics has a high level of personalization, to the point that the figure of the mayor tends to be more important than his/her party affiliation (Peña, Aguirre, & Quiroga, 2015). This context generates a favorable space for communication practices of a personalist nature that have been scarcely explored from the academic field.

Based on this background, this study raises exploratory information on the modes of distribution of public spending in the media by local governments on two complementary levels. First, we address the relationship between official advertising and pluralism at the local level and describe the distribution of advertising regarding certain criteria of media diversity: type of platforms, ownership structure and geographic location. Secondly, and due to the diversity that exists between the municipalities, we observe whether variables such as the amount of the municipal budget, the types of municipalities or their population levels are related to the expenses in advertising, since more complex municipalities, more populated, and that employ or serve more people could have greater advertising requirements. In addition to this type of characterization variables of local governments, this study explores whether logics different to those of citizen information permeate decisions on official advertising and pays attention to the interference of electoral cycles in the economic flows established between local governments and municipalities.

#### METHODOLOGY: INFORMATION GATHERING AND CONSTRUCTION OF VARIABLES

This study was aimed at raising and systematizing the data necessary to make a diagnosis on the volume and characteristics of economic transfers made from Chilean municipalities to the media in the national territory during the 2012-2016 period. We sent requests for public information to the 345 municipalities present in the Chilean territory, asking for a budget breakdown of these expenses for the period 2012-2016. Finally, we received data from 321 of the 345 Chilean municipalities and then proceed to systematize it. These budgets were reviewed to identify the expenses made specifically in the purchase of media advertising, as well as the characteristics of the media that received these resources. The expenses in advertising are usually attributed to the budget item Advertising Services, sub-item of Advertising and Dissemination. Only these expenses were systematized, differentiating them from other expenses in advertising and institutional dissemination such as stationery, ads on public roads, greeting cards, among others. Based on the collection of data, we constructed an estimate of the expenditure made by the Chilean municipalities in institutional advertising published or disseminated in the media during the 2012-2016 period.

The expenditure made by the municipalities in the media is analyzed in two complementary perspectives. The first is related to the *characteristics of the media* in which local governments allocate advertising budget. The media were characterized according to three variables: (1) the type of platform on which they operate (printed press, radio, television, digital media), (2) if they belong or not to a media group, and (3) their geographical location (in the same commune, in the same region or in a different region to which the municipality is located). These variables were constructed from the information contained in the budget breakdowns, usually the amount paid and the name of the company to which the media belongs or, in the case of smaller media, the name of natural persons (legal representatives, owners or media directors). In these cases, the information was completed with additional information searches that allowed to verify the relationship between these people and the media to which they are associated in the payments. Both these links and the belonging of media to groups and their geographical location were verified through publicly available data, mainly the database of the Media Cartography project<sup>5</sup>, of the Alberto Hurtado University.

The second dimension of analysis is related to the *characteristics of the municipalities* that could explain spending patterns in institutional advertising. Specifically: the size of the municipal budget, the population of the municipality, the type of commune and its location, as well as political variables, particularly municipal elections, the nomination of the mayor for reelection and his/her political affiliation. These indicators were constructed with public information available in organizations such as the Office of Comptroller General of the Republic, the Undersecretary of Regional Development<sup>6</sup> (Subdere) and the Electoral Service (Servel).

Based on the objectives of the study, the data analyzes were mainly descriptive, of bivariate type, and focused on the relationship of advertising spending with the variables described above. We considered the expenses in American dollars, based on the exchange rate of each year analyzed on December 30. In a complementary way, we developed a multiple linear regression model, where the municipalities acted as units of analysis, defining municipal media spending during the 2016 election year as a dependent variable and different attributes of the municipalities as independent variables. For these analyzes, the advertising expenditure variable is understood as the total of all individual expenses of each municipality during the year analyzed. In these regressions analyzes, since we worked with population and non-sample data, we only analyzed the magnitude of the associations examined and not their statistical significance.

## RESULTS: A BASELINE ON OFFICIAL ADVERTISING IN LOCAL GOVERNMENTS

In global terms and based on the data collected, our study places economic transfers made from Chilean municipalities to the media sector between US\$7 and US\$9 million per year for the 2012-2016 period. This volume of money is modest in the context of the Chilean advertising market<sup>7</sup>. However, it is an amount that allows the establishment of stable business relationships between these institutions and the media, especially those at the local level. The media advertising expense represents about 28% of the expenditure made by the municipalities for advertising and dissemination. That is, of the different communication and marketing actions undertaken by the municipalities, a third is directed to the purchase of advertising spaces in the media. The average annual expenditure on

advertising by municipality is US\$23,000, but there are large fluctuations between municipalities (Standard Deviation: 44,176).

### TYPE OF MEDIA IN WHICH CHILEAN LOCAL GOVERNMENTS ADVERTISE

The first dimension of analysis of this work is related to the way in which official advertising is distributed, from the perspective of the characteristics of the media that publish it. As noted, the analysis was conducted considering three variables: type of media (printed press, radio, television and digital media), type of property (belonging or not to holdings or media groups) and geographic location.

Regarding the type of platforms, at national level the printed press is the one that captures the largest amount of resources from the municipalities. In all the years analyzed, more than half of the budget used by municipalities in advertising went to newspapers and other print media. The radio is the second most used media platform by municipalities with a third of the advertisements, and television has amounts close to 10% in all the years studied. Digital media are the least used as a municipal advertising platform, since they concentrate between 1.6% and 3.5% of the expenses during the period 2012-2016 (figure 1).

When breaking down the results at the regional level, we can see different patterns. For example, among the municipalities of the Metropolitan Region, the largest and with the largest amount of resources in the country, spending on national newspapers is strongly favored, suggesting that the national average is influenced by the behavior of the municipalities of this region. The printed press is also favored in the north of the country (Tarapacá Region, Arica and Parinacota, and Antofagasta). In other regions, particularly in the southern half of the country, radio stations are priority communication channels for local government advertising (figure 2).

Regarding the ownership structure of the media, in all the years examined, more than 50% of the resources spent on advertising are directed to media outlets that do not belong to media conglomerates. In contrast, between 41% and 46% of everything spent on advertising by municipalities is directed to media that are part of conglomerates (figure 3). The same regions that privilege the printed press as advertising support are those that favor conglomerate media (Metropolitan Region and regions of Arica and Parinacota, Tarapacá and Antofagasta). In the rest of the Chilean regions,

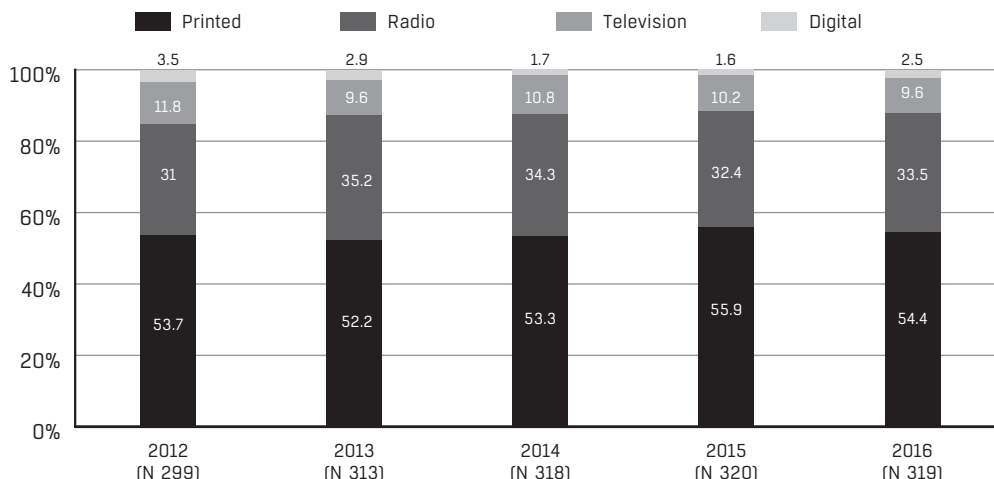


Figure 1. Evolution of official advertising expenditure by type of media (2012-2016) <sup>8</sup>

Source: Own elaboration.

municipalities tend to favor independent media. Although a specific analysis of the different regional realities exceeds the objectives of this work, we believe it is important to note that these differences seem to respond to the conformation of the media systems at the subnational level. For example, in the regions of Maule and Aysén, more than 97% of advertising spending is concentrated in independent media, which is logical if it is considered that in these regions there are no newspapers of the *El Mercurio* or *La Tercera* media groups.

Almost one third (29%) of all advertising expenditure during the period is concentrated in the *El Mercurio* group, owner of the traditional *El Mercurio* newspaper and an extensive network of associated regional newspapers. The second largest beneficiary is the Copesa group (6%), the second part of the so-called Chilean press *duopoly* that only has a presence in Santiago –where the national circulation newspapers *La Tercera* and *La Cuarta* are printed– and Concepción. After these two groups, the BíoBío radio group stands out (4%). The rest of the expenditure is distributed in an atomized manner, mostly in media not belonging to media conglomerates.

Additionally, if we consider measures of central tendency and expenditure dispersion (taking 2016 as a reference), we can see that the average spending made by a municipality in media belonging to media conglomerates is almost double than the average expenditure in independent media in the same period; also, the levels of dispersion of expenditure

are much higher. This means that not only advertising in conglomerate media is more expensive, but the amounts respond to a small number of contracts between municipalities and this type of media for very large sums. For example, during 2016 the highest amount paid by a municipality to a media belonging to a holding company was US\$305,533, while for an independent one the maximum value paid was US\$96,782.

As for territorial distribution of advertising spending, we find that public resources are mainly directed to the media located in areas of direct influence of the municipalities and that trend is accentuated in the period observed (table 1).

If 2016 is taken as a reference, 43.1% of the resources used were directed to media located in the same commune than the local government. If the criterion used is regional (greater geographical unit, which includes the commune with other adjacent communes), we can see that 93% of advertising spending is directed to media located in the same region. In contrast, only 5.1% of the advertising resources of local governments located outside the metropolitan area went to news media based in this area. In the years studied, therefore, the locality criteria prevailed, and the municipalities oriented their advertising efforts to the communities with which they relate.

**ELECTORAL DYNAMICS AND ADVERTISING EXPENDITURE**

In order to analyze the relationship between municipal expenses in the media and electoral cycles,

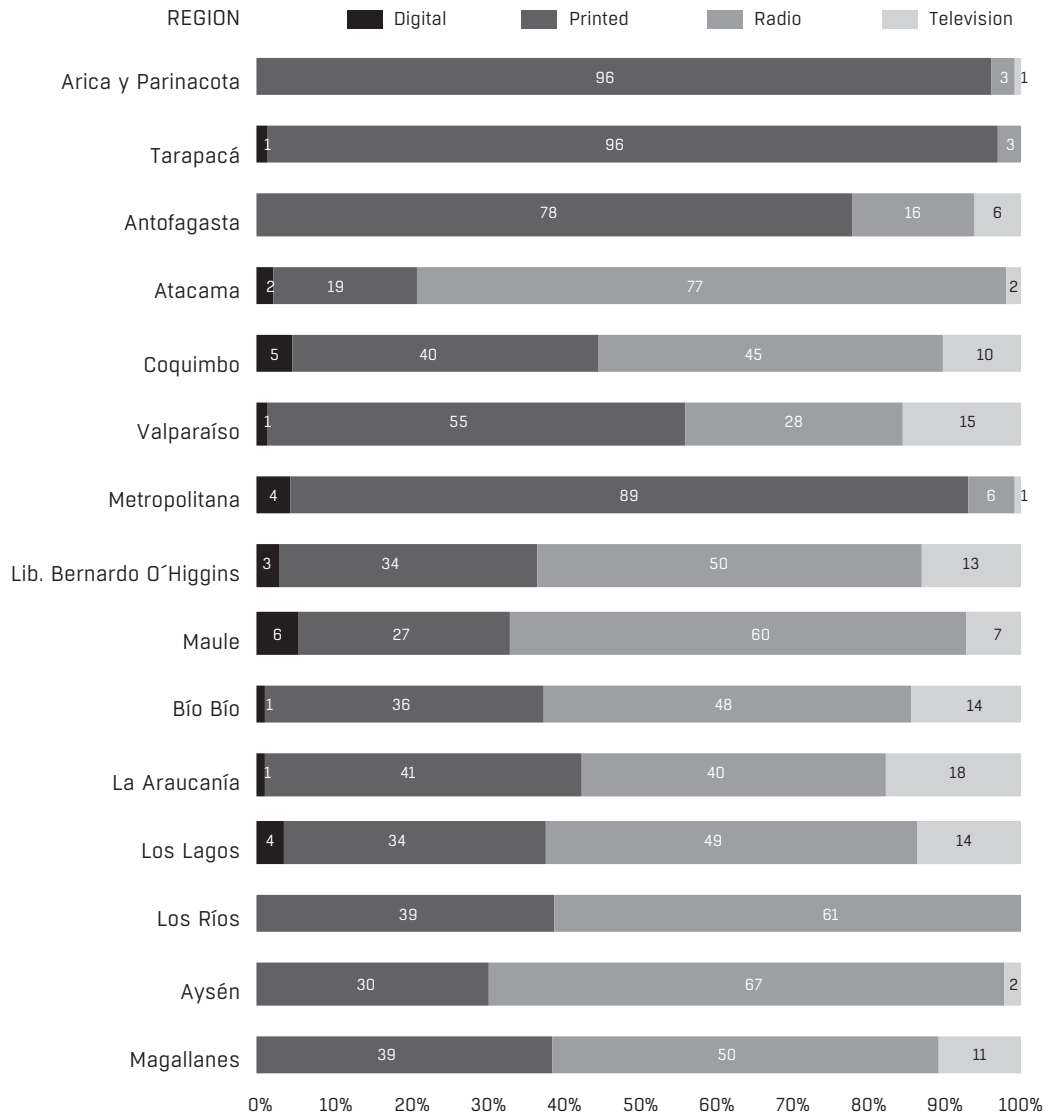


Figure 2. Municipal expenditure on official advertising according to type of media and geographical area (2016)

Source: Own elaboration.

we consider as a first general approximation the evolution of the total expenditure on advertising of the municipalities between 2012 and 2016. At the end of the two years that define the analyzed range, municipal elections were held in Chile (2012 and 2016), so these data allow a first estimate of fluctuations in media spending in relation to electoral periods.

As can be seen in figure 4, the total expenditure on municipal advertising is moderately higher in electoral years, according to the data collected. However, these

differences should be carefully examined, since annual spending fluctuations are affected in the conversion of Chilean pesos to dollars. In Chilean pesos, the expenditure in the media in 2016 is even slightly lower than in 2015 when it is controlled by inflation. Therefore, the total fluctuations in media spending do not seem conclusively associated with municipal elections.

However, taking as reference only 2016 –year of municipal election– those mayors who applied for



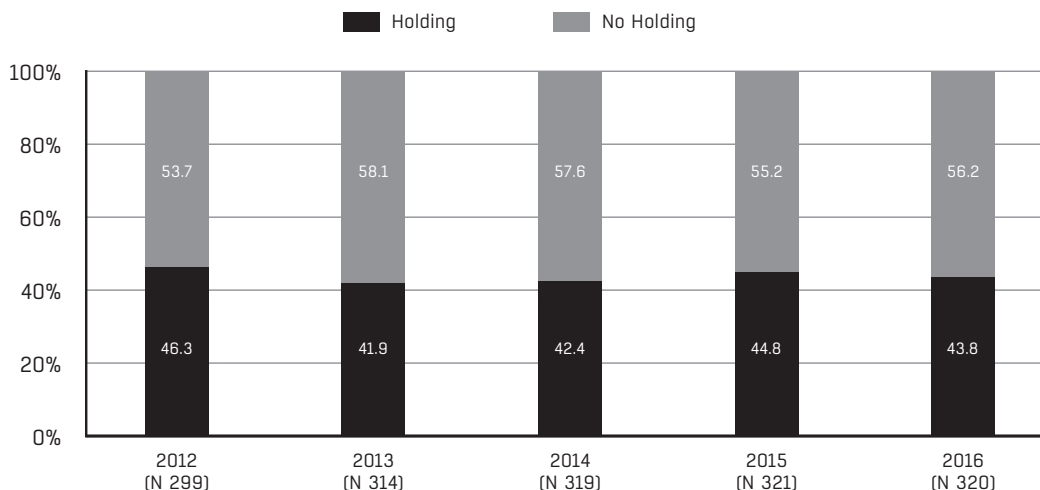


Figure 3. Evolution of advertising expenditure according to media ownership (2012-2016)

Municipalities considered in the analysis per year

Source: Own elaboration.

Year	% expenditure stays in commune	% expenditure stays in region	% expenditure goes to MR
2012	38.3	86.7	14
2013	36.1	86.5	14.6
2014	43.1	88.9	11.8
2015	41.9	91.5	7.5
2016	43.1	93	5.1

Table 1. Distribution of municipal expenditure in media according to their location

Source: Own elaboration.

reelection spent an average of US\$1,430 per 1,000 inhabitants in official advertising. On the other hand, those mayors who did not apply for reelection spent US\$1,000 per 1,000 people. When observing the spending patterns within each political coalition, the difference between the mayors who applied for reelection and those who did not is greater between those who militated in the then opposition coalition Chile Vamos. This trend is not only observed among those mayors who participated in the 2016 municipal election as candidates but extends to all of them. If the patterns of expenditure are observed according to the political affiliation of the highest municipal authority –regardless of whether the mayor applied or not for reelection– we see that the mayors belonging to the

center-right coalition Chile Vamos presented an average expenditure of US\$1,700 per 1,000 inhabitants of their communes, while mayors belonging to the center-left coalition Nueva Mayoría presented an average expenditure of US\$1,000 per thousand inhabitants, and the independents spent that year an average of US\$1,464 per 1,000 people. This difference is framed in circumstances in which the Nueva Mayoría was the ruling coalition at the central government level, and it is the mayors of the opposition coalition who have the highest expenditure. A possible explanation for this difference is that, in a politically adverse context at the national level, the opposing mayors have an even greater pressure to maintain their respective offices, while the official mayors could count on support from

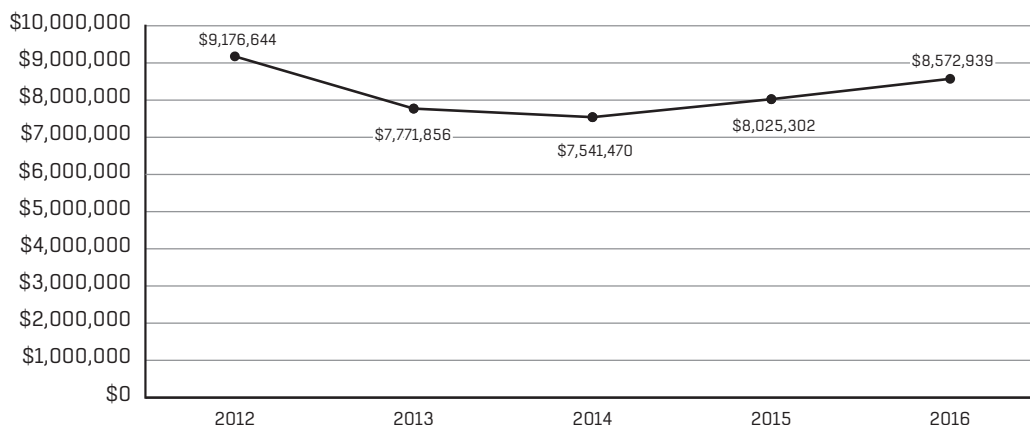


Figure 4. Evolution of total expenditure on municipal advertising (US \$)

Source: Own elaboration.

the central government to make their work visible, for example, through presidential or ministerial visits.

Nevertheless, our data indicate that greater municipal spending on advertising in the election year is not associated with a greater possibility of reelection. The municipalities where the mayors won the election did not present higher expenses in media than those who lost the election. This relationship is maintained when considering all municipalities, as well as when coalitions are considered separately. In other words, municipalities led by mayors who applied for reelection increased their expenses in the media; however, this variable does not seem to be decisive in their chances of reelection.

#### MUNICIPAL EXPENSES IN THE MEDIA: EXPLANATORY FACTORS

To examine the association between the different attributes of the municipalities and their expenditure on advertising, we created a linear regression model considering as a dependent variable the total expenditure of each municipality in advertising in 2016, in US\$, and as independent variables the size of the municipal budget, the type of commune according to the classification of Subdere, the communal population, the area where the municipality is located, the proportion of the expenditure directed to media holdings, if the mayor applies for reelection and his/her party affiliation. The model manages to explain 33% of the variance of media spending.

When analyzing the regression coefficients, we find several relevant associations. When controlling for other independent variables, there is a positive

association between the total budget of the local government and its advertising expenditure. For every additional US\$10,000 that local governments spend annually on their budget, they are expected to increase their advertising expenses by US\$10 ( $0.001 \times 10,000$ ). On the other hand, less populated municipalities spend more on advertising. By controlling all other independent variables, local governments are expected to reduce their annual advertising spending by US\$30 per 1,000 additional people living in a municipality. Richer and more populous municipalities make these expenses more efficiently than poor and less populated municipalities. In terms of geographical area, keeping all other variables constant, the local governments of the south spend US\$10,638 more than those of the center, and those of the north spend annually on advertising US\$9,876 more than the local governments of the central region.

We do not observe a clear association between the level of communal development and its expenditure on media since, by controlling other variables, local governments with the lowest degree of communal development (category 5) spend less than municipalities with the highest communal development (category 1). However, local governments of medium-high development (category 2) spend more than those of greater development (category 1).

Regarding the proportion of expenditure directed to media belonging to holdings, we observe, controlling for the rest of the variables of the model, for every extra 1% that municipalities spend on holding media, the total expenditure is expected to fall by US\$7,411. That is, those municipalities that proportionately spend

Variables	Coefficient (Err. Est)
Municipal budget	0.001 (0.0001)
Municipal population	-0.03
Geographical area	North (9876.2) (77274.0)
	South (10637.7)
Mayor's reelection	5217.2 (7035.1)
Mayor's political coalition	Chile Vamos (8610.3) (5821.4)
	Independent (1969.2) (5879.9)
	Other (-3318.1)
Proportion of expenditure in holdings	-7466.1 (7489.4)
FIGEM	FIGEM 2 (12930.1) (11164.9)
	FIGEM 3 (-3685.7) (12809.0)
	FIGEM 4 (-8749.7) (12277.8)
	FIGEM 5 (-15611.5) (12703.1)
	Constant (8850.9) (13675.6)
R <sup>2</sup>	0.33

Table 2. Multiple linear regression model to explain municipal advertising expenditure (2016) in US\$

N: 315

Source: Own elaboration.

more on holding media tend to spend less resources on advertising.

Finally, the multiple linear regression model confirms the association between the mayor's decision to run for reelection and his/her advertising expenses. Keeping all the variables constant, it is expected that local governments whose mayors are running for reelection spend an additional US\$5,217 on average annually on advertising that local governments where this does not occur. The association between advertising spending and the mayor's political coalition is also confirmed. As the reference category considered in this case was that of mayors belonging to the Nueva Mayoría, we can see that their counterparts in Chile Vamos spend on average US\$8,610 more than they did in advertising and that independent mayors spend about US\$2,000 more year that the mayors of the Nueva Mayoría.

## DISCUSSION AND CONCLUSIONS

The data collected in this work allow to establish the existence of stable commercial links between municipalities and media in their areas of direct influence from the advertising agenda. Regarding the relationship between official advertising at the local level and pluralism, the results described allow us to delineate two complementary areas of discussion.

The first area of analysis relates to the potential impacts of the distribution of official advertising and the external pluralism of regional and local media systems. The data collection conducted allows evaluating these economic transfers according to type of media, type of property and location. These criteria do not exhaust the analysis of diversity in local media systems (Napoli, Stobely, McCollough, & Renninger, 2017), but are used as a proxy to analyze one of its fundamental dimensions, the diversity of existing information channels (Napoli, 1999). Regarding this diversity in the characteristics of the media chosen as advertising platforms, the analysis reveals that municipalities focus their resources on advertising in media located in their communes or regions, suggesting that communication efforts are clearly oriented to communities with which these municipalities are related. Meanwhile, from the perspective of the types of platform and media ownership, we distinguish between two differentiated dynamics: the municipalities located in the Metropolitan Region and those that are outside it. Non-metropolitan municipalities distribute their advertising resources in mainly written and radio media of regional or local

character, and in most regions they do so in media that do not belong to media conglomerates. This finding contradicts the narrative of concentration of advertising in media belonging to holdings in the public sphere (Fucatel, 2005; Monckeberg, 2009), or at least suggests that the practice of assigning advertising by municipalities located in regions is organized differently than the central government, which could be explained by the characteristics of local communication, as well as the configuration of regional and local media subsystems with distinctive features.

The situation is different in the municipalities of the Metropolitan Region, which favor newspapers belonging to media groups that have national circulation and are not characterized by providing daily and extensive coverage of aspects of the community. This implies that the municipalities of the Metropolitan Region – with the exception of the richest communes and whose mayors receive frequent coverage – have higher costs and less capacity to influence the metropolitan media, while the mayors of regions have lower costs and higher possibilities of influence in targeted media.

The weight that these resources can have from the point of view of the operational viability of these journalistic companies is, by the way, inversely proportional to the economic dynamism of the regions and communes (Open Society Institute, 2005; Picco, 2013). That is, the less advertising options, the more relevant the funds from municipalities and other public services are, both from the point of view of the structure of the media system and from the viability of individual companies.

The second area of analysis relates to the impact of electoral cycles on the distribution of official advertising. From this perspective, the work identified positive associations that allow establishing that political logics permeate decisions about institutional advertising at the local level. We believe that these results open a series

of research questions in the relationship between local and media governments, specifically on the levels of editorial autonomy that the media can sustain vis-à-vis local authorities. On the one hand, the literature identifies a frequent politicization of public resources for communications (Young, 2007) that gives visibility advantages to the authorities in office (Schiumerini & Page, 2012). In the case of Chilean municipalities, based on this, we can say that these advantages are used in the field of advertising expenses. Regardless of the content of these advertisements, the results suggest that municipalities would be more willing to make visible programs, events and actions of different kinds in the vicinity of an election, especially when the mayor intends to be reelected. On the other hand, and as a logical consequence of the above, electoral contexts raise the value of municipalities for the media, understood as customers more interested in publishing advertising. The above does not necessarily imply that local media respond with favorable coverage to mayors in all cases, since affirming so would require empirical data of another nature. However, the greater the financial dependence and greater discretionality in the allocation of the advertising, the greater the chances of favoring patronage relationships that are especially important for the quality of local democracies. This gains strength in the Chilean context, where political patronage is embedded in the relations between political and social actors at the local level (Durstun, 2012; Moya & Paillama, 2017).

The type of relationships established between media and political actors is related to the quality and pluralism of media markets. In this vein, we believe that the findings presented do not exhaust, but suggest, lines of research in an unexplored area with the same frequency as relations between media and political actors at the national level.

## NOTES

1. The results presented in this article are framed in the realization of the study *Publicidad de gobiernos locales en medios de comunicación: inversión, pluralismo e influencia* (Advertising of local governments in the media: investment, pluralism and influence) (PLU160012), of the Fund for Studies on Pluralism in the National Information System of CONICYT. We thank the journalist Juan Pablo Figueroa, who worked on the systematization of data, as well as the team of assistants who supported this process (Pedro Kortmann, Javiera Maureira, Patricio Aguilera, Nicolás Rojas, Fabiola Pinto, Andrea Carrasco and Gustavo Donat).

2. According to the Annual Report of the 2019 Special Rapporteurship for Freedom of Expression, Mexico, Peru and Uruguay presented legislative advances that year to regulate the allocation of official advertising.

3. This quota reached 25% in the Public Sector Budget Laws of 2017 and 2018. Between 2010 and 2016 the quota indicated was 20%.
4. In 2015, the Comptroller's Office issued a Special Investigation Report in the municipality of San Antonio regarding advertising services contracted in local media (among others, the newspaper *El Proa*, the most important of San Antonio), whose agenda included periodic interviews with the mayor, greetings and other actions of similar nature. The Report 640/2015 is available at [www.contraloria.cl](http://www.contraloria.cl).
5. <http://www.investigaciondemedios.cl/proyectos-cartografia.html>
6. The Subdere develops a communal typology that groups Chilean communes into five groups, where group 1 represents large metropolitan communes with high development, group 2 large communes with medium development, group 3 medium-sized urban communes with medium development, group 4 semi-urban and rural communes with medium development and 5, semi-urban and rural communes with low development.
7. Data produced in 2016 by the Chilean Association of Advertising Agencies estimate the annual advertising investment in television, radio and printed press at a figure close to US\$900 million, which tends to concentrate on large media. According to this calculation, municipal advertising expenses would represent a percentage close to 1% (ACHAP, 2016).
8. The N of each year considers all the municipalities where there was information on the amount spent and the format of the media where the advertising was published. This criterion applies to all figures.

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