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Shaping and decline of national media groups in Uruguay: the impact of competition with multinational platforms

Conformación y declive de los grupos nacionales de comunicación en Uruguay: el impacto de la competencia con las plataformas multinacionales

Formação e declínio dos grupos nacionais de comunicação social no Uruguai: o impacto da concorrência com plataformas multinacionais

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ABSTRACT | The aim of this article is to describe the configuration and economic evolution of Uruguayan commercial television groups from their birth in 1956 until 2022. From a political economy of communication perspective, the construction of quantitative databases, and an analysis from the industrial economy, we reconstruct these groups' birth, development, and crisis, as well as their relationship with political power. The advent of multinational pay television groups into the Uruguayan market, as well as convergence in the audiovisual sector, most recently expressed in the development of streaming VOD platforms, had a negative impact on the revenues of national media groups, leading to their decline and subsequent economic crisis. This situation was contrasted with the impact suffered by other groups in the region with greater economic solvency. Finally, we analyzed the concession of licenses obtained by the Uruguayan groups in 2022, which will allow them to sell television and fixed data simultaneously. Although this measure, also convergent, may strengthen the national groups, it is not yet possible to predict its future impact.

KEYWORDS: media groups; concentration; television; convergence; Uruguay.

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RESUMEN | *Este artículo busca describir la configuración y la evolución económica de los grupos uruguayos de televisión comercial desde su nacimiento en 1956 hasta el año 2022. Desde una perspectiva de la economía política de la comunicación, la construcción de bases de datos cuantitativas y un análisis desde la economía industrial, se reconstruye el nacimiento, desarrollo y crisis de estos grupos y su relación con el poder político. El ingreso de los grupos multinacionales de televisión para abonados al mercado uruguayo, así como la convergencia en el sector audiovisual, expresadas más recientemente en el desarrollo de las plataformas de VOD en streaming, impactaron negativamente en los ingresos de los grupos nacionales de comunicación. Esto generó su declive y posterior crisis económica. Se contrastó esta situación con el impacto sufrido por otros grupos de la región con mayor solvencia económica. Finalmente, se analizó la concesión de licencias que obtuvieron los grupos uruguayos en 2022, lo que les permitirá vender televisión y datos fijos de forma simultánea. Si bien este hecho, también convergente, puede fortalecer a los grupos nacionales, todavía no se puede predecir el impacto futuro de esta medida.*

PALABRAS CLAVE: *grupos de medios; concentración; televisión; convergencia; Uruguay.*

RESUMO | O objetivo deste artigo é descrever a configuração e evolução econômica dos grupos uruguaios de televisão comercial desde o seu nascimento em 1956 até ao ano 2022. A partir da perspectiva da Economia Política da Comunicação, da construção de bases de dados quantitativas e de uma análise da economia industrial, é reconstruído o nascimento, desenvolvimento e crise destes grupos e a sua relação com o poder político. A entrada de grupos multinacionais de televisão para assinantes no mercado uruguaio, bem como a convergência no sector audiovisual, expressadas mais recentemente no desenvolvimento de plataformas VOD de streaming, tiveram um impacto negativo nos rendimentos dos grupos nacionais de comunicação, o que levou ao seu declínio e subsequente crise econômica. Esta situação será contrastada com o impacto sofrido por outros grupos da região com maior solvência econômica. Finalmente, será analisada a concessão de licenças obtidas pelos grupos uruguaios em 2022, o que lhes permitirão vender dados fixos e televisivos de forma simultânea. Embora este fato, que também é convergente, possa reforçar os grupos nacionais, o impacto futuro desta medida ainda não pode ser previsto.

PALAVRAS-CHAVE: Grupos de mídia; Concentração; Televisão; Convergência; Uruguai.

INTRODUCTION

The emergence and development of social networks and streaming platforms has challenged television's viability as the main means of social communication (Sanchis, 2023). Some empirical studies have concluded, however, that notwithstanding the impact of the technological transformations of audiovisual in digital networks, the traditional television system continues to be the cultural channel at the mass level (Vázquez-Barrio et al., 2020).

The expansion of television as a mass media and its capacity to accumulate capital began in Uruguay, but also on a global scale, in the 1950s and continued well into the 21st century. Since then, technological transformations have impacted it directly, reducing the audience of open television and subscriptions to pay TV. Nevertheless, both television platforms continue to this day to report significant revenues in Europe and the United States (Haessing, 2022; Noam & The International Media Concentration Collaboration, 2016), as well as in several Latin American countries (Mastrini & Becerra, 2015); in Uruguay, as will be seen below, they have suffered significantly.

The difference in the impacts received by different economic media groups in various countries depends on a large number of variables, such as country size, corporate strategies, and regulation, specifically restrictions on concentration. Argentina and Mexico, for example, as large countries, consolidated their audiovisual companies at national level: thus, economic groups such as *Clarín* and *Televisa*, with broadcast, subscriber and telecommunications companies, ended up establishing themselves as powerful players at national and regional scale (Mastrini & Becerra, 2015).

In Uruguay, licenses for open television and pay TV operators are granted at the territorial level (Law 19307, 2014). Companies in Montevideo, which accounts for 42% of the population (Instituto Nacional de Estadística, n.d.), concentrate most of the business. In addition to three commercial open channels, there is a departmental public channel in the capital. At the national level, Uruguay has a State-owned public signal.

The three most important media groups in the country are affiliated with television companies in Montevideo, both in open and pay TV systems. Each group owns one open television channel and one pay TV channel, in addition to other media companies in Montevideo and in the rest of the country. Among the three groups, they have joint ownership of subscriber television companies and another that sells network technical services and exclusive programming to a significant part of the national cable system. Despite the fact that licenses are granted on a territorial basis, due to different economic and political strategies, these conglomerates have consolidated themselves as the main economic groups and as the largest broadcasters of content on a national scale. The three groups, by the names of their television companies in Montevideo, in open and pay TV respectively, are *Canal 4 - Montecable*, *Canal 10 – TCC*, and *Canal 12 - Nuevo Siglo*.

Unlike other countries in the region, the entry of foreign subscriber television groups in Uruguay –*Clarín* (1998) and *DTV* (2001)– affected the reduction of the economic importance and the subsequent crisis of national television groups. In the same vein, we will see how the evolution of streaming platforms has deepened this trend.

In Uruguay, the cable companies of the National Communications Groups (NCG) obtained in 2022 licenses to sell data, a convergent element between audiovisual and telecommunications that the *Televisa* and *Clarín* groups, among others, incorporated to their business strategies more than 15 years ago. It is uncertain whether the Uruguayan groups' possession of these licenses will be able to reverse their economic situation.

THEORETICAL FRAMEWORK

This paper considers that the political economy of communication (PCE), along with industrial economics (IE), helps to ensure a solid theoretical framework to economically, socially, politically, and historically study the media.

PCE interprets the production of symbolic goods as those capable of reproducing the system from an ideological standpoint, promoting the status quo, and maintaining power relations (Bolaño, 2022; Zallo, 1988; Mastrini & Becerra, 2006).

The revival of CPE emphasized the economic structure of these industries and the dynamics of the production, distribution, and consumption of symbolic goods. It also focuses on the concentration process, vertical and horizontal integration, and the establishment of large conglomerates, which unified on a global scale the cultural industries sectors with the television and radio sectors (Garnham, 2005).

As stated by Bustamante (1999), television cannot be approached like any other economic sector, since its political, social, cultural and ideological aspects must also be considered. According to this approach, the economics of television is always a political economy that needs to study its main actors in relation to the political power of the State and to refer to a specific sociocultural reality.

In turn, IE considers that most markets are oligopolistic. On this premise, it proposes to investigate the functioning of markets, the behavior of their agents, and the results obtained (Tirole, 1988).

The television and audiovisual streaming platforms sectors are typically oligopolistic industries and their study has been approached by a large number of authors from this perspective. Some of them have stood out with their works, such as Owen and colleagues (1992) and their book *Video Economics*, which deals with the transformation of television in the United States from the 1970s to the 1990s. Meanwhile, Seabright and Von Hagen (2005) have analyzed the transformations of television due to the entry of new actors in the digital era from the perspective of IE. Likewise, Waterman, whose analyses in the audiovisual industry are recognized, discusses –in the update of one of his works– the competition among all television systems, their strategies, their anticompetitive practices, as well as the conformation of vertical and horizontal integration conglomerates in the United States (Waterman et al., 2012).

The theoretical support of the CPE will be used to discuss the articulation between NCG with the economy and political power. In turn, IE will be used to analyze changes in market structures, competition between different companies and television systems, as well as the economic concentration of the actors, which will define, for the Uruguayan case, the relationship of economic power between national and international actors.

METHODOLOGY

The formation of national commercial television groups in Uruguay has been historically researched by authors linked to the CPE. In this paper, I conduct a comprehensive literature and regulatory review to describe how these groups were formed and what relationships they maintained with the different governments from the time they were granted licenses to operate open television to the time they became licensees of subscriber television systems. This research maintains this theoretical perspective to analyze the links between these groups and the different governments during the period 1956- 2022.

To the theoretical and documentary analysis described above, I add a detailed statistical analysis of some variables, all of them referring to Uruguay between the years 2005-2020. The database was constructed from the market reports of the telecommunications regulator (Unidad Reguladora de Servicios de Comunicaciones, 2022), which provides information on pay TV subscribers; from those of the Centro de Investigaciones Económicas (Rovira et al., 2018) and Admetriks (2022), on the evolution of advertising investment in television and Internet, and Grupo Radar (2021) and Digital TV ("Cono Sur: La TV paga crece levemente mientras se potencia el streaming", 2021) on the number of subscribers to streaming platforms between 2014 and 2020. Likewise, the financial statements of the following open and cable TV companies of national and foreign groups in Uruguay are considered, corresponding to the period 2017-2021: *Canal 4*, *Canal 12*, *Montecable*, *Nuevo Siglo*, *TCC*, *Multivisión*, *Cablevisión*, and *DTV*. Among them, the evolution of revenues and results obtained by the main national and foreign media groups were incorporated.

RESULTS

Conformation of the NCG: 1956 to 2022

The concession of licenses to operate media in Uruguay has been linked to the political closeness between future licensees and the ruling political parties. Pallares and Stolovich (1991) show this for broadcasting and García Rubio (1994), for cable.

Between 1956 and 1962, the open channel frequencies were granted to the families Romay-Salvo (*Canal 4*) –close to the most right-wing sector of the Partido Colorado–, Scheck (*Canal 12*) –owners of the newspaper *El País*, militants of the Partido Nacional– and Fontaina (*Canal 10*), also with close ties to the Partido Colorado (Pallares & Stolovich, 1991). During this period there were two collegiate governments, with a majority of the Partido Colorado (reformist tendency, 1956-1958) and the Partido Nacional (conservative tendency, 1958-1962) (Sacchi, 1999).

These stations began to operate as a cartel resulting in the formation in 1980 of *Red Uruguaya de Televisión SA* (RUTSA) (Resolución 1659/980, 1980) under the de facto regime. This company, with one third of the shares owned by each network, ensured audiovisual content to practically all open television channels in the rest of the country. Under a dependency agreement, the Montevideo stations became virtually national in scope, in a relationship in which the networks in the rest of the country were subordinated both economically and in terms of programming (Pallares & Stolovich, 1991). This contract operated intact until its sale (practically its dissolution) in 2016 (Lanza & Buquet, 2012; Gómez et al., 2017).

Another element that shaped these media groups and their political ties with the neoliberal government of Lacalle Herrera's Partido Nacional (1990-1995) was the granting of licenses to be television operators for subscribers.

Prior to the public bids for pay TV in the interior of the country, the three NCG channels formed Equital SA, a company that would advise those bidding in the calls for tenders in Uruguay's different departments. As the advised companies were already associated with RUTSA, once the licenses were obtained, Equital SA went from being a technical advisor to an active developer of the cable networks needed to transmit the signals and its only programming provider (García Rubio, 1994; Decreto 353/993, 1993). Thus, these became national in scope. The same relationship of dependence was reproduced as in the previous case, of the small cables of the interior with the NCG.

Finally, the Executive Branch (EB) held the bidding process for Montevideo in July 1993, to which 11 proposals were submitted. In February 1994, it awarded three licenses linked to each of the channels, now known as *Montecable* (*Canal 4*), *TCC* (*Canal 10*), and *Nuevo Siglo* (*Canal 12*), and one for the three companies as a whole, *Multiseñal* –in MMDS, which transmits through a microwave system, granted to Equital SA. The latter technology is used to monetize less populated areas. It also awarded a fifth license to Bersabel SA, with use of the UHF (Ultra High Frequency) spectrum, whose main shareholders were from the Partido Nacional. The granting of licenses was considered arbitrary by the six companies not contemplated in this call for bids, which finally made press releases, and several filed appeals before the Administrative Court of Appeals (García Rubio, 1994).

Thus, the concession of these licenses to the three main communication groups in Uruguay allowed them to consolidate their economic and political power, going from three television companies to communication consortiums with radio stations, newspapers, open television channels and cable operators in Montevideo and the rest of the country, and joint ventures: RUTSA, Equital SA, and Multiseñal. The structure of the three NCG had already been configured (Lanza & Buquet 2011; Gómez et al., 2017).

The Partido Colorado government of President Jorge Batlle (2000-2005) was consistent with economic liberalism and, among other measures, promoted the entry of multinational companies into the subscriber television sector. With the acquisition of Bersabel by Grupo Clarín at the end of the 1990s (and then seven additional cable operators in the rest of the country), and the subsequent granting of the license to *DTV* to develop its operations in Uruguay in 2001, the commercial TV sector was made up of five groups, three national and two foreign.

The strong competition in the subscriber television sector created a new pressure from the national groups to the government: to become telecommunications operators and sell, in addition to television signals, data over their coaxial copper networks (Lanza & Buquet, 2011).

Under the progressive Frente Amplio administrations (2005-2020), this request was repeatedly denied. Meanwhile, ANTEL, the State-owned telecommunications company, deployed fiber optic networks since 2010 to occupy practically the entire national territory (Beltramelli et al., 2017). In 2020, with the arrival of the Partido Nacional to the government (essentially neoliberal, although with the support of a set of parties that present differences between them and call themselves a coalition), and a delicate economic situation of the three large media groups, they again were granted a license, also on a discretionary basis, this time to sell fixed data to the home, which broke ANTEL's monopoly and simultaneously increased the value of the assets of the three groups, either for exploitation or sale purposes (Resolución S/N/022, 2022a; Resolución S/N/022, 2022b; Resolución S/N/022, 2022c).

Company	Company type	Year	Group	Ruling party
Canal 10	Open TV Montevideo	1956	Canal 10 - TCC	Partido Colorado
Canal 12	Open TV Montevideo	1961	Canal 12 - Nuevo Siglo	Partido Nacional
Canal 4	Open TV Montevideo	1962	Canal 4 - Montecable	Partido Nacional
Rutsa	Open TV national level	1978	All three	Gobierno de Facto
Equital	Technical services and programming	1993	All three	Partido Nacional
TCC	Pay TV Montevideo	1994	Canal 10 - TCC	Partido Nacional
Nuevo Siglo	Pay TV Montevideo	1994	Canal 12 - Nuevo Siglo	Partido Nacional
Montecable	Pay TV Montevideo	1994	Canal 4 - Montecable	Partido Nacional
Multiseñal	Pay TV Montevideo	1994	All three	Partido Nacional
Cablevisión	Pay TV national level	1999	Clarín	Partido Colorado
DTV	Pay TV national level	2001	AT&T - Werthein	Partido Colorado

Table 1. Chronological evolution of television companies' start of operations and group creation

Source: Own elaboration.

Relationship of communication groups with the different governments and their regulatory proposals

The regulations under the de facto regime that established the broadcasting regulations ruling between 1978 and 2015 (Decreto Ley 14.670, 1978; Decreto 734/78, 1978) determined the concentration limits, set the advertising broadcasting time and established the allowed concentration levels, among other measures; however, this did not prevent the three communication groups from operating with their own rules and almost total autonomy from the supervising agencies (Pallares & Stolovich, 1991).

On the other hand, during the 2010-2020 period (Frente Amplio administrations) there were two important phenomena: the call for tenders for operating licenses for open digital terrestrial television services (DTT) in 2012 and the approval of the Audiovisual Communication Services Law (LSCA - Ley 19307, 2014).

The bidding process was aimed at promoting a greater number of open signals, both private commercial and public and communal. Pressure from the three NCG resulted in changes to the conditions set forth in the first tender decree: formal requirements were reduced, licenses were granted without the need to bid, and the number of new stations to be tendered was reduced from five to two (Decreto 153/12, 2012; Decreto

437/12, 2012; Decreto 144/013, 2013). This call to grant two licenses to new private television operators faced, in addition to the fierce opposition of media groups, several complex and multi-causal problems that ended up with no new commercial open channels. The expectation of generating a more diverse and competitive market in private commercial television ended up failing and only one new open signal from the departmental government of Montevideo was incorporated (Kaplún, 2018).

On the other hand, the approval of the Audiovisual Communication Services Law 19,307 in 2014 (enacted in 2015) implied a paradigm shift in the sector's regulation. Besides promoting a new governance and defending the audiences' rights, several articles directly affected the interests of NCG. For example, the freedom of conscience clause for journalists, the mandatory broadcasting of general interest events, the lowering of the limit on concentration in the ownership of cable operators, the must carry obligation, national programming quotas, the payment of canon and fees for the use of licenses, the time limit and transparency with public hearing in the granting of licenses.

The bill was withstood and a total of 29 appeals were filed before the Supreme Court of Justice (SCJ), demanding the unconstitutionality of around 130 articles of the 202 contained in the law, although most of the LSCA remained in force ("Expertos: las sentencias…", 2016). Once again, pressure on the Frente Amplio governments delayed the law's regulation and it was never implemented in its most important aspects. The groups did not modify the behaviors prior to its approval, specifically their coordinated oligopolistic practices (Buquet, 2018).

As Mastrini and Becerra (2015) state, analyzing different Latin American countries, "…the relationship of media owners […] with the democratic political power was not an exception to the continental rule. They were the ones who actually imposed the rules of the commercial game, without compromising the government's political project" (p. 77).

The Partido Nacional government (2020-2025) included in its program to abolish the LSCA, and the first thing it did in this regard was to send a bill (2020) containing all the demands of the NCG: namely, to allow cable operators to sell data ("Ley de medios…", 2022).

Technological transformation: audiovisual convergence on a global and national scale

It is not surprising that technological changes -mainly the shift of advertising investment from traditional media to different Internet platforms, plus the development of VOD streaming- have started to hit open and pay TV on a global scale (albeit with different intensities depending on the countries). Notwithstanding this, when looking at trends in both the European Union and the United States, the fall in pay TV subscribers and the reduction of advertising investment in open television has been a slow process (Haessig, 2022).

At the international level, the classic audiovisual groups have developed a number of strategies to face new competitors, such as streaming audiovisual platforms. They have created catalog systems to watch television anywhere and on any device (television everywhere). To become stronger, they have fostered mergers between them, for example between content producers and open television owners, such as Disney and Fox, or between telecommunications companies and content producers and cable operators, such as the merger between AT&T and Time Warner, both in 2018 (Butts, 2018; Johnson, 2018).

Although the groups are rearranging and repositioning themselves, they are not abandoning their old businesses. Conversely, they strengthen them with strategies similar to those that appear in disruptive players, such as Warner creating *HBO MAX*, or Disney with *Disney+* to compete with companies like Netflix or Prime TV (Komisarov & Sanchez-Narvarte, 2019).

While in Uruguay the changes were less dynamic, there have also been competition strategies in digital scenarios, such as the three groups' TV cables that developed their television everywhere. In any case, their economic results have had a negative trend.

Rise and fall of NCG

The main mechanisms used by the open and pay television sectors to generate revenues are advertising space sales and subscriptions, respectively.

In Uruguay, there has been a boom and decline in advertising investment in open television and its growth on the Internet, as well as a drop in the number of households with subscription television systems and the corresponding loss of income in the sector.

Advertising investment in open television grew between 2005 and 2014, reaching almost US$130 million, before falling to US$54 million in 2020, a value close to that of 2005. Although the subscriber television sector is much more recent in Uruguay, its decline began a few years later. In 2016 it registered its highest number of subscribers (731 thousand subscribing households) and in 2020 it dropped to 645 thousand; these data reflect a drop in revenues for subscriber TV of US$374 and US$267 million respectively for the above-mentioned years. Conversely, Internet advertising investment in the same period increased from 12 to 48 million dollars, and streaming services, such as Netflix, grew in the same period from 147 to 580 thousand subscribers (figures 1 and 2).

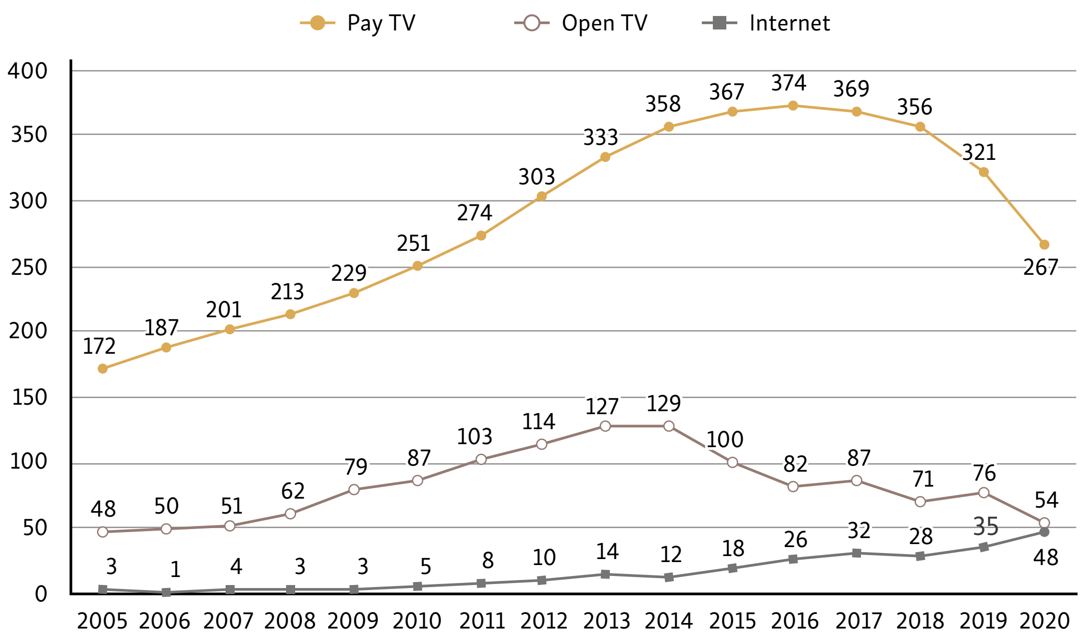

Figure 1. Advertising investment in open television, Internet, and subscriber television revenues in Uruguay (2005-2020, in millions of US$)

Source: Own elaboration based on Rovira et al. (2018), Admetriks (2022), financial statements of television companies, and Unidad Reguladora de Servicios de Comunicaciones (2022).

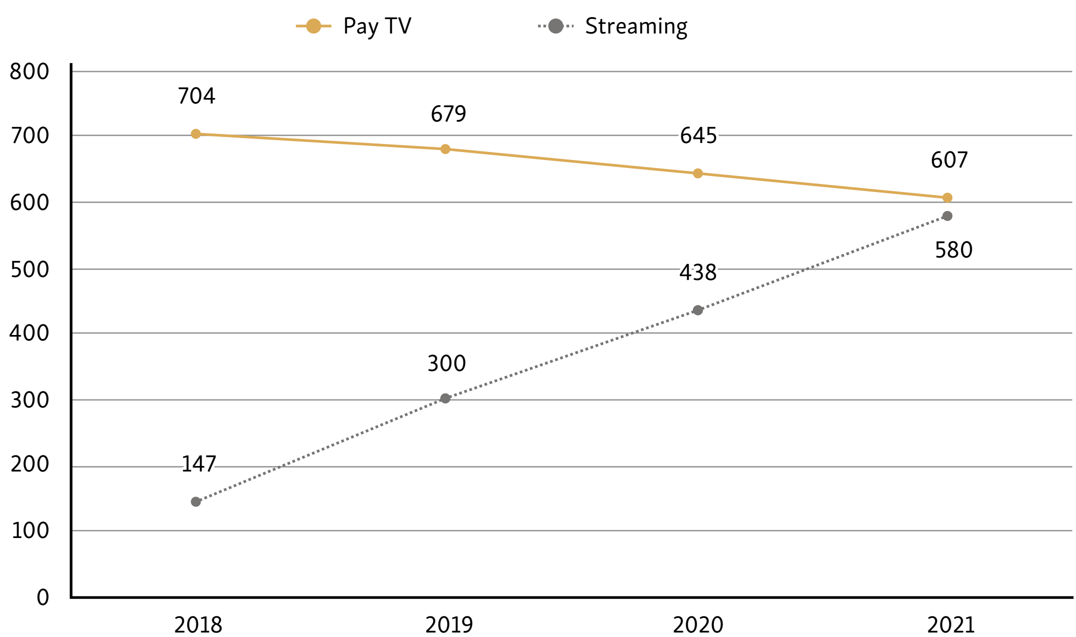

Figure 2. Television services evolution for subscribers and streaming platform users in Uruguay (2018-2021)

Source: Own elaboration based on Unidad Reguladora de Servicios de Comunicaciones (2022), Grupo Radar (2021) and "Cono Sur: La TV paga crece..." (2021).

Historically, open television channels had been an extremely profitable business in Uruguay (Stolovich et al., 2004). In 2014, the NCG reached the highest revenue value, considering all their open and subscriber television companies, reaching US$ 273 million. From 2015, these companies' revenues began to drop and, with them, the rate of capital accumulation, the beginning in the devaluation of their companies and, subsequently, the onset of economic crisis. By 2020, turnover had fallen to US$ 143 million (figure 3). Throughout this period, it is the foreign subscriber television groups that will grow on a national scale. The entry of *Cablevisión*, owned by the Argentine group Clarín, into the subscriber television market at the end of the 1990s created a fierce competition. It first entered the subscriber market in Montevideo and then strengthened its position by acquiring pay TV operators in the rest of the country.

The launch of *DTV* in 2001, a company owned by the US telecommunications group AT&T, whose Uruguayan subsidiary was sold in 2021 to the Argentine group Werthein (Compte, 2021), had a strong impact on the market. With the direct-to-home (DTH) satellite TV system, it was granted the only nationwide license, thus quickly positioning itself as the first subscriber TV operator in the country. Thus, it served as a limit to the NCG' cable companies' growth and subsequently influenced their decline. Indeed, while subscribers to pay TV have steadily decreased nationwide, *DTV* has continued to grow until 2020, reaching almost 200 thousand subscribers.

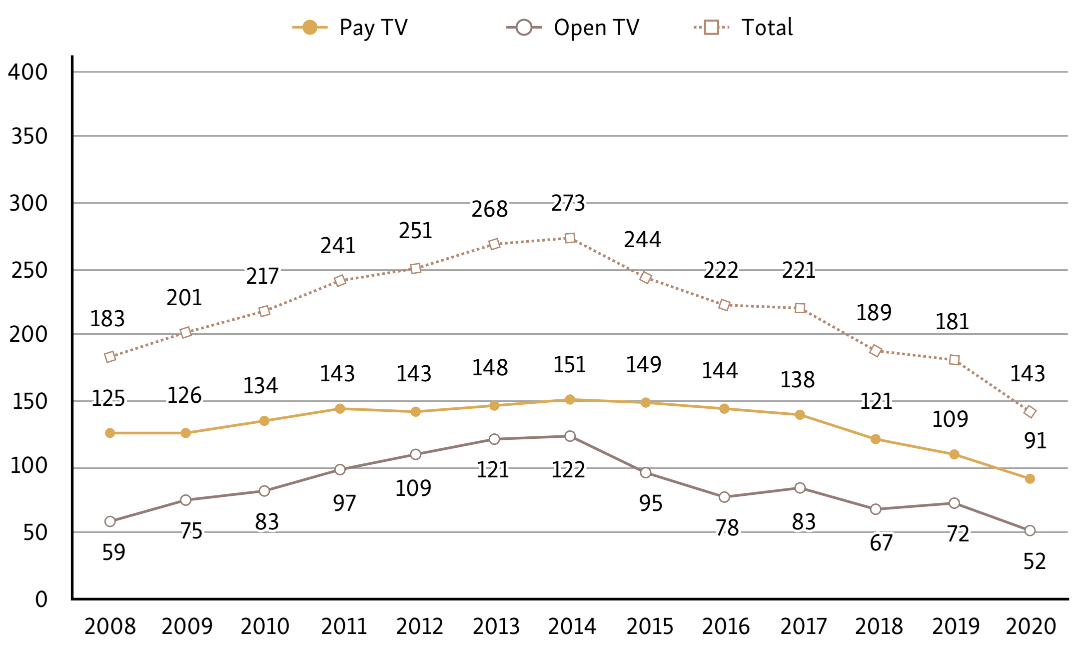

Figure 3. Total revenues of national media groups and their open television and subscriber companies (2008-2020, in millions of US$)

Source: Own elaboration based on Rovira et al. (2018), financial statements of television companies, and Unidad Reguladora de Servicios de Comunicaciones (2022).

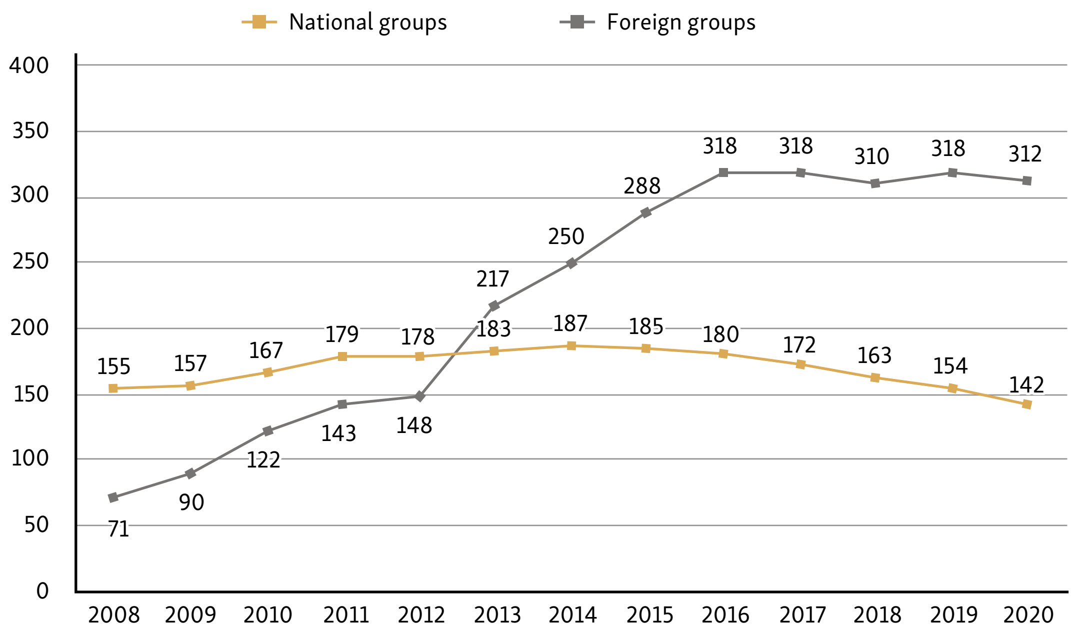

Figure 4. Pay television services evolution by foreign and national groups (2008-2020, in thousands of subscribers)

Source: Own elaboration based on Unidad Reguladora de Servicios de Comunicaciones (2022).

In 2008, the combined subscriber television clients of the three national groups more than doubled those of the two foreign groups (Figure 4). In 2020, the two foreign groups accounted for almost 50% of the total subscribers in Uruguay, while the three national groups represented 22%. In any case, in 2020, the national and foreign groups would control 70% of the subscribers and 80% of the revenues of the subscriber television sector.

Streaming platforms as new players

The combined market for open television and subscriber television is the overall market for traditional television. In 2008, national groups accounted for almost 67% of both markets, while foreign groups represented around 14%. During the period analyzed, the national groups lost almost 20 percentage points of the market, which would be recovered by the foreign groups (table 2).

If the analysis is made in absolute terms, comparing 2014, the year with the highest revenues, with 2020, the year with the lowest, it can be seen that while national groups reduced their turnover by US$130 million, foreign groups practically maintained their income level.

The development and competition of streaming VOD with traditional television sectors led streaming video to be considered as a new audiovisual platform (Directiva 207/65/EC, 2007). In this regard, it can be considered that it is no longer only television operators for foreign subscribers that limit the growth of national television groups, but also multinationals that offer VOD services in Uruguay.

Year	2008		2014		2017		2020	
	USD	%	USD	%	USD	%	USD	%
National groups	183.0	66.6 %	273.0	55.5 %	221.5	45.4 %	143.0	36.9 %
Foreign groups	38.0	13.8 %	134.3	27.2 %	167.2	34.3 %	131.3	33.9 %
Streaming platforms	-	0.0 %	6.0	1.2 %	31.5	6.4 %	65.7	17.0 %
Others	54.0	19.6 %	79.3	16.1 %	67.8	13.9 %	47.3	12.2 %
Total	275.0	100.0 %	492.6	100.0 %	488.0	100.0 %	387.3	100.0 %

Table 2. Income evolution of national and foreign groups, and streaming platforms in Uruguay (2008, 2014, 2017, 2020, in millions of USD and % of the total)

Source: Own elaboration based on Rovira et al. (2018), financial statements of television companies, Unidad Reguladora de Servicios de Comunicaciones (2022), Grupo Radar (2021) and "América Latina, la TV paga..." (2021).

The number of subscribers to these VOD platforms, which have expanded rapidly, impacts on the NCG's falling market share and increase the market share of the multinational groups taken as a whole.

The growth of streaming platforms has not stopped the market decline, although it is evident that part of the income decrease of the traditional television sectors was the result of the shift towards this new form of audiovisual consumption. However, what has changed is the participation of national and foreign groups in the market share. In 2020, national groups reduced their share to 36.9% of the audiovisual sector, while foreign subscriber television groups, added to Internet VOD platforms, reached almost 51% of the market (table 2).

This scenario is reflected clearly in the results of the companies of the three main NCG. Between 2017 and 2020, according to the financial statements of these companies, their results in open television were negative, while in their cable companies they fell by 44%.

Nevertheless, in 2020, foreign subscriber TV groups, streaming platforms and NCG increased their concentration share to almost 88% of revenues. The rest, which could be referred to as the small and medium-sized enterprises (SMEs) in the sector (Others, in table 2), lost more than 7 percentage points of their revenues between 2008 and 2020.

The uniqueness of the Uruguayan case in the regional context

A major difference between the Uruguayan case and other countries in the region is the scale. Revenues from cultural goods, specifically from the audiovisual sector, are related to audiences and these, to the population (Stolovich, 2002). This possibility restricts the economic potential of Uruguayan groups while it enhances that of media corporations in large Latin American countries. For example, the national television groups in Uruguay are not comparable with the multimedia groups Globo, Clarín, and Televisa in Brazil, Argentina and Mexico, respectively. While the three Uruguayan groups had a turnover of US$143 million in 2020, Televisa, Globo, and Clarín had revenues of US$4.9 billion, US$2.37 billion, and US$323 million respectively during the same period (KPMG, n.d.; Globo, 2021; Grupo Clarín, 2022).

These groups have been able to strengthen themselves with convergent strategies incorporating fixed data and telephone sales, new digital audiovisual strategies, and reinforcing content production (Mastrini & Becerra, 2015).

Licenses to sell household fixed data in Uruguay

In 2022, the EB granted licenses to the cable operators of the three NCG to sell fixed data to the home in Montevideo, who will now be able to market TV and data signals simultaneously.

Until then, ANTEL had kept a monopoly on the sale of fixed data to the home. To this end, it invested US$800 million in the deployment of fiber optics throughout Uruguay (ANTEL, 2016). These license grants would be complemented with contracts between these cable operators and ANTEL, who would be able to sell audiovisual content and data only using the State-owned telecommunications company's optical fiber ("Uruguaya ANTEL...", 2022), rendering practically obsolete the entire coaxial copper network (a technology that can no longer rival fiber optics in terms of quality of service).

The current government's plan (2020-2025) is to end ANTEL's monopoly in the home fixed data services market and to increase the number of competitors. In fact, the increase in revenues obtained by cable operators from the sale of these services, minus the decrease in ANTEL's net revenues, will be indirect transfers from the public company to private cable operators. These will depend on the value of the contracts between ANTEL and the cable operators, the prices to the end users, and the number of clients that these companies obtain. In any case, the mere fact of having the new license implies an increase in the value of the companies, either to keep them by integrating the sale of data to the business or to sell the cable company, now with the possibility that the buyer will be able to sell data as well as television signals.

In such a complex moment of technological transformations, these licenses are a boost for NCG. More than a relief, they could compete again with greater economic backing, although still with an uncertain future.

CONCLUSIONS

NCG were created and developed by establishing relationships of interest with different governments, obtaining from them the licenses to operate their different media. This policy has been followed continuously for more than 60 years. Examples of legislation at the demand of the groups are the RUTSA creation decree in 1980 in the de facto government, the decree that allowed the sale of the groups' open signals to the interior cables or the granting of cable licenses in the 90's in the administration of the Partido Nacional, under the presidency of Luis Alberto Lacalle Herrera (1990-1995). In the Partido Nacional administration, led by President Luis Lacalle Pou (2020-2025), demands from media groups were also granted, such as the EB media bill sent to parliament in April 2020, or the granting of licenses to sell fixed data to the home in 2022.

Despite the various regulatory regulations passed in Uruguay –specifically the LSCA sanctioned in 2014 in the second Frente Amplio administration, which established rights, transparency, and restrictions to the groups' monopolistic practices– their economic and political power allowed them practically never to be supervised by the corresponding agencies; thus, in practice, they performed actions with independence and autonomy from those established by the regulatory framework.

Virtually from their inception, the groups worked strategically coordinating their commercial and programming policies, although the first documentation of this was the creation of RUTSA, followed by the joint ventures Equital SA and Multiseñal.

With this market and political power, these groups were able to configure themselves as the dominant players in the television market in Uruguay, building a process of capital accumulation from their birth in 1956 until 2014 when, among the three groups, they reached their highest turnover.

The entry into operation of foreign groups and the technological transformations in the audiovisual market generated a drop in advertising investment in open television and a decline in pay television services, which had a strong impact on the three national groups. Not only did their revenues dropped in absolute terms, losing the equivalent of 48% of their annual turnover, but also their share of the television market was substantially reduced. Despite the development of some convergent strategies, such as television everywhere, these did not succeed in halting its decline.

The other side of this process was the boom of foreign subscriber television groups, Cablevisión and DTV, which, from 2008 to 2020, steadily increased their revenues. If revenues generated by streaming VOD platforms are included in the analysis, foreign groups now account for 51% of audiovisual revenues, while national groups dropped to 37%.

This has led to the economic decline of the NCG's television companies, unlike regional groups such as Clarín in Argentina and Televisa in Mexico. These countries' size, the national reach structure of these groups in their television systems, the possibility of merging their cable systems with the telecommunications sector more than 15 years ago, and their digital strategies have enabled them to reduce the negative impact of the advance of digital technologies. On the other hand, after 15 years of Frente Amplio governments, the closeness of Uruguayan communication groups with the new government headed by the Partido Nacional since 2020 allowed them to finally be granted licenses to sell fixed data to the home, enabling their conversion into convergent telecommunications operators, with the ability to sell television and data signals. This would effectively break ANTEL's monopoly, the State-owned telecommunications company.

For the time being, these companies possess this license, but this business still needs to be implemented. The licenses increase the companies' value, but there is no certainty as to whether or not they will be able to generate the NCG's economic recovery.

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