

The Impact of Advertisers on Media and Journalism in Transitional Democracies: The Case of the Kurdistan Region of Iraq

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Although previous research focused on how governments use advertising to control news media, this study expands the literature on media capture not only by examining how state actors and dominant political parties control the advertising sector in a transitional democracy such as the Kurdistan Region of Iraq but also by exploring the (in)direct impact of various social actors, including corporations, political candidates in election periods, and international nongovernmental organizations. It reports on the findings from 19 in-depth interviews with media professionals and officials from media regulatory authorities. The findings show that advertisers are driven not only by the motivation to influence media content but also by economic interests, such as the colonization of state resources, personal gain, and crony capitalism. We conclude by discussing how precarious socioeconomic conditions lead media professionals to develop informal networks with advertisers—in turn, allowing powerful social actors to use advertising for either capturing news media or expanding their networks with authorities—and how this impacts on journalism practice.

Keywords: media capture, advertising, transitional democracies, Kurdistan Region of Iraq, media independence, journalistic professionalism

Media freedom is considered a vital component of democracy, as it assists journalists in keeping state power in check and guaranteeing transparency and accountability (Vltmer, 2013). However, in transitional democracies, research has shown that there are some factors that can cripple media freedom, such as commercial pressures acting against journalists' independence or repression that is practiced by governments to prevent the disclosure of certain information to the public (Vltmer, 2013; Yesil, 2018). The

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term “transitional democracy” refers to a volatile political system that emerges after the breakdown of an autocratic regime and the subsequent establishment of new institutions (Voltmer, 2013; Zielonka, 2015).

Following the collapse of Saddam Hussein’s regime, the removal of the dictatorship regime in Iraq in 2003, a democratic transition started in the Kurdistan Region of Iraq (Hama & Abdullah, 2021; Hussein, 2018; Mohammad, 2020). The multiparty system since 2003 is considered a model for democratic pluralism in the whole region, and the KRI is designated as “a functioning democracy in the heart of the Middle East” (Taha, 2020, p. 115). This commonly refers to the elections, political pluralism, freedom of establishing political parties and civil society organizations, and establishment of laws and constitutions that meet the principles of international human rights (Hussein, 2018; Taha, 2020).

However, previous research has also shown how governments in transitional democracies attempt to control media through coercion tactics, such as indirect funding, regulations, government advertising, and so on. This study focuses on a particular aspect of media capture theory: Advertising as a means of financing media outlets (Kodrich, 2008; Schiffrin, 2018; Yanatma, 2021). In this regard, research on media capture has shown how advertising power is used by governments to control journalism, especially in societies with an ongoing economic crisis where governments serve as the largest advertisers, as in many countries in South-Eastern Europe, Latin America, South Asia, and the Middle East (Dragomir, 2018; Dupuy et al., 2014; Schiffrin, 2018; Voltmer, 2013; Yanatma, 2021; Zielonka, 2015).

In the context of the KRI, previous research has found that advertisements by government, commercial companies, and nongovernmental organizations (NGOs) are, to a large extent, distributed to media that have strong relationships with powerful politicians (Faris, Maesele, & Smets, 2021). However, questions remain about the exact motivations and interests of these various social actors in terms of ad allocation and about the potential impact on journalistic output. The aim of this study is to address this gap by reporting on the findings of a qualitative thematic analysis of 19 semistructured interviews with journalists, editors, and managers of established media outlets in the KRI, as well as officials from media regulatory authorities.

The first section of this study discusses previous research on media economics in transitional democracies, with a focus on advertising as a form of media capture. In the second section, we provide an overview of the political economy of media in the KRI, with a focus on how journalism is funded in such a nontransparent media environment. After discussing the methodology, the third section presents our findings on the motivations and interests in terms of ad allocation by government institutions, corporations, political candidates in election periods, and NGOs. We conclude by discussing the role of the colonization of state resources, personal gain, and crony capitalism in this process of media capture, as well as the impact on journalism practice. Finally, we present recommendations for future research on media economics in transitional democracies and neo-authoritarian contexts.

Media Capture: The Role of Advertising

Media capture has been defined as a process in which news media are controlled, “either directly by governments or by vested interests networked with politics” (Mungiu-Pippidi, 2012, p. 40). It has been discussed in various contexts across the globe, but particularly in restrictive contexts such as neo-

authoritarian regimes, transitional democracies, and postconflict zones. Research on media capture has focused on a wide range of practices, such as particular regulatory environments (e.g., Relly & Zanger, 2016), forms of governmental bureaucracy (e.g., Dupuy et al., 2014), or forms of government funding (e.g., Faris et al., 2021; Podesta, 2009; Yanatma, 2021).

This study focuses on advertising as a mechanism of media capture. In transitional democracies, the newspaper advertising market is often underdeveloped, with the state serving as the main source of advertising revenue. Research has found that governments use state advertising to either reward friendly media outlets and journalists or to penalize those who practice watchdog journalism (Frisch, Gagon, & Agur, 2017; Podesta, 2009; Yanatma, 2021). This is based on the principle of "I don't pay you to hit me" (Dupuy et al., 2014, p. 18). In the Latin American context, Di Tella and Franceschelli (2011) established a relationship between ad allocation on the one hand and media coverage of corruption by state officials on the other. For Turkey, Yanatma (2021) showed how state-sponsored advertising (i.e., public advertising and announcements, and ads by semigovernmental enterprises such as banks, telecommunications, and manufacturing companies) is used to reward progovernment media. For both Central America (Rockwell & Janus, 2002) and Turkey (Yanatma, 2021), a relationship was established between ad boycotts and freedom of speech (e.g., self-censorship in the newsroom). These studies have shown how governments extend control over commercial advertising, when the latter follow their path to gain political accommodation by ensuring that their ads are published in media that have the support of powerful political actors.

Furthermore, in Southern and Eastern Europe, research has shown that politically connected firms of oligarchical media owners create additional pressures on the advertising market through strong connections with advertising agencies: Often, owners of advertising agencies are found to hold powerful positions as politicians at the same time (Stetka, 2015; Zielonka, 2015). Likewise, Podesta (2009) demonstrated that, during election times, governments engage in bargaining with media owners in the interests of those political parties that are close to the government, notably through the allocation of government ads based on long-term contracts. In turn, media owners donate to the political campaigns of those political parties, using their media to support the governing coalition. Such deals offer these media outlets dual financial rewards in the future in the form of ads by political candidates in election periods and by the government.

Podesta (2009) has referred to situations where governments build direct links with journalists through government advertising—for instance, when individual journalists themselves address government institutions for advertising because their living depends on "advertising sales." In the Latin American context, this is even considered an "institutionalized practice," since state officials require journalists to sign agreements that mandate positive coverage of official government activities (see also Kodrich, 2008). This has created "unscrupulous journalists," resulting in "two-way blackmail." Whereas government officials threaten journalists if they do not write positive reports about them, journalists threaten "to destroy" officials and politicians if they do not allocate their advertising to them (Podesta, 2009, p. 9).

Although this overview shows that the impact of government advertising has been widely discussed, little remains known about the impact of ad allocation by other powerful actors (Eberl, Wagner, & Boomgaarden, 2018; Faris et al., 2021). Previously, a content analytical study established how

corporations, NGOs, and politicians in the KRI make persistent choices when it comes to allocating their ads (Faris et al., 2021). Although this has raised concerns about the relationship between ad boycotts (or the withholding of it) on the one hand, and systemic political corruption, patronage, and clientelism in the media market on the other, this study goes a step further by examining the drivers underlying these practices.

The Political Economy of the Media in the KRI

In the KRI, there is no public information about media organizations' sources of income, as this is considered confidential data. This results in a nontransparent media environment, where there is ambiguity about the structure of media ownership, the financing of media outlets, and the distribution of advertising (see also Hama & Abdullah, 2021; Hussein, 2018; Taha, 2020).

Following the Gulf War in 1991, the KRI was controlled by two political parties: The Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK). Between 1991 and 2003, new media outlets were established (e.g., newspapers, magazines, radios, and TV satellites). Hussein (2018) and Taha (2020) refer to these media as partisan mouthpieces because of their roles in the civil war between PUK and KDP. Moreover, media workers were directly receiving their monthly income from these political parties.

After 2003, new political parties emerged in tandem with many new media outlets (Taha, 2020). According to the latest updates provided by the Kurdistan Journalists Syndicate (2021), the number of media outlets in the KRI is around 833 newspapers and magazines, 37 satellites, 133 radio stations, and five local TV channels. There are no official sources providing data on online media outlets in the KRI; however, previous academic research (in Arabic) has shown that there are around 1,755 online media platforms in the KRI (Ahmad, 2017).

Previous research has categorized media in the KRI into three types according to their sources of funding and ownership (Hussein, 2018; Reporters Without Borders, 2010; Taha, 2020). First, there are media organizations that are entirely funded by political parties, which are organized as "nonprofitable media" as they do not depend on revenue from sales and advertisements. They are known as "partisan media" and are owned by either of the two ruling parties (PUK and KDP). According to Hussein (2018), these two parties control more than 400 media organizations to which they allocate funds from the state budget (e.g., *Evro News*, *Hawler*, *Kurdistani Nwe*, *Waar*). Others are owned by opposition parties, such as the *Wusha* Media Company. Taha (2020) has argued how such "partisan media" increasingly replaced direct government-owned media. Journalists who work for such partisan media outlets are generally members of the respective political parties.

Second, there are media organizations that are funded indirectly by a single politician or state official, such as the president or the prime minister. Although they profile themselves as independent media, they are, in fact, "shadow media." Examples are Kurdistan 24, *Rudaw* Media Network, and the *Nalia* Media group *NRT News* (Taha, 2020). Their existence creates a complex information landscape. Though describing themselves explicitly as independent, they serve as propaganda instruments, pushing the political agenda of their backers (Hardi, 2018; Hussein, 2018).

Third, there are media organizations that are completely dependent on advertising, sales, and international aid, such as *Hawlati* and *Awene*. As these media organizations have been found to play an important role as watchdogs, by exposing corruption and challenging authorities, they have been designated as genuine "independent media" (Hama & Abdullah, 2021; Hussein, 2018).

These types of media organizations are entitled under the same media-related laws and policies that have been established by the Kurdistan Regional Government (KRG), such as press and advertising laws and audiovisual rules.

In general, much of the current literature on media in the KRI pays particular attention to the financial pressures on independent media, such as advertising boycotts by the government, the role of the economic crisis, an underdeveloped advertising market, or the lack of international aid (Hardi, 2018; Hussein, 2018; Taha, 2020). For instance, between 2014 and 2019, statistics indicate that 800 print media (newspapers and magazines) closed in the region, according to a high-level member of the Kurdistan Journalists Syndicate (G. Mohamed, personal communication, August 6, 2019). Media reports indicated that the dramatic closure of media outlets in the KRI is linked to the ongoing economic crisis since 2014 (e.g., long-term salaries were cut because of a revenue dispute between the KRG and the Iraqi Federal Government). As a result, media circulation and revenues dropped dramatically, with some media outlets migrating to online platforms to reduce costs. For instance, in 2015, *Hawlati's* circulation dropped from 6,000 to 2,000 and *Awene's* from 13,000 to 4,000 ("Newspapers in Kurdistan Region," 2018).

Methodology and Context

We conducted qualitative semistructured, in-depth interviews with 19 media experts, including journalists, editors, media managers, and officials from media regulatory authorities. Based on media capture literature, we established interview guidelines designed to identify potential pressures from advertisers on journalism. The interviews were conducted face-to-face by the researcher, with an average length of approximately 1 hr 20 min. The interviews took place from July 15 through August 28, 2019. They were conducted in locations selected by the participants, who indicated places where they felt comfortable. For example, one editor and some officials chose their offices, while some high-ranking officials preferred to conduct interviews outside their offices and far from the locations where they work. The journalists also chose some locations far from their place of work, such as public libraries, restaurants, or cafes.

All participants gave their permission to audio-record the interview. However, from the total of 19 participants, only three gave permission to reveal their names. Taking into consideration the critical political situation and the cultural, societal, and security environment in the KRI, the authors chose not to use their names to avoid any potential risk of exposure.

Data Collection

The data were collected in all three provinces in the KRI: Sulaymaniyah, Erbil, and Duhok (see Figure 1). In the provinces of Sulaymaniyah and Erbil, the formal language is the *Sorani* dialect, whereas

the formal language in Duhok is the *Badini* dialect. Therefore, the interview guidelines for this study were developed in English and then translated into both Kurdish dialects.

For the selection of our interviewees, we considered the media environment of the KRI in terms of the three types of media ownership identified above: Partisan, shadow, and independent. Furthermore, we approached participants with different profiles: Journalists, editors, as well as media managers. We interviewed seven employees from partisan media (Nos. 1–7), four from independent media (Nos. 8–11), and four from shadow media (Nos. 12–15). In addition, we interviewed four (Nos. 16–19) experts who were directly involved in media regulatory authorities.

First, for the partisan media, we selected popular media outlets that are openly owned by the major political parties PUK and KDP: *Evro News*, *Hawler*, and *Kurdistani Nwe*. Both *Evro News* and *Hawler* are published through the official Center of Media and Culture of the KDP. *Evro News* is based in Duhok and *Hawler* in Erbil. Established in 1992, *Kurdistani Nwe* was the first news organization owned by PUK. It is managed and published by party members and the PUK Institution of Media and Culture based in Sulaymaniyah.



Figure 1. Kurdistan region of Iraq (Sadeeq, 2017).

Second, two shadow media outlets were selected: the *Rudaw* Media Network and the *Nalia* Media Corporation (including *NRT* News). *Rudaw* (established 2006) has been described as the largest media company in the history of KRI as well as the most active media outlet in the Middle East (Hussein, 2018; Taha, 2020). *Rudaw* officially profiles itself as an independent media outlet. However, previous studies have shown that *Rudaw* is indirectly funded by Nechirvan Idris Barzani, the current president of the KRI. *NRT* News, established in 2010 and led by the *Nalia* Media Corporation, claims to be the first independent media organization in Kurdistan. However, it is owned and funded by Shaswar Abdulwahid Qadir, the leader of opposition party *Naway Nwe* (New Generation Party), and it was formed in 2018. It is known as an antigovernment media outlet and reports on the misconduct of state officials and ruling parties.

Third, for the independent media, we selected two media organizations: *Hawlati* (established in 2000) and *Awene* (established in 2006). They are both regarded as the first two genuinely independent

newspapers in the history of the KRI (Hussein, 2018). They define themselves as critical media outlets that cover corruption in government and political party practices. Both are based in Sulaymaniyah. Since the economic crisis in the KRI in 2014, which resulted in low circulation and low advertising revenues, *Hawlati* ceased operations from February 2016 until April 2018, while *Awene* ceased to issue its printed newspaper after 2018 (Faris et al., 2021; Hussein, 2018).

The selected media outlets have both print and online press, some of these media organizations also broadcast television and radio, such as *Kurdistani Nwe*, *Rudaw*, and *NRT*. Some of the interviewees were working for both online and print media, as well as for TV and radio, as in the case of *Rudaw*, *NRT*, and *Kurdistani Nwe*. We believe that it would also be significant to include the perspectives of the advertisers themselves in this study, such as businesspeople and political candidates in the election periods. However, since the difficulty in accessing these people, we chose to limit the scope of the study accordingly.

It should be noted that each interviewee provided information from the perspective of more than one role, because of their involvement in multiple tasks within the media organizations. For example, some media managers also worked as reporters, correspondents, or producers. Some interviewees were working as journalists as well as in public relations (PR), or as economic or political consultants within the newsrooms. The notion of having multiple jobs is related to ongoing economic shortages after 2014. Consequently, media organizations found it difficult to provide salaries for their workers. They attempted to tackle this issue by reducing the number of employees, and thus, existing employees are subject to a multitask position, while several journalists have simply been left jobless (Hardi, 2018; Taha, 2020).

During the interviews, the focus was on the interviewees' experiences during the period between 2014 and 2019. This focus allowed us to gain insights into the potential implications of the ongoing economic crisis since 2014. In addition, four elections were held in this period: The Iraqi parliamentary elections of April 2014 and May 2018, the independence referendum of September 2017, and the Kurdish parliamentary elections of September 2018. Previous research has indicated that news media are more likely to be subject to pressures during election periods, with political actors likely using their advertising budget to influence journalists or editors (Besley & Prat, 2006).

Data Analysis

To analyze our data, we employed a qualitative thematic analysis approach. Thematic analysis is a reliable qualitative approach that is used for descriptive analysis by analyzing, identifying, and reporting patterns (themes; Jensen, 2002). We started with an intense rereading of the entire interview transcripts, undertaking "repeated reading" to identify repeated patterns of meaning. We found that the participants answered our questions in different ways, such as giving their views, describing experiences, or referring to their knowledge. In most cases, the participants expressed their thoughts indirectly, by giving hypothetical examples, using metaphors, presenting facts with reference to documents, avoiding names (e.g., officials above us), or recounting stories concerning their experiences. As a result, (1) we distinguished between the surface meaning of the data (direct arguments) and (2) what participants attempted to say indirectly by looking for the underlying meaning of the interview content, such as the context and position of the interviewees. Although the former represents the descriptive units of participants, the latter embodies a

constructionist unit of the assumptions underpinning the interview texts. In our analysis, we have considered both situations. For instance, in the result section, we indicate when interviewees offer their points of view “indirectly,” offering hypothetical examples and more.

In relation to media capture, we generated two themes from our initial codes based on our theoretical assumptions: (1) Motivations of the advertisers for the allocation of their advertising to media outlets (i.e., buying positive news, legal pressure, corruption deals, business ethics, politically connected firms, personal gain, forms of complex deals between business and politicians); and (2) Mechanisms of advertising distribution, as there is no official channel for the distribution of advertising in the KRI. The former theme allowed us to assess the impact of advertising on journalistic work. It revealed detailed evidence and practical experiences from journalists and editors, such as situations in which they restrict themselves in the newsroom to avoid advertising boycotts. Other reasons behind the allocation of the ads to a particular media outlet, such as economic motivations of individuals or organizations, also came forward. The latter theme provided insights into the informal methods involved in advertising distribution. It allowed us to gain a deeper understanding of the nature of the relationships or interplay between advertisers and media organizations (e.g., interpersonal meetings, telephone calls, brokers, patronage links—informal points of contact between journalists and advertisers).

Findings

As the distribution of advertising is based on informal contacts between media organizations and advertisers, exploring the nature of these informal relationships offers a deeper insight into the degree to which advertisers may interfere in media content or may have other motivations. In this section, we present the findings by actor, starting with state-based entities and continuing with political parties, corporations, and international NGOs.

State Actors

Here, we use the term “state actors” to refer to the political parties’ representatives in government institutions. Previous studies have shown that government advertisement (e.g., official advertisements and announcements) allocation can be used by state actors to reward friendly media and punish critical voices (Yanatma, 2021). The interviews revealed that official advertisements and announcements are indeed used to punish media that criticize authorities, for instance by means of advertising boycotts. This has been the case for the independent media organizations *Hawlati* and *Awene* and shadow media organization *NRT News*. Interviewee (No. 8) stated:

Officials say to us, we will give you the advertisements, but be careful when you write about us [. . .] Some officials directly and disrespectfully said to me: “We will not give you any ads, and do not ask me why, just go, and do not come back again.”

He added: “I have no choice; therefore, I advised my journalists to be as careful as they can when they make their reports.” Nevertheless, our results show that this is not necessarily related to influencing media content. The common view among participants within partisan media (*Hawler, Evro News, Kurdistan*

Nwe, Rudaw) was that the government did not attempt to interfere in their media content. Other factors were found to be at play: Partisan media are dependent on government advertisements and announcements for their financial survival. An important gateway here is the Public Service Broadcaster (PSB), which is being used to transfer government advertisements to media owned by one of both ruling political parties. As one interviewee (No. 19) indirectly has referred how officials that have higher-position "above us" in regulatory bodies of the media control government advertisements and announcements, explained:

Some state actors are positioned above us in the hierarchy of the PSB, from both political parties (KDP and PUK); those state actors controlled the government advertisements and they are even involved in corrupt deals in order to provide financial support to media belonging to their parties (I mean the first two major parties).

This interviewee further indirectly explained the sort of corruption that occurs among state actors who are directly responsible for government advertisements. He gave a hypothetical example to explain this phenomenon:

Let me explain to you in a more obvious way; for example, I'm from the PUK party, and I have some advertising from the government that I need to send to media outlets. First, I will send it to the media owned by the PUK. Second, I will pay PUK media for these advertisements at a higher price than the standard, if the advertisement cost is USD 100, I will pay USD 500 to media owned by PUK and so on, and this amount of money comes from the public funds, just for your information.

Although it is assumed that the partisan press is funded directly by the political parties themselves (e.g., Mancini, 2012), our interviewees show that the political parties have established their own informal policies to control government advertising as a primary source of funding for their media:

The KDP monitors the ad revenues very carefully, they have very strict control, they want to see documents of how much we have obtained each month, they see who the advertisers are, and they want to know how much money was paid by each advertiser. The KDP set up a special committee to monitor all these details for each month. (Interviewee No. 1)

Political Candidates in Election Periods

In the KRI, there are around 34 active political parties, with 17 represented in the parliament and 21 participating in elections between 2014 and 2018 (Hama & Abdullah, 2021; Irwani, 2015). However, previous research has shown that six major (partisan, shadow, and independent) media outlets in the KRI primarily received party advertisements from the two ruling parties KDP and PUK during these elections, and almost none from the opposition party "*Naway New*," especially in the case of the independent media (*Hawlati, Awene; Faris et al., 2021*). Previous research has been concerned with how political candidates transfer financial support through their advertising to influence media content and voting in elections (Besley & Prat, 2006; Petrova, 2008). Interviewee within the partisan media (*Hawler, Evro News, Kurdistan Nwe*) reported that they are obliged to write positive news content concerning candidates of the political party that owns the media outlet, as they receive direct income from them.

During the elections, all our focus is on the KDP and its candidates, but we do not get money from KDP advertisements or their candidates when we publish advertisements for them, because we are funded by the KDP; we cannot ask for more money during election times. (Interviewee No. 3)

The distribution of advertising is based on informal relationships, with our results showing that some media organizations invite political parties to advertise their candidates by organizing some kind of bidding culture. For instance, a political party or politician who confirms the invitation first obtains exclusive media content during the election campaign. Thus, media managers and editors are involved in making commitments with politicians during elections, while political parties set their conditions: A long-lasting production of positive news. This was the case for two media outlets: *Hawlati* and *Rudaw*. One interviewee (No. 8) narrated his experience:

We sent an official invitation to all political parties to campaign for their candidates. In the invitation letter, I indicated that the political party that responds to us first and gives us more ads will be given a larger extent of *Hawlati's* space. However, the political parties did not respond to us in time; then, PUK contacted us and offered us all their ads, but on the condition that *Hawlati* newspaper would not accept to advertise for any other parties, and the whole space of *Hawlati* [content] was allocated to PUK exclusively. Only for PUK, not any other parties at all, we accepted their offer because we had no other choice.

Moreover, our results show that election campaigns offer journalists to strengthen their linkages further with politicians, as journalists found that they can obtain substantial economic advantages from politicians in the election times. An experienced journalist (Interviewee No. 13) confirmed that:

Journalists build close relations with politicians for economic reasons, they attempt to find different ways to get money from political parties and their candidates, they consider this as an extra achievement in their careers. It is good for us to have close connections with political candidates; for instance, KDP gives USD 10,000 to each candidate specifically for political advertisements and campaigns. Sometimes we remove some critical programs in our agenda during this period of time, as we may harm some candidates, so they will not give us their advertisements.

Corporate Actors

Concerning corporate advertising, previous research has demonstrated that governments may restrict corporate advertising and direct it to specific media outlets (Rockwell & Janus, 2002; Yanatma, 2021). Our study indicates that private advertisers may not directly interfere in journalistic work in the KRI but rather indirectly, by applying pressure to those media outlets that are critical of the authorities. We found that corporations distribute their advertisements to media that have strong relationships with dominant parties to escape from legal pressures. One interviewee (No. 12) from a shadow media organization said, "The owners of party media (political parties/high-ranking officials) serve corporations in

different ways, for instance, when corporations breach the law, when it comes to unpaid taxes or exporting expired products and selling such products in Kurdistan.”

In this respect, several views about the forms of pressures were expressed by the participants, both journalists and editors, from different types of media outlets (*Hawler, Evro, Kurdistan Nwe, Rudaw, and NRT*). Representatives of the two dominant parties in government were mentioned in particular when it comes to using their powers of oversight to restrict businesspeople. To resolve their disputes with state actors, these businesses allocate their advertisements to media that belong to high-ranking officials. For example, one interviewee (No. 9) gave an example in this aspect, how a businessman (without mentioning the name directly) dealt with authorities to enter his products at checkpoints borders with no trouble, stated:

I met a famous businessman, he is one of the wealthiest businessmen in Kurdistan, in Sulaymaniyah. The KDP did not allow this businessman to bring his cars into Kurdistan through the Ibrahim Kahlil border crossing point, as his cars did not pass the quality control, and the KDP has the authority of inspection. The businessman said, “I knew that there were no problems with my cars, and my cars were brand new, they had already passed quality control abroad. In order to get out of the problem, I established good relations with KDP officials by allocating huge advertisements to *Rudaw* media.”

In addition, our interviewees indicated that the advertising of private companies can be used for bribes, and thus the violation of laws, to those high-ranking politicians involved in corruption, who then (mis)use their positions within regulatory bodies to assist the involved businesspeople. Thus, officials breach laws to ensure the future services of corporations and, in turn, businesses reward those officials by the allocation of advertisements and direct funds to media owned by those officials. An interviewee (No. 1) indicated indirectly how officials “close their eyes” to assist businesspeople in such circumstances to the advantage of their parties, said:

The dominant parties cannot force a private company to allocate their advertisements to their media, but they can use some other methods. For example, some officials belong to ruling parties, and have good positions within the governmental institutions, they can “close their eyes” when they see businessmen breach the laws, in terms of unpaid taxes or importing expired products and many other things.

Some officials may use government orders as a tool to pressure businesspeople for the benefit of the media organizations of the political parties to which they belong. In this respect, one interviewee (No. 19) reported:

With the start of the economic crisis in 2014, the KRG made a decision to support the economy by making taxation payments more flexible for enterprises, this decision was utilized by some officials from ruling parties (I refer to two of our political parties) as a tool to reward some private companies with exchange benefits, such as getting advertisements from these private companies or direct funds for their media outlets, especially, I refer to the media outlets: *Rudaw* and *Kurdistan 24*.

Furthermore, advertising by corporations can be used by businesspeople as a means of showing their support and "loyalty" to a political ideology. This is done by allocating their advertisements to the media owned by high-ranking officials and ruling parties. This method of distribution is voluntary, as an interviewee (No. 10) reported:

Let me explain to you: The problem is not about advertising as a source of revenue only, it is a matter of "loyalty and power." If a businessman does not show their loyalty to the ruling parties, he runs a big risk on securing the ruling political parties, in particular, if this businessman has large businesses and has links with media outlets, particularly, media that report against the government and ruling parties. You know it is a matter of power, as the majority of our businessmen become politicians.

This kind of funding was also mentioned by a high-level member of the PSB (Interviewee No. 19), who said, "many of the large private companies' owners called me, and asked me to inform them which media outlets belong to the two ruling parties (PUK, KDP). They said, we would like to publish our advertisements in their media outlets."

This phenomenon has indirectly impacted the content of those media that profile themselves as independent. Participants from these media (*Hawlati, Awene*) argued that these kinds of strong interconnections between businesspeople and politicians have a serious impact on their news organizations. Interviewee (No. 8) said: "We are poor, we do not have the power, so for the businesspeople it is not a big deal to stop their advertisements with our news organization, we are nothing to them."

Moreover, our results show that large businesses owned by top politicians in the KRI automatically allocate their advertising to their own media outlets, as is the case for partisan media (*Hawler, Evro, Kurdistan Nwe*) and shadow media (*Rudaw and NRT*). One interviewee (No. 1) from the partisan media said:

There are many big companies that have made lasting advertising contracts with *Evro News*. Of course, these efforts belong to our sponsor, the KDP, our sponsor either owns large companies, or it has an indirect strong connection with private companies.

International Foundations and NGOs

Previous research has shown that the international humanitarian foundations at work in the KRI primarily allocated their ads to party-owned newspapers. The most active of these international NGOs are Deutsche Gesellschaft für Internationale (GIZ), International Organization for Migration (IOM), Korea International Cooperation Agency (KOICA), United Nations High Commissioner for Refugees (UNHCR), Agency for Technical Cooperation and Development (ACTED), the International Committee of the Red Cross (ICRC), and the United Nations Population Fund, and more. These ads were either announcements of job offers, international and national bids/tenders, or other procurement notices (Faris et al., 2021). However, our interviewees revealed that NGOs do not interfere in their journalistic work, with the exception of an editor (No. 9) from an independent media outlet:

For the elections, we obtained funds from an American embassy to support democratic campaigns, it was a limited fund for a limited time (the election was over, and the funds were finished). So, if you want to get this kind of funding, then you have to make a proposal that fits their vision and mission [. . .] many times we got advantages for this kind of funding.

Interestingly, our results showed that the biased distribution of advertising by NGOs is related to patronage and clientelism within governmental bodies. In this respect, interviewee (No. 9) further reported:

When international NGOs enter Kurdistan, the representatives of the two dominant parties in government directly receive them, as those NGOs have no other options, they build links with our political leaders, especially from the two ruling parties (KDP, PUK). When NGOs have advertisements and announcements; foremost, those NGOs contact government institutions such as governors. So who receives them? The state officials again from the two ruling parties; thus, those officials direct NGOs to the media organizations that are owned by their politicians.

Journalists and Their Sources

Previous studies have indicated that informal contacts between journalists and their sources of income have inverse effects (see Voltmer, 2013, pp. 207–212). Indeed, our data show that these informal distribution methods have created and facilitated an environment for journalists that involves close relationships with advertisers, as journalists make an effort to find advertisers for their media organizations. In turn, they obtain various privileges for their media organizations. In this aspect, our results indicate that this mechanism can be explained according to two scenarios:

One, journalists search for advertisers, and they obtain a percentage of the revenues of those advertisements. These practices lead them to engage with some individuals who have direct involvement in advertising distribution, such as with governmental institutions and corporations. In this respect, one interviewee (No. 2) who works in the partisan media, has given a real example on the nature of business deals between journalists and their manager (editor in chief), said:

One method and a motivating strategy that we use here is journalists: each journalist who brings in an advertisement, they will get 25% of the money from that advertisement. Many journalists make an effort to find advertisements, and this is a great opportunity for journalists to get money too.

Two, meetings at cafes and other events, regular meetings between famous journalists—called “media stars” by the participants—and businesspeople provide an opportunity for journalists to build strong ties with business. Some journalists use these meetings to win advertising contracts with business; in addition, journalists obtain advantages from these contracts, such as special privileges within their media organizations (e.g., good position in the hierarchy, guaranteeing their permanent employment, financial rewards). One interviewee (No. 12) from a shadow media organization said:

We do not ask journalists to search for advertisements for our media company, but we have some very famous journalists: They are big names, and they have strong contacts with businessmen, for example, *Ranj Sangawi*, he has brought so many ads from Sulaymaniyah because he has strong connections with the owner of *AsiaCell* Telecom Company. They meet regularly for coffee, drinks. He brought significant revenues to *Rudaw*, and *Rudaw* has obtained a large amount of money from these contracts.

Overall, these results provide important insights into the nature of relationships between media and powerful social actors within a nontransparent media landscape. The present results are significant in at least two major respects: First, they show how unstable and weak socioeconomic conditions lead media professionals to develop informal networks with advertisers, and second, they show how powerful social actors to use advertising as a tool both for capturing news media for expanding their networks with ruling political parties.

Discussion

The findings show that there is both a direct and indirect impact of advertising on media content. This applies particularly to independent media such as *Hawlata* and *Awene*. Direct interference refers to how advertisements are used to buy positive news from potentially critical media (the "carrot and stick approach"; Yanatma, 2021, p. 7). Journalists and editors are found to practice self-censorship under the pressure of advertisers. The indirect impact of advertisers is grounded in the lack of sustainable and viable financial revenues for media, which has resulted in the closure of independent media outlets under the pressure of political patronage and clientelism. All advertisers studied here have participated in this scenario: Government, private companies, and NGOs.

Eventually, we found that advertising is not only used to impact news media but that there are multiple motivations, which we discuss below.

Colonization of Government Resources

About the question of the colonization of state resources, we found that public funding can be "occupied" by the dominant parties to ensure the financial endurance of (their) partisan media. This finding confirms earlier arguments by Bajomi-Lazar (2017) and Faris et al. (2021). At the same time, our results contradict previous research that argued that partisan media are non-profitable, "do not consider the revenues as income," and "do not run their media with the revenues come [*sic*] from the market" (Taha, 2020, p. 73). Indeed, our data show that advertisements are considered a significant source of income for media directly owned by the two major ruling political parties (*Evro*, *Hawler*, *Kurdistani Nwe*).

Although previous literature has focused on the category of "politicians as media owners" who enter the press world (Zielonka, 2015, p. 85), our study confirms a new model of ownership: Political parties as media owners, with political parties made up of well-connected businesspeople. The revenue for these media outlets not only comes from party funds but also from their advertisements. Interestingly, such media outlets do not define themselves as "party organs" or "partisan mouthpieces," while journalists working

within them believe that they are “relatively independent,” when, in fact, they adhere to specific editorial policies. Further research should be undertaken here to investigate how journalists perceive the notion of media independence within media that have strong links with political parties.

Furthermore, our results show that the ruling parties have also succeeded in expanding their control over international NGO advertising, as bureaucrats act as brokers between the international NGOs and media outlets that belong to their political parties. This confirms previous studies that argued that strong relationships between patrons and clients are maintained by invoking a powerful sense of responsibility and duty (Irwani, 2015).

Personal Gain and Journalism Ethics

This study also found that advertising might be used for personal benefit, by showing that the biased distribution of government advertising is linked to corruption and (kickback) bribery for the personal advantage of high-ranking officials involved in the hierarchy of the PSB. Such bribes occur between some officials and media managers through deceitful and secret agreements (e.g., preferential distribution). In turn, those officials obtain a percentage of the money from those advertisements. This further confirms findings of previous literature, which has indicated that politicians and officials obtain benefits from PSB bodies for patronage and rent-seeking (Bajomi-Lazar, 2015). In this respect, Szanyi (2019) demonstrated that rent-seeking can be considered a form of “legal corruption,” entrenched through formal regulations, or it might be illegal, when public officials are bribed or coerced in some way, such as through informal practices (p. 136).

Moreover, this study raises questions on journalistic norms and standards; it suggests that the normative wall between journalists and advertisers has become a curtain (Coddington, 2015). Our study has shown that the use of informal “social” networks for distributing advertising has allowed journalists to establish friendly relationships with powerful social actors (e.g., through unofficial calls, private meetings, social events, friendships, and even bribery deals). Consequently, this type of relationship offers journalists privileges within their media organizations, such as guaranteeing their positions (job security), or obtaining higher salaries and other financial rewards. Similarly, previous studies in restrictive contexts have demonstrated that informal contacts between journalists and their sources have a serious influence on journalistic work and the flow of information, in which journalists may sell news content through informal meetings (e.g., bargaining advertising) and may accept bribes and engage in “envelope” journalism to produce favorable media coverage (Mathe, 2020; Shin & Cameron, 2003).

These results raise further intriguing questions about the degree to which media professionals are involved in emotional labor (e.g., socialization skills and private networks) to manage the uncertain and chronic instability conditions within deeply restrictive environments (e.g., see Badran & Smets, 2021).

Crony Capitalism

We have found that the biased allocation of advertisements by corporations to media owned by officials and political parties (as was the case for the media outlets of *Rudaw*, *Evro News*, *Hawler*, *Kurdistani Nwe*) is

because of the close nature of the relationship between business and politics in the KRI. There are several possible explanations for this result. Our results show that corporations use advertising as a form of facilitation payment to media outlets owned by high-ranking officials. These kinds of transactions usually occur under the pressure of inspection powers, with businesses attempting to guarantee their economic viability. Obviously, our study shows that the abuse of legal power by officials (usually by invoking inspection powers to challenge businesspeople) is a major factor underlying such practices of clientelism and patronage.

In addition, our study found that business leaders use advertising as a tool to indirectly express their support for a political ideology. In contrast, the allocation of advertisements by business to critical media is understood as an indirect rebuff to the government. Accordingly, in restrictive and authoritarian contexts, the political economy has been described as "crony capitalism" based on networks of privilege, as business viability is based on close, mutually advantageous relationships between authorities and businesspeople (Heydemann, 2004; Moudud, 2013; Voltmer, 2013). However, this kind of interplay is voluntary, and these relationships may partly be related to a sense of corporate social responsibility of some businesspeople, their ethics/beliefs, or political favoritism. In the context of Middle Eastern political economies, it has been pointed out that informal networks between businesspeople generally encourage them to expand their networks with powerful government officials to achieve their economic objectives and to maximize profit from special preferences and benefits from the ruling parties. Therefore, further effort is required to establish the implications of these links within the advertising market (Heydemann, 2004; Moudud, 2013).

Finally, and related to the above, the factor of business capture is another pressure in the advertising market. This term was coined by economics scholars in the context of authoritarian regimes for referring to the strong interdependence between "business and politics" when political parties dominate significant portions of the economy (Zielonka, 2015). This study provides further evidence about how the economic structure of KRI has had an impact on the media market (Faris et al., 2021; Hussein, 2018). In this regard, we found that commercial advertisements are controlled by several economic and political actors, which are generally referred to as "oligarchs," for being media owners and politicians at the same, as in the case of *Rudaw* and *NRT*.

Conclusion

These findings make several contributions to the existing literature. The traditional approach of "advertising as a means of media capture" assumes that the key reason behind unfair distribution of advertising is to control watchdog journalism (e.g., Dragomir, 2018, p. 1136; Schiffrin, 2018). This study has shown that this is not always the case: Just as important is the extraction of state and media resources by dominant parties for the financial survival of their (media) organizations. Second, though a "culture of corruption" has been considered one of the major issues in transitional democracies, this study highlights novel forms of corruption among advertisers (i.e., state actors and businesspeople) and media professionals, and how this hampers the development of media independence (Voltmer, 2013). Third, this research is the first comprehensive investigation that explores the nature of "informal relationships" among media professionals, businesspeople, politicians, and officials. It reveals that the lack of transparency and accountability, as well as the precarity and uncertainty of financial circumstances, have created conditions that lead certain journalists and editors, as well as media managers, to develop informal relationships and

networks with their funding sources, such as advertisers. Moreover, our results shed new light on the nature of relationships between international NGOs and state actors in this environment characterized by patronage and clientelism. At the same time, they support previous studies that have shown how NGOs turn into apparatuses of the state and politicians (Atia & Herrold, 2018; Faris et al., 2021).

Overall, this study has raised several questions that call for further investigation, such as the role of informal relationships between powerful social actors and media organizations in the sustainability of media independence and about professional standards and norms. Moreover, a follow-up study is called for with a focus on the role of particular media laws and the functioning of media regulatory bodies, and how particular regulatory frameworks might ensure transparency and accountability within such a media market, such as public procurement, antitrust or advertising laws.

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