

Twenty-Five Years after the Fall: From Communist Monopoly to Foreign Control over Local Owners: Media Ownership and Its Effects on Journalism in Central Europe

Angelika W. Wyka-Podkowska, *Frankfurt University*

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Abstract

After the fall of communism in 1989, it was assumed that foreign capital, know-how and experience would contribute to the development of the Central European media in terms of their content, quality and professionalism. In retrospect, this assumption was misplaced. My purpose in this regard is to analyze the process of media privatization by foreign capital and its influence on Central European journalistic culture after communism fell. It can be concluded that the central narrative characterizing the media transformation of Central Europe 25 years after the collapse has been that of commercialization and tabloidization. On the other hand, a major recent development observed in the countries in question—domestic owners instrumentalizing the media for their purposes does not constitute a better alternative. On the contrary, this development constitutes even greater dangers for the watchdog role of the media and for the principles of the public sphere. This article focuses upon three countries of Central Europe: Poland, Hungary and the Czech Republic¹, and draws from existing academic literature on media transformation and privatization, as well as various reports concerning media ownership regulations and the major media market players.

Introduction

Why are the media so important to the public good? It is simply because a true democracy cannot work without as many of the people being informed as possible (McAllister, 1996). A system of representation in which all citizens can expect and are granted participation in the decision-making that affects their lives cannot operate if those citizens are forced to make their decisions in ignorance or with biased information. Democracy requires that all sectors and subgroups will be equally well informed (McAllister, 1996). The media would then serve as a driving force for the creation of a functional public sphere, defined by such scholars as Jürgen Habermas (1989)

and Nancy Fraser (1992) “as a place where different social positions can gather to voice their positions and no single voice dominates the discourse” (1992: 113). Specifically, the public sphere is not overwhelmingly influenced by the government, by patriarchy, or by commercialism. As Habermas noted:

The mass media ought to understand themselves as the agent of an enlightened public whose willingness to learn and capacity for criticism the media simultaneously presuppose, demand and reinforce; like the judiciary, they ought to preserve their independence from political and social actors . . . to look after the public’s concerns and proposals in an impartial manner and in the light of these topics and contributions, submit the political process to a course of legitimation and intensified critique (cited in Cohen, 1996: 47–48).

Obviously, the mass media would be prime contributors to the vitality and usefulness of the public sphere. Outside of authoritarian regimes, media scholars and media practitioners have long argued that business-driven, mainstream media has accorded increasing prominence to infotainment. Much news content comprises gossip, scandals, sex and violence. As McAllister wrote, “what is in the media’s best economic interest is not in society’s best democratic interest” (1996: 6). This actually became the case in Central Europe.

For nearly half a century after the Second World War, Central European media systems were framed within a given political, institutional, economic and legal structure. During this communist period, the media were dependent upon the authoritarian state in terms of content, access, ownership, financing, production and distribution (Gulyas, 1999). The mass media were developed by the communist apparatus—as a collective propagandist, agitator and organizer without any critical watchdog function. Opposition press (*samizdat*) were banned to prevent alternative voices from spreading (Splichal, 2001; Wyka-Podkowka, 2011). The state sought monopoly control over the content of all information.

The memorable 1989 Autumn of Nations² brought an end to the old media system. As a result, the previously state controlled mediums of mass communication had to transfer themselves from a communist system to a pluralistic one where differing opinions could be freely voiced. It was believed that freedom of ownership would be the guarantor of democracy and a free press (Splichal, 2001). The media transformation in Central Europe³ took place in several stages. The first, so-called pre-transition stage, pre-dated the breakdown of communism and took place within the framework of the old centralized media system. At the beginning of the 1990s, the regional media landscape experienced something comparable to shock therapy, which led to the second—or transnational stage. This transformation, generated by media liberalization and media privatization/commercialization, very quickly led to the elimination of the old institutional structures. The decisive changes can be observed in the third, so-called post-transformation stage. Here, various overlapping sub-processes (political, cultural, economic and legislative) require examination.

After 1989, the media had to set up new goals as well as new marketing strategies. As noted by Volek (2011), a Czech media scholar, the processes of commercialization and marketization, which includes the sub-processes of economization, rationalization and commodification of the media, contributed to the transformation of post-communist media systems.

This article focuses upon three countries of Central Europe: Poland, Hungary and the Czech Republic, and re-articulates existing academic literature on media transformation and privatization.

It also considers reports on media ownership and regulatory frameworks prepared by the Council of Europe, the European Institute for the Media, the European Commission, and the Netherlands Media Authority or OSI/EUMAP after 2000⁴.

Media ownership and privatization in Central Europe—From communist monopoly to foreign capital monopoly

Privatization of the media meant less dependence upon government. The political views of the first non-communist governments in Central Europe in regard to the extent and speed of this privatization differed widely. However, most governments did opt for the rapid commercialization of the press (Sparks and Reading, 1998:142). Public debates in each country were based on the assumption that media legislation was not necessary, and that the media could be regulated by politically and ideologically neutral market forces. Unfortunately, damaged and weakened economies could not sustain the kind of investment needed to develop new forms of media ownership. Consequently, foreign ownership was greatly welcomed by media outlets across Central Europe. Such investment helped the media become independent from the communist state. It was assumed that well-established Western media companies would be immune to local political pressures, and perhaps be in a position to set up Western-style managerial practices and nurture journalistic standards, as well as provide modern technology and expertise. As Splichal (2001) noted: “In many countries in East Central Europe it was argued that without foreign investment into the media it would have been impossible to improve newsprint and printing quality, modernize editorial offices, and most importantly, to establish and equip radio and television stations” (46). Accordingly, foreign investment in ownership, as well as co-ownership of the media, was extensive and rapidly undertaken at the very beginning of the 1990s. This has remained a major aspect of media privatization in the region until recently.

The expectations that Splichal outlined have largely been fulfilled (see for example Stetka, 2012; Wyka, 2005, 2009). However, the hoped-for importation of Western, high-quality journalism has not occurred. The profit-oriented strategy of foreign investors, exemplified by the commercialization and tabloidization of their news content in the region under examination, has overshadowed attempts to “nurture quality journalism and safeguard journalistic independence, which has often been compromised in exchange for government protection and political favors” (Stetka, 2012: 6).

Initially, multimedia corporations and companies sought to gain a market share in the press in order to access a potential readership of 450 million (Gross, 2002: 64; Lauk, 2008: 201). During the first stage of the post-communist era especially, foreign media ownership was viewed as countering the media influence of the state and aligned political forces. Because legislators saw foreign ownership of the media as a safeguard against political influence, multinationals were allowed to penetrate the market with ease (Splichal, 2001; Sukosd, 2000; Gross, 2002).

As some media analysts argued, the process of commercialization was one of the key preconditions for the successful transformation of post-communist media systems. This mechanism generated media consumption, boosted investments, promoted innovations, and stabilized the media market during the uncertain period of ownership transformation (Sparks and Reading, 1998). This account of events only seems plausible from a strictly free market point of view (Volek, 2011: 251; European University Institute, 2013). Undoubtedly, commercial principles helped many of the old

communist newspapers to survive. It also opened up the market for new titles. Print and electronic media, which were previously underdeveloped or non-existent, expanded in the early 1990s. This expansion, however, cannot be linked with the advancement of professional journalistic ethics (Volek, 2011; Wyka, 2009). The penetration of foreign investment into CEE media markets has been met with diverse reactions, from praise for transferring Western-style management know-how, to criticism for introducing and entrenching the process of commercialization, tabloidization and market concentration (Klimkiewicz, 2004; Stetka, 2013; Wyka, 2009). As Stetka noted, opinions concerning the impact of Western ownership on journalistic cultures have been different. Such opinions largely reflect the experiences with particular investors in different countries (2013).

The 2004 report *Eastern Empires: Foreign Ownership in Central and Eastern European Media: Ownership, Policy Issues and Strategies*, published by the European Federation of Journalists (EFJ) [5], unequivocally states that “This [foreign investment] is a threat to independent journalism and freedom of expression. The old state monopoly of the media, particularly the print media, has been replaced by the new foreign capital’s monopoly” (EFJ, 2004: 6; see also Norris, 2006; Stetka, 2012, 2013; Volek, 2011: 258; Wyka, 2009: 136). Furthermore, according to the authors of the survey, there are strong indications that aggressive commercial policies have been pursued at the expense of journalistic standards, journalists’ professional and social rights, and the principles of political pluralism. While foreign capital certainly meant progress in terms of resources, it did not positively influence the quality of journalism as a whole. There has also been concern that the lack of legal pressure on foreign media groups has negatively affected training, pay, status, and the independence of journalism as a profession (Gross, 2002; Lauk, 2008). It needs to be stated that there was no generic ‘Western media investor’ (Stetka, 2013: 19), but a variety of companies with diverse organizational structures pursuing different business models and strategies (e.g., regional German publishers like Verlagsgruppe Passau or Rheinische Post versus global players like News Corporation or Bertelsmann).

Indigenous media industries and media pluralism within Polish, Hungarian and Czech markets were undermined by the large influx of foreign capital. As Angeles Gulyas, a Hungarian media scholar, noticed, outside companies are less, if at all, concerned with national and cultural developments (1999; see also Lauk, 2008). The German companies, for instance, have been trying to create global magazines for the whole of Central Europe without any variations, yet they have quickly adapted to local business norms and practices, including corruption (EFJ, 2004). Magazines like *Tina* and *Bravo* have been distributed throughout Central Europe.

The European companies have very quickly adapted [to the local context] that’s one of the great disappointments: things which they would not dare to do at home, [they do here], and, on the other hand, they don’t transmit here practices which they adopt in other countries. ... Some of those companies are actually the driving forces of corruption behavior, in many aspects. So, the transfer of corporate culture – yes, that has happened, but only inside of the company (Vasecka as cited in Stetka, 2012: 20).

Indeed, foreign companies have been trying to impose their Western management models in different local environments. The argument goes that the media, in particular the press, were simply colonized by West European publishers (Krone, 2008; Jakubowicz, 2007; Ociepka, 1998; Wyka, 2009) without country-specific adjustments when it came to culture-bound media products (Krone,

2007). Given the fact that laws protecting journalists are weak, large media take full advantage of this (EJF, 2005; Gross, 2002; Stetka, 2010).

It is worth stating at this point, that press ownership laws in Poland, Hungary and the Czech Republic have been very permissive towards foreign investors [6]. The influx of foreign investment into the region came fastest in countries that adopted the most liberal media laws. Countries, such as Hungary and the Czech Republic, went through a process of 'spontaneous privatization' [7], in which editorial teams themselves obtained papers at no cost and then sold them to foreign investors (see for instance Wyka, 2005; Stetka, 2012). This process was a very controversial one as it lacked transparency and financially benefited the former communist party. In Hungary, it generated media wars in subsequent years (Wyka, 2005). In Poland's case, for instance, limits were imposed concerning the amount of foreign investment. Privatization of Polish print media was regulated by a government-established commission that supervised the ownership transfer of 200 periodicals (Klimkiewicz, 2004: 373).

The penetration of foreign media companies has been eased by the fact that establishing a newspaper in Poland, Hungary or the Czech Republic is ten times cheaper than in Germany, France or Switzerland. The Polish company created by Passauer Neue Presse (Verlagsgruppe Passau), Polskapresse, has been accused of displacing competitors in Poland by systematically implementing aggressive price strategies and by purchasing smaller regional and local newspapers to strengthen its own position (Szynol, 2008). While staying within local law, foreign media companies, in particular German ones, have created information monopolies (Lauk, 2008; Wyka 2009). They have gained a dominant position, have imposed their own rules and standards, and have sought to make all their titles similar in form and content. This also holds true for the Czech Republic where many German publishing firms have produced regional papers centrally (Culik, 2004; Wyka, 2009). This results in commercial considerations prevailing over those of professionalism and ethics. This seems to be supported by a former CEO of the Czech publishing house Economia, Michal Klima. He acknowledged that "greater pluralism of foreign ownership would have been beneficial to the evolution of the Czech print media market" (as cited in Stetka, 2013: 20). This market has become dominated by German-based publishers (for more see Stetka, 2013; Wyka, 2009).

The transfer of professional journalistic values and standards, along with media technology, was expected from Scandinavian investors in particular. They are known for maintaining these standards in their home markets. Nevertheless, as Stetka noted, these hopes were only partially fulfilled, as there were differences between the companies. Most foreign owners were primarily interested in profit as well as keeping a low profile when it came to the actual production of news content. It has to be mentioned that three investors (the Orkla Group from Norway, and two German companies—WAZ and Axel Springer Verlag) signed an agreement with the Organization for Security and Cooperation in Europe, which introduced internal rules to protect their journalists from outside pressure and to separate managerial from editorial responsibilities (Stetka, 2013). However, such measures do not safeguard editorial independence. Rather, they symbolize an attempt by the headquarters to show that they care about professional journalism in CEE countries (Stetka, 2013).

The effects of commercialization on news content and journalism

The 2005 report *Media Power in Europe: The Big Picture of Ownership* argues that national media laws had become more difficult to apply with the growth of foreign undertakings. The 2004

enlargement of the European Union has posed particular problems in terms of media concentration and the promotion of policies to protect media diversity. Freedom of the media is fundamental to the European Union as stated in the Treaty of the European Union and the European Convention on Human Rights as well as the Charter of Fundamental Rights. Media plurality is the prerequisite for such freedom. As already demonstrated, different foreign companies, mostly European, dominated Central Europe's media (print media in particular), thus making the development of nationally-based media outlets difficult. Since 2004, restrictions on foreign ownership are possible if they concern non-EU investors. Within the Treaty of the European Union, the right of establishment and free provision of services (enshrined in the Article 43), as well as the free movement of capital (enshrined in the Article 73) are rudimentary principles [8]. Because of these commitments, there should not be any discriminatory provisions; however, the protection of pluralism may justify non-discriminatory restrictions on both these freedoms.

Prior to Central Europe joining the European Union, it was believed in the region that the Union's Eastward expansion would be an excellent opportunity to, *inter alia*, develop strong independent media and journalistic trade unions. This would involve the building of transnational links through European Works Councils in publishing houses, such as German Axel Springer Verlag, Norwegian Orkla and Swiss Ringier, and the development of support for publishing principles, such as those developed by Orkla [9]. These are principles that other European media companies operating in the region should emulate (EJF, 2004: 64). However, 25 years after Central European countries freed themselves from the communist rule, the following characteristics [10] of their media and journalism performance remain.

Orientation towards advertising and infotainment

Most newspapers, radio and TV stations get almost all of their money from advertising and sponsors. The media, therefore, seek to optimally satisfy the interests of their advertisers. Foreign investors "want their money back, they want their interest" (Cashin, 2004: 9). To cut costs, publishers often prefer to employ paid amateurs rather than experienced professionals. Without a doubt, Western technology, capital, expertise, and training have contributed positively to the transition period of Central Europe's media. Yet, as Sasinska-Klas noted, "naked women, heinous crimes and outlandish gossip are finding their way onto the front pages as publishers learn that sex and scandal sell. They have found a large market for easily digestible, that's-how-they-live-in-the-West stuff" (Sasinska-Klas, 1994: 25). Increasing competition for audiences and advertisers have contributed to a tailored kind of journalism. The selection, angle, packaging and content of news is driven by demand rather than by the professional standards ascribed to socially responsible journalism in democracy (Brants, 2007: 108). Consequently, the distinction between advertisements, news and entertainment is blurred. Personality-oriented journalism that highlights, among other things, intrigue, titillation and scandal is routine strategy for attracting large audiences.

Uncritical reporting

Mainstream media have failed to fulfil the role of public watchdog, because foreign as well as local owners do not want to spend money on investigative reporting which might cause controversy by criticizing the government or business elites. A striking example of this is a journalistic piece that appeared in *Dziennik Bałtycki* (Baltic Daily), published by German Passauer Neue Presse (PNP). In the late 1990s the paper featured an article entitled *Holidays with a Secret Agent* concerning the

possible meetings between Poland's former president Aleksander Kwasniewski and a secret agent, Vladimir Auganow. This allegedly took place during the president's holidays. The president took legal action against the paper and the owner of the daily, Verlagsgruppe Passau, quickly withdrew the allegations. More importantly, the CEO of the publishing house, Franz Xavier Hirtreiter, sent a letter of apology to the Polish president. All investigative journalists involved in revealing the story were fired.

Low journalistic standards and deteriorating labor relations

Foreign investment has undoubtedly enabled technological and economic advancement, however, there are strong indications that aggressive commercial policies have been pursued at the expense of journalistic standards (Hume, 2011; Lauk, 2008; Perusko and Popovic, 2008; Wyka, 2009). There is the danger that as media groups from elsewhere in Europe acquire newspapers in CEE countries, they pay insufficient attention to the training, pay, status, and independence of journalists. Furthermore, the discrepancy between media practices in the country of origin, where social partnership agreements with journalists and their trade unions may be well established, and those in Central Europe, can be very wide. A large number of journalists in the countries investigated, work without proper contracts, on a free-lance basis without union protection. The 2008–2009 economic crisis severely hit media institutions and has further undermined the quality of journalism (Hume, 2011).

Media policy shaped by commercial media interests

Policy has been shaped more by countries with dominant media organizations and less by the interests of the general public and civil society. European media groups have taken control of national newspaper titles (Czech Republic, Hungary), but in the main the dominance rests in regional-local press ownership (Poland, Czech Republic). The regional press plays a crucial role in the dissemination of news and information. Indeed, the key democratic feature of regional-local newspapers is that they have community roots. They report on the range of life, social, political, economic and cultural, within particular towns and regions. Simply put, readers rely upon the availability of regional-local papers. These papers are part of larger foreign-owned groups; they will make key decisions about investment and staffing on commercial grounds at the expense of local communities.

In blunt terms, the processes outlined above represent the tabloidization of Central Europe's media. This general process entails an emphasis upon entertainment, celebrities, and scandals, rather than on politics, the economy or international stories. In fact, one can easily observe a shift in the daily news agenda from information-based treatments of social matters toward entertaining stories (Volek, 2011). In these circumstances, the conflict between the business orientation and social responsibility orientation (high quality journalism) becomes very clear. Tabloidization employs tactics of representation that entrap and exploit its subjects. This process is exacerbated by the fierce competition between large international and local media groups, the employment of non-professionals by a lack of support for investigative journalism. In other words, news that is being produced "is a format for entertainment, not for education, reflection or catharsis" (Postman, 1985: 134).

All of this is the ultimate product of the commercial emphasis on market share and profitability at the expense of political, social and cultural media functions (Volek, 2011). Market-driven

imperatives have substantially influenced journalistic professionalism in the region. Dragomir in his *Fighting Legacy: Media Reform in Post-Communist Europe* refers to a Czech media manager whose Swiss boss' motto was: "I do not care what you write, give them sex, gore, scandal, whatever, but bring me profit" (Dragomir, 2003: 36). The main goal of foreign capital has indeed been to make a profit.

From foreign monopoly to local business

The above concerns create the impression that media owned by domestic investors would enable higher quality journalism and thus provide a better service to democracy. However, recent developments across the CEE media market suggest otherwise. While Western-based companies had dominant stakes in news media in the region under investigation in the early 2000s, their position had begun to erode towards the second half of the decade as a number of investors decided to sell their stakes in some media outlets (Stetka, 2012). Furthermore, the 2008–2009 financial crisis fundamentally affected the balance between foreign and domestic owners in Central East European countries (Stetka, 2013). Several foreign investors saw their profits fall, with no prospect of change and withdrew from CEE markets. The Swedish company Bonnier sold the Hungarian daily *Metropol* to the local company Megalopolis Media, controlled by Simicska, a businessman linked to the Hungary's ruling party, Fidesz (Civic Alliance). The British-based Mecom sold its shares in the Polish Presspublica to Hajdarowicz, a businessman with close links to the Polish government. In 2013, the largest Czech media house (MAFRA) was sold to Andrej Babis, a businessman with political aspirations (see Stetka, 2012; Stetka 2013).

Undoubtedly, the financial crisis has had a dramatic impact not only on the organizational aspects of media production, but on media freedom and journalistic standards. The thinning of financial resources has made the media more vulnerable to both political and economic pressures. In particular, the practice of hidden advertising has become more widespread and has had a contagious effect within the media industry. Valatka observed that "since some newspapers agree to do this for one advertiser, and then all their other advertisers come and expect the same treatment" (Valatka as cited in Stetka 2013: 13). The dwindling revenues resulting from advertising cuts have had consequences for news media organizations' operating budgets, resulting in significant staff redundancies, salary cuts, reductions in the number of international correspondents and, in some cases, the closing down of entire media outlets.

The diminishing of foreign capital in favor of local media investors, whose main areas of business activities lie outside the media sector, means that media organizations are instrumentalized. This constrains editorial independence and increases the intertwining of media, politics and economic interests (see Stetka, 2012). Local businessmen do not treat their investment simply as a means for making profit, but rather as an instrument to serve their general business or political interests. Basically, they seek to advance particular agendas through their outlets. Their policy is not so much to make profit from media production, but to secure the profits of other businesses run by them.

Concluding remarks

In Poland, Hungary and the Czech Republic, foreign investment has effectively generated greater resources, product and management improvement (including the transfer of know-how) and

increased independence from national political elites. Nevertheless, these developments have not entailed the creation of a professional journalistic culture akin to that of Western media. At this point it should be stressed that Western experts and journalists took it for granted that the Anglo-Western journalism model would be the best goal to strive for. However, the model was not supported by foreign investors from countries with advanced journalism cultures. Very few companies wanted, in fact, to educate journalists and implement core journalistic values such as professional integrity and reportorial accuracy. Rather, a great majority of them regarded their investments as pure business. As described, the 2008–2009 financial crisis and the departure of foreign capital has only reinforced this trend.

It can be argued that the central narrative characterizing the media transformation of Central Europe after 1989 has been the narrative of commercialization and tabloidization. As Volek (2011: 259) underlined, the commercialization of the regional media has replaced centralized control. Naturally, this process does not remain ideologically neutral. Direct censorship of content has been substituted by the indirect censorship of profit imperatives.

Although the media outlets owned by foreign concerns have in general been more financially secure and, hence, better equipped to withstand local political and business pressures, it needs to be underlined that their public sphere role cannot be guaranteed by the market. Amidst dwindling revenues and growing advertising pressures, media autonomy in the three countries has been endangered by internal constraints, especially in regard to ownership structures. Following the departure of foreign investors, a large number of the media outlets have been transferred into the hands of local businessmen. Domestic owners, whose main business activities lie outside the media sector, seek not only economic gains, but political influence. Consequently, the primary objective of the media does not seem to be the diffusion of news (as suggested by the liberal model of journalism), but the support and defense of owner interests (Mancini and Zielonka, 2012). The instrumentalization of the media by local ‘barons’ has become integral to the political and journalistic cultures of Central Eastern Europe.

Of course, there is still independent, quality journalism, particularly in the more mature and affluent markets of Poland or the Czech Republic, where the media can better withstand political and economic pressures. For the most part, accountable journalism is finding shelter on the internet via personal journalists’ blogs and investigative sites. While the internet is offering room for critical expression, this alternative platform cannot generate sufficient revenues to sustain itself. Despite its democratic potential, the internet cannot at this stage be considered a counterweight to the mainstream media.

Endnotes

- [1] This research work uses the term Central Europe to denote the three chosen countries for the purpose of the article. Of course, I am completely aware that the term itself covers more countries. I could not replace it with the term of Visegrad Group countries since democracy in Slovakia, under Meciar’s leadership and his apparent authoritarian inclinations, has struggled. Obviously, that influenced conditions for the development of free and independent media significantly. In short, the split from the Czech Republic placed a

question mark over Slovakia in terms of its democratic performance under ex-communist Meciar.

- [2] The revolutions of 1989 swept across Central and Eastern Europe, ending in the overthrow of Soviet-style communist states within the space of a few months. The political upheaval began in Poland, continued in Hungary, and then led to a surge of mostly peaceful revolutions in East Germany, Czechoslovakia, and Bulgaria. Romania was the only Eastern-bloc country to overthrow its communist regime violently and execute its head of state. The 1989 Revolutions, together with the collapse of the Soviet Union, altered the balance of power in the world and marked the end of the Cold War and the beginning of the post-Cold War era.
- [3] The revival of the idea of Central Europe (or “Mitteleuropa”) is a relatively recent phenomenon, prompted by specific political and cultural circumstances, but on a more elemental level we may speak of a much older, semantic struggle. Poles, Hungarians, Czechs and Slovaks have always resented being labeled East Europeans. Central Europe used to mean the Visegrad group, which included Poland, the Czech Republic, Slovakia and Hungary. The understanding of the concept of Central Europe is an ongoing source of controversy, however. In the present article, whenever the name of Central Europe appears, the following countries are meant: Poland, Hungary and the Czech Republic.
- [4] After 2000, with the European Union’s enlargement, the issues of ownership concentration were increasingly viewed in terms of media freedom and media pluralism. Because of the efforts of the Council of Europe and pressure from European Parliament, media research started to focus on Central and Eastern Europe.
- [5] In 2003, the EFJ published a report entitled *European Media Ownership: Threats on the Landscape*. The report was part of an EFJ project about the impact of globalization on European media, focusing on a survey of media ownership within, mainly, European Union countries. In 2004, a second part of the report was published. This study analyzed media ownership in Central and Eastern European (CEE) countries, including the countries which became part of the 2004 enlarged European Union. See for instance *Eastern Empires: Foreign Ownership in Central and Eastern European Media: Ownership, Policy Issues and Strategies*; European Federation of Journalists; Brussels 2004. Available online at www.ifj-europe.org/docs/FOREIGN%20OWNERSHIP%20IN%20CEE%20MEDIA%20COUNTRIESJUNE2003.doc, retrieved on February 23, 2008.
- [6] There were, actually, no restrictions on foreign ownership in the region. Not surprisingly, in the Czech Republic and Hungary, where oversight of ownership transformation was looser than in Poland, foreign owners have a bigger, more concentrated stake in the print market. Of the four highest-circulation national Czech dailies, only one is fully supported by Czech capital. In the late 1990s, Passauer Neue Presse (PNP) started to acquire regional papers in the Czech Republic. By 2001, the media company controlled nearly 100 per cent of the newspaper market and part of the national market through its acquisition of two national dailies in Prague – *Slovo* and *ZN Zemske Noviny*. Two of the remaining three are owned by one German company, the Rheinische Post Group. This same company, though a 20 percent

investment in a joint venture with another German publisher, Passauer Neue Presse, has a minority interest in every regional title in the country. Passauer Neue Presse controls the balance of shares in the regional press. Hungary's ownership structure is slightly less concentrated, but is nonetheless characterized by heavy foreign investment. Of Hungary's four highest-circulation non-tabloid dailies, two are controlled by the same Swiss company, Ringier, which also owns the most popular national tabloid. PNP arrived in Poland in 1994, acquiring regional dailies and founding the regional title, Polskapresse. See for instance *European Media Ownership: Threats on the Landscape*, a report available online at <http://www.ifj.org/en/articles/european-media-ownership-threats-on-the-landscape-updated-january-2003>

- [7] Spontaneous privatization means that managers and other individuals, such as, journalists, effectively obtained property rights which previously belonged to ministries, planners and/or the communist party.
- [8] At the same time, however, European Union legislation does not provide any legislation dedicated solely to the regulation of media ownership. Instead, there are rules aiming to provide plurality and diversity within the media industry. Bizarrely, while European governments recognized the growth of global media and growing media concentration within their own borders, they enact legislation to speed up the process (EFJ, 2003: 4).

Orkla Media is dedicated to defending freedom of speech, freedom of the press, freedom of information and the values of democracy. Orkla Media respects, within this framework, the identity and local traditions of its publications and, regardless of ideology, defends and supports their freedom and independence. Orkla Media respects the principles of journalism in the democratic world and, within the framework of the objects clause of its individual publications - as well as joint editorial declarations - defends the independent position of the editor. Neither governments, owners, advertisers nor any other interest groups are entitled to interfere. See for instance: *Eastern Empires: Foreign Ownership in Eastern and Central European Media: Ownership, Policy Issues and Strategies*; European Federation of Journalists; Brussels, 2004. Report available online at:

<http://www.ifj-europe.org/docs/FOREIGN%20OWNERSHIP%20IN%20CEE%20MEDIA%20COUNTRIESJUNE2003.doc>

- [9] Let us remember that some of the listed characteristics had already existed prior to joining the Community.

Author Bio

Angelika W. Wyka-Podkowka is a Polish postdoctoral media scholar and analyst/journalist. She holds a PhD degree in Political Science, with an emphasis on Communication, from Frankfurt University. She is currently working on her new project (*New!*) *Media and Journalism in the Online Age in CEE*. She has written publications entitled *In Search of East Central European Media Model – The Italianization Model?* (2008) and *Berlusconization of the Mass Media in East Central Europe*

– *The New Danger of Italianization?* (2007). She has extensive research experience in academic, political and market research. She has presented her various research findings at international conferences, workshops and congresses around the world.

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