

The Impact of Media Concentration on Professional Journalism



The Representative on
Freedom of the Media



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REPRESENTATIVE ON FREEDOM OF THE MEDIA

The Impact of Media Concentration on Professional Journalism

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On the cover is a drawing entitled *Des Schreibers Hand (The Writer's Hand)* by the German author and Nobel prize laureate (1999) Günter Grass. He has kindly let our Office use this as a label for publications of the OSCE Representative on Freedom of the Media.

The drawing was created in the context of Grass's novel *Das Treffen in Telgte*, dealing with literary authors at the time of the Thirty Years War.

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Texts in this book represent solely the views of the researchers themselves and do not necessarily correspond with the official position of the OSCE Representative on Freedom of the Media.

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Preface

by Freimut Duve

This study takes an in-depth look at the print media landscape in eight exemplary countries (Germany, Finland, United Kingdom, Hungary, Italy, Lithuania, Poland and Romania). These countries were chosen at random, they serve neither necessarily as a very good or very bad example for the situation of a free press, but identify to a certain extent problems throughout the entire OSCE region.

Media concentration and foreign media ownership might turn out to be a structural obstacle to free and pluralistic media. Horizontal concentration of many titles in the hand of one company might turn out to limit the variety of opinions. Vertical concentration of media outlets, printing houses and distribution channels might hinder competitors from accessing the market. Cross-ownership of non-media related companies in media houses might hamper the watchdog function of the press towards the private sector.

The constitutional value of journalistic media goes far beyond financial interest of individuals or companies, and the danger is that media houses regard newspapers as just another market product. Journalistic media is unlike any other business. However, free and independent media need a sound financial basis. In order to allow them to play their role as an active watchdog, tax allowances or similar means of assistance should be implemented.

Especially the situation in the emerging and sometimes rather small markets in Eastern and South Eastern Europe, where the financial situation of newspapers and the revenue of

advertisement is very insecure, makes journalists and media vulnerable to influence from companies and/or governments. In such cases, foreign investment in media might help to stabilize the financial situation, thus giving more room for editorial independence and investigative journalism, as long as the editorial independence of the local journalists is guaranteed. *Principles for Guaranteeing Editorial Independence*, as proposed by myself earlier this year, could be a means to achieve this independence.

Censorship can have many different faces, for example, structural censorship coming from media concentration. But in the end all different kinds of censorship fall back to the individual journalist and his daily work.

European journalistic media have experienced some fundamental changes over the past decade. The regime changes in Eastern and South-Eastern Europe were decisive for the historically unique chance to create a Europe wide network of free, independent and pluralistic media. At the same time the opening of those markets has accelerated the trend of media concentration all over Europe. This has been particularly evident in the print media sector.

The researchers of this study sent out questionnaires to journalists of daily newspapers in eight different countries to find out how their daily work has changed and what their attitude towards foreign investment and other developments in the field of print media is.

Introduction

by Johannes von Dohnanyi
and Christian Möller

Economic concentration has long been acknowledged as one of the main threats to media pluralism and diversity. Scientific research into structural deficiencies on individual company level as well as general market conditions which favour concentration processes has consequently been extensive. Little, however, is known about the impact of media concentration on individual journalists and on the quality of professional journalism as a whole. It is only thanks to the initiative of the OSCE Representative on Freedom of the Media that at least parts of this knowledge gap can be considered as closed.

This study deals with concentration trends in the daily newspaper markets and their impact on professional journalism in eight selected OSCE participating States. Of these, Finland, Germany, Italy and the United Kingdom are fully fledged EU Member States. Hungary, Lithuania, Poland and Romania fall into the categories of acceding respectively Applicant States to the European Union.

The country selection followed neither “political gossip” nor prejudicial colportage by the media over the level of media concentration or the state of Press Freedoms in this or another OSCE participating State. The sample was not meant to show “good” or “bad” examples on how to or how not to deal with the ever present temptations of concentration. At the dawn of an enlarged European Union the researchers’ sole intention was to analyse future risks and opportunities for a European daily newspaper industry, whose level of independence and protection from unduly interferences from state authorities or

industrial lobbying groups still differs considerably from country to country.

The study itself is divided into two parts. Already existing research studies and statistical material on the eight countries presented in this survey were collected. In addition, in-country interviews were arranged with individual journalists, representatives from media unions and associations, academia, publishing houses, and media NGOs.

Secondly, questionnaires were distributed via the internet to journalist unions and associations as well as daily newspaper journalists of the eight participating countries. These questionnaires, which can be found in the annex of this book, were to be filled in on-line and sent back anonymously to the internet server at the OSCE Representative on Freedom of the Media.

Due to the small number of addressees the questionnaires sent to unions and other organizations were incorporated as most valuable information into the general part of this survey as well as the proper country report instead of being evaluated individually in detail.

Finally, research and statistical material collected was added to in-country interviews with unions, associations, academia and others. These data were then cross-examined and put into context with the data individual journalists had provided by answering the on-line questionnaire.

The survey exceeds already known answers to the socio-economic problems of print media concentration. It catches trends and patterns of media concentration as perceived by professional journalists in different countries and documents their very personal feelings and understanding of the implications of such developments on professional journalism.

The concept of this survey did not have the pretension to be exhaustive and representative, but to acquire general trends

and patterns of the impact of media concentration on professional journalism that indeed can be exemplary. The results from this survey do not necessarily reflect the actual situation of the media in these eight countries, but how the polled journalists see their own position. The feeling of uneasiness and worry lingering within the category of professional journalists in all countries partaking in this survey should, however, not be undervalued. Survey results are presented both on aggregate and on the level of each individual country.

The impressions extracted from the returned questionnaires do not always, therefore, confirm the official description of media concentration and freedom of the press in one specific country. Empirical facts on the media landscape in the respective countries are delivered in the country reports at the beginning of each chapter.

While the efforts to distribute the questionnaire were identical for all countries participating in this survey, the level of feedback showed notable differences. Additional research would be needed to understand the reasons for such differing behaviour.

Especially in the light of the limited reaction of print media journalists and their national representatives the help and assistance of the European Federation of Journalists to this survey can not be over estimated. The seemingly endless amount of research material, contacts and other information provided by EFJ was overwhelming.

The researchers' would also like to thank those experts from national unions and associations, and academia as well as NGOs in the different countries who provided us with valuable information in a number of personal interviews conducted or who contributed a comment or their personal view on the situation of media, media concentration and the situation of journalists in their country for their precious time.

1. The Impact of Media Concentration on Professional Journalism

1.1 Democracy and Professional Journalism

Communication is at the heart of human interaction. Essential for the quality of communication is the quality of information. The need for more and improved information, together with the freedom to openly express and exchange opinions, increases as people are expected to actively take part in decision making processes.

While small groups can afford the luxury of communicating face to face, the individual citizen of an open and democratic society depends on free and independent mass media to exercise his rights to information and freedom of expression.

According to relevant judgments of the European Court on Human Rights (ECHR), “Freedom of the Media (...) implies that the public has a right to a free media system, which provides overall balanced, full and varied information. The underlying idea is that a free system of this kind is an essential prerequisite for a functioning democracy”.¹

Be it newspaper articles, radio or television programmes – the work of professional journalists always stands behind media imparted information. Media companies may be industrial entities governed by general economic laws, but their produce is unlike anything else industry is taking to market. Journalists are both heart and brain of the media. Journalists are vigilant watchdogs observing those who hold political or corporate power. Journalists are the sensors not only for social problems,

¹ Peter A. Bruck a.o., *Media Diversity in Europe*: Report to the Council of Europe (Strasbourg, Dec 2002).

but also for positive developments. Without their work there would be neither reliable and impartial information nor public debate on opinions. Democracy can do without fifty different types of buttons. It will survive even prolonged social and economic hardship. But without a free and independent press democracy will die. There simply is no substitute for solid professional journalism.

Even though most governments would officially subscribe to the concept of freedom of the media, reality sadly shows a very different picture. The media and their representatives fall all too often easy prey to outside interferences and open repression.² The non-governmental organization, Reporters without Borders reported that: “Press freedom had a rough time in 2001, the first year of the third millennium. On every continent, this basic right (a key to democracy in any society) was harshly attacked, along with those who exercised it. The attacks were either physical (threats, blows, injuries and murders), done through repressive laws (censorship, bannings, arrests and prison sentences) or else targeted media equipment itself (broadcasting aerials, printing works and offices). The picture was a sad one. Press freedom in the world sharply declined during the year.”³

It had not been any better during the previous years. Improvements, if any, are barely perceivable. According to the Press Freedom World Review of the World Association of Newspapers (WAN), “vigorous government clampdowns, ongoing and renewed conflict, and premeditated attacks on journalists and their publications signal a widespread deterioration of conditions for the media, and a bleak outlook for press freedom in 2003”. During the first ten months of 2003 the Reporters without Borders’ world wide Press Freedom Barometer showed that 31 journalists and 2 media assistants had been killed and 138 journalists, 4 media assistants and 48 “cyber-dis-

sidents” had been imprisoned. “At least 1,420 journalists were beaten, harassed, abducted, received death threats or were arrested and charged by police over the past twelve months”.⁴

Not all of these reporters were killed during armed conflict. None of them had committed a criminal offense according to basic democratic standards. All of them were simply journalists carrying out their work and by doing so, becoming a disturbing nuisance for the powers-that-be! “Creative measures to reduce press freedom continue to be employed by leaders intent on stifling a free press in many countries. Gross violations of freedom of expression in the form of national security laws, terrorism acts and criminal defamation land scores of journalists in prison and resign many more to practicing self-censorship”.⁵

It is, however, important to remember that repression against the media does not only happen in so called developing countries. Reports on physical as well as psychological harassment of journalists continue to arrive from a number of OSCE participating States, which are usually heralded as the beacons of democracy.

One of them, British journalist Rachael Bletchly, was handcuffed upon arrival at Los Angeles International Airport, because she failed to have a valid entry visa to the United States of America. She was given very little to eat or drink, had no possibility to sleep and had to ask permission to use the lavatory, which was denied on at least one occasion. In addition, she was for a time, denied access to a lawyer and to British Embassy officials. In a protest note to Tom Ridge, the Secretary of the US Department

2 World Association of Newspapers, *Press Freedom World Review* (June 2003).

3 Reporters without Borders, *Freedom of the Press throughout the World: Annual Report* (2002).

4 World Association of Newspapers, *Press Freedom World Review* (June 2003).

5 World Association of Newspapers, *Press Freedom World Review* (June 2003).

of Homeland Security, WAN and the World Editors Forum wrote that “the treatment she was subjected to fell far below international standards”.⁶

Yet it does not need physical violence or overly zealous immigration officers to put the Freedom of the Media and the profession of journalism at risk. Due to the international financial crash following the burst of the DotCom-bubble and the loss of advertisement revenue to the internet, print media across Europe are facing growing economic difficulties. In almost every country print media titles are threatened with closure. Concentration is picking up speed, creating new problems for media pluralism and diversity.

Let there be no doubt, a free and independent press is never accommodating. It is neither an accomplice of those in power nor is it their hangman. Professional journalists should not be guided by personal ideological beliefs or political affiliation. They ought to be critical observers, diligent reporters and an indispensable link between all levels of society. In short: professional journalists belong to the salt of democracy!

Yet, instead of being nourished, protected and well taken care of, professional journalism is increasingly seen as a nuisance to be kept – by any means – on the shortest possible leash.

Democracy will not be defended by simply signing up to carefully edited proclamations, international treaties or even universal charters. The defence of democracy is a never ending task: 24-7-365!

One of these tasks is the defense of free and independent media and professional journalism.

1.2 International Legal Framework

With the tragedy of World War II and totalitarian dictatorship all across Europe still fresh in mind, the international community

determined Freedom of Expression and the liberty to voice, regardless of the consequences, one's personal opinion, as fundamental human rights.

Art. 19 of the United Nations' *Universal Declaration on Human Rights* rules that "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers".⁷

The European Convention on Human Rights followed suit stating in Art. 10.1 that "Everyone has the right to freedom of expression. This right shall include freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers."⁸

As this provision, like all the others of the Convention, is binding on all Member States of the Council of Europe, it is legally enforceable. Legal complaints about infringements of Art. 10.1 and other individual rights guaranteed by the Convention, after exhausting domestic remedies, can be lodged with the *European Court of Human Rights*.

The 43 members of the Council of Europe are also committed to working for a strengthening of freedom of expression and information and the free flow of information and ideas across borders.⁹

It has been a long journey since the participant States of the Helsinki Conference solemnly declared their intention to "respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all

6 WAN Press Release, 28 October 2003.

7 Adopted and proclaimed by the General Assembly Resolution 217 A (III), (10 December 1948).

8 Council of Europe, Rome, (4 November 1950).

9 The Council of Europe, *800 million Europeans* (Strasbourg, April 2003).

without distinction as to race, sex, language or religion. ... They will promote and encourage the effective exercise of civil, political, economic, social, cultural and other rights and freedoms all of which derive from the inherent dignity of the human person and are essential for his free and full development".¹⁰ In this spirit and context, signatory states from both sides of the Iron Curtain pledged, for the first time, not only to respect, but to improve the rights of the media and their representatives.

Since then the Helsinki Conference has developed into the OSCE, whose members declared during the Lisbon Summit that "Freedom of the press and media are among the basic prerequisites for truly democratic and civil societies".¹¹

In accordance with this principle the Permanent Council of the OSCE in 1997 finally decided to create the position of The Representative on Freedom of the Media. His mandate leaves little room for interpretation.¹²

"The participating States reaffirm the principles and commitments they have adhered to in the field of free media. They recall in particular that freedom of expression is a fundamental and internationally recognized human right and a basic component of a democratic society and that free, independent and pluralistic media are essential to a free and open society and accountable systems of government. Bearing in mind the principles and commitments they have subscribed to within the OSCE, and fully committed to the implementation of paragraph 11 of the Lisbon Summit Declaration, the participating States decide to establish, under the aegis of the Permanent Council, an OSCE Representative on Freedom of the Media. The objective is to strengthen the implementation of relevant OSCE principles and commitments as well as to improve the effectiveness of concerted action by the participating States based on their common values. The participating States confirm that they will

co-operate fully with the OSCE Representative on Freedom of the Media. He or she will assist the participating States, in a spirit of co-operation, in their continuing commitment to the furthering of free, independent and pluralistic media.”

Freedom of Expression has thus been recognized by all major multinational organizations and groupings as one of the indispensable pillars of any *functioning democracy*.

Taking example from the *First Amendment* of the Constitution of the United States of America, most western style democracies have included the right to Freedom of Expression into their own Basic Laws.¹³

The European Union (EU) considers the compliance with fore set rules of a democratic political system, including Freedom of Expression, as *conditio sine qua non* for membership.

The gradual integration of the so called Acquit Communautaire into national law by Central and Eastern European Candidate States has been at the very heart of the European Union’s enlargement process.

Art. 6.2 of the *Treaty on the European Union* (EU) acknowledges the provisions of the European Convention on Human Rights as general principles of EU law.¹⁴

Even though none of these provisions mention a specific right to *Freedom of the Media* or *Media Plurality and Diversity* it is generally accepted that without a free and independent Media, the citizens’ basic rights to expression, opinion and information would be curtailed.

10 *Helsinki Final Act* (1975).

11 OSCE Lisbon Summit.

12 OSCE, *Mandate of the OSCE Representative on Freedom of the Media*: Decision Nr. 193 of the Permanent Council of 5 November 1997.

13 See, *pars pro Toto*, Art. 5 and Art. 18 of the *Basic Law of the Federal Republic of Germany*, adopted on 23 May 1949.

14 Maastricht Treaty, 7 February 1992; Amsterdam Treaty, 2 October 1997.

This legal void was filled for the first time on 7 December 2000 in Nice/France, when the heads of state and governments of the European Union adopted the Charter of Fundamental Rights. The Charter, which was meant to be the nucleus for the future European Constitution, defines the EU as an “area of freedom, security and justice”. And Art. 11.2 of the Charter reads explicitly: “The freedom and pluralism of the media shall be respected”.¹⁵

With the entrance of ten new Member States in 2004 the European Union will have to sign a new treaty. Because of fundamental disagreements between EU Member States it is still uncertain whether the Charter will become an integral part of a new European Constitution. For this reason, until a final agreement is reached, the Charter is not legally binding for Member States. Whether freedom and pluralism of the media, as foreseen by the Charter, will be expressively upgraded to binding European constitutional rights also remains to be seen.

Even though at present EU Member States retain the right to issue national media laws within the existing legal framework of Art. 10 of the European Convention on Human Rights, the inclusion of freedom of the media into the European Treaties as well as the European Competition Law, safeguarding the freedom of the press by enshrining its rights into a future Europe would send out an urgently needed signal.

1.3 Socio-Political Role of the Media in General and Daily Newspapers in Particular

Arguably, no other business is as complex as the media business, and within the media sector, daily newspaper publishing is the most complex business of all. Nobody would deny that newspapers in a free and open society have to be privately owned. Only then can they be independent from outside influences. The kind of state controlled journalism totalitarian regimes cherish is unacceptable in any model of democracy.

Such independence, however, comes at a price. Publishers of privately owned newspapers have to generate enough business to withstand the normal pressure of competition which is the lifeblood of any market economy.

Yet newspapers are like no other industrial produce. The paper on which they are printed is nothing but the “packaging”. As always, the packaging is less important than the content, which in the case of newspapers is not a normal industrial product replicable en masse but the unique result of the intellectual work of individual professional journalists.

The permanent conflict between the publisher’s entrepreneurial right to react opportunistically to variable market conditions and the journalist’s editorial freedom based on the concept of his basic human right to freedom of expression is the fundamental dilemma of the media business in general and of the newspaper industry in particular. Different models on how to solve this dilemma have had little success. In the end the publisher’s right to define the editorial line of his paper, based on his ownership of the enterprise, has always prevailed.

The conservative German journalist and columnist Paul Sethe wrote in 1965 that the problem with freedom of expression consists of the fact that “newspaper owners concede ever less freedom to their editorial staff. Because publishing of newspapers and news magazines requires ever more capital, the numbers of people capable of going to market with new press products is declining steadily. Which in turn means that our (the journalists) dependency grows in dangerous proportions”.

“Only he who is rich is free” concluded the conservative Sethe and added the ironical byline that “This is not a statement by Karl Marx but by Paul Sethe.” The deeply convinced capitalist was intellectually honest enough to admit that “Freedom

15 European Charter of Fundamental Rights, (Nice, 2 December 2000).

of the press boils down to the freedom of 200 rich people to voice their opinions".¹⁶

Such a restricted market certainly forces professional journalists to compromise their right on freedom of expression day by day with the entrepreneurial expectations of their publisher.

For society as a whole, however, Sethe's hypothetical "200 rich people" would guarantee the principle of media pluralism and content diversity, as long as those editorial voices can operate independently. Such independence is the quintessential condition for the media to fulfill its democratic obligations.

The media are not only one of the principle guardians over the compliance with democratic rules by the elected political representatives and other groups like trade unions and industrial entities.

In reality the media has a much broader function.

It is the media which enable the single citizen to first form and then to compare his own political opinion with that of others. In this way the media serve the specific interests of the individual.

At the same time, however, by gathering and divulging information the media fulfil the role of a "broker" between the political and the private sphere of the individual. Only by being extensively informed by the media is the individual citizen put into the position to judge and to freely adhere to one or another aggregation of the political spectrum.

But in a democratic system, the media do not only offer a platform for debate on the ideas and programmes of individual politicians and political parties, nor are they limited to the role of "public watchdog" over the compliance with democratic rules. Equally important the media carry a great deal of responsibility for social cohesion.

Media contents do reflect the interests and necessities of the society at large. The media, being at the same time, propulsion

and mirror of the entire society, do not only have an influence on *what* we think, the media also determine what we think *about*.¹⁷ It is this agenda-setting function that makes the media indispensable in a democratic society. According to the German sociologist Niklas Luhman it is the quintessential role of the media to offer the necessary forum for an open debate about social problems and ways to their solution.¹⁸

Not all media types, however, are equally well equipped to fulfil this role. Apart from an ever smaller community of diehard aficionados of spoken quality information; radio broadcasting has become the prime choice for filling in empty spaces of time. Radio is used whenever television is either not available, or not usable in one specific moment.

Today, the moving pictures of television have instead become the prime choice of the average media client. With its technological possibility of real time transmission, television creates the illusion of delivering the total of essential information on a global scale. The saying that what has not been on TV has not happened, shows the extent to which television has permeated the general public's perception of the world.

The liberalization of European radio and television markets, which started during the 1980s, has led to an impressive increase in privately owned stations and programmes. In addition, since the mid-1990s the "information highway" of the internet has created hitherto unknown possibilities for the distribution of information. The introduction of both privately owned TV and the internet have led to a dramatic shift in preferences of the advertising industry away from print media.

16 Paul Sethe, Letter to the Editor of *Der Spiegel* (Hamburg, Germany, 5 May 1965).

17 Prof. Axel Zerdick, Thomas Simeon, *Publizistik- und kommunikationswissenschaftliche Ueberlegungen zur Mediensituation in Berlin* (Berlin, February 2003).

18 Niklas Luhmann, *Die Realität der Massenmedien* (Westdeutscher Verlag: Opladen, 1996), 169 ff.

Daily newspapers have been hardest hit. By losing most of the qualified and small advertisements to the internet, in only a few years dailies have experienced a loss of revenue of up to 60 per cent.¹⁹ This trend seems to be definite. No substitute for lost income through advertisement is in sight.²⁰ Consequently print media in general and daily newspapers in particular are coming increasingly under economic pressure.

This development is particularly serious as quality daily newspapers are considered to be of outstanding social relevance. Even the best televised programme can not substitute the depth of information and debate delivered by a quality daily newspaper. According to research studies conducted by the German media expert Prof. Dr. Axel Zerneck, the extensive usage of television as the prime source for information even tends to reinforce negative political stereotypes and diminishes trust in politics.

Newspapers on the other hand, have not been correlated with similar negative effects. On the contrary, newspapers are considered best equipped to create a better and deeper understanding of politics and society at large. "The reading of newspapers significantly betters political competence".²¹

Former French Prime Minister Michel Rocard is convinced that "The written press alone can give readers the correct version of events and can balance out the instantaneous information that often deforms our opinions and ideas".²²

Joe Groebel, Director General of the European Institute for the Media, adds to this analysis: "Society is increasingly based on information, and it is a given fact that newspapers are the most important glue to society. They have specific responsibilities, and they also have power. We just have to address the idea of concentration and possible monopolies."²³

In this context the usage of different media in European countries makes interesting reading. Of the 58 million Italians,

30 million rely exclusively on information from television. The total circulation of daily newspapers does not reach six million copies, with a sports daily being the biggest selling newspaper in the country. Compared to these figures, Germany with a population of roughly 80 million features a daily circulation of ca. 24 million copies. Only Japan and Norway beat Finland when it comes to newspaper consumption. Four out of five Finns subscribe to at least one daily newspaper!

The European Court of Human Rights has ruled that “without plurality of voices and opinions in the media, the media cannot play their contributory role in democracy”.²⁴ According to a report commissioned by the Council of Europe “Pluralism is (thus) a basic general rule of European media policy”.²⁵

To guarantee the widest possible choice of information and opinion to the individual citizen it needs not only pluralism and diversity, but a competitive media market as well. Considering its relevance for the high end of the quality information sector, this is particularly valid for the daily newspaper market.

To be independent, daily newspapers can not be owned or controlled by the state or any power center within society. They have to be in private hands. As such, newspaper enterprises are subjected to the rules of any market economy.

19 Michael Rutz, editor-in-chief of the German weekly newspaper *Rheinischer Merkur* in a speech on Freedom and Pluralism of the Media, (Berlin, 30 May 2003).

20 Prof. Axel Zerdick, Thomas Simeon, *Publizistik- und kommunikationswissenschaftliche Ueberlegungen zur Mediensituation in Berlin* (Berlin, February 2003).

21 Prof. Axel Zerdick, Thomas Simeon, *Publizistik- und kommunikationswissenschaftliche Ueberlegungen zur Mediensituation in Berlin* (Berlin, February 2003).

22 *New Strategies for Profit Growth*: 55th World Newspaper Congress (Brugge, 2002).

23 *New Strategies for Profit Growth*: 55th World Newspaper Congress (Brugge, 2002).

24 Peter A. Bruck a.o., *Media Diversity in Europe*: Report to the Council of Europe (Strasbourg, Dec 2002).

25 Peter A. Bruck a.o., *Media Diversity in Europe*: Report to the Council of Europe (Strasbourg, Dec 2002).

Because of their importance as information transmission belts between all levels of society daily newspapers, therefore, can not be compared with other providers of “normal” goods and services. Democracy can easily do without sixty different types of buttons or fifteen brands of margarine. It can not do without the free flow of in-depth information and the unhindered expression and debate of conflicting opinions, for which quality daily newspapers are the best equipped platform.

While newspapers like any other economic enterprise have, in principle, to live by the basic rules of the market economy, it is paramount for the functioning of democracy to safeguard the newspaper landscape’s diversity and pluralism by all means, from the destructive excesses of the market forces. In other words: For keeping democracy alive Paul Sethe’s “200 rich people” who can afford to publish newspapers have, at all costs, to be kept economically afloat!

1.4 Concentration in the Media Sector

Competition is the fuel of any market economy. But because the number of consumers and hence the size of the market are limited, life for the single competitor “improves” when the number of rivals drops. Concentration is the law of the fish pond applied to the economy: big fish gains “Lebensraum” by eating small fry!

Concentration may occur vertically, i.e. integrating formerly independent economic entities of different production levels into one company, or horizontally, i.e. merging companies of the same production level. While concentration on the one hand necessarily leads to the reduction of independent players in one given market sector, it allows at the same time for bigger economic units which financially and structurally are better equipped to cope with the risks of an ever more globalized economy.

Unchecked, concentration will reduce the number of competitors in a given market sector to a small group of dominating oligopolies or, in the extreme, to the monopolistic dominance of the one remaining supplier.

But concentration also has a political dimension. Under certain circumstances total market dominance by one supplier might even be in the interest of the community. State authorities on all levels – from national government to municipalities – use the instrument of “structural censorship” to maximize efficiency of essential services. Limited public financial resources are allocated to a limited number of recipients such as police forces or fire departments.

Applied to the media market, however, structural censorship poses a direct threat to press freedom. Regulations such as surtaxes on paper for newspaper and magazines, or non-transparent allocation procedures of frequencies or licences for electronic media are nothing but a means for state authorities to keep the media and access to the media market for new competitors under strict control.

The latter is in the interest of already operating competitors, be they state or private owned. Vertical media concentration, in which all printing facilities and distribution channels are in the hands of one or a few companies, leads to an almost insurmountable access barrier to the market for smaller newspapers.

Also in terms of financial revenue, politics as well as private companies can put pressure on media outlets by allocating advertisements or taking away campaigns from newspapers, radio or television stations. A sound financial basis is important for journalistic independence, but especially in small and emerging markets this is not so easy to achieve.

To safeguard markets in general and media markets in particular from the damaging effects of concentration, legislators

in democratic societies have introduced regulatory mechanisms like ceiling targets for market shares and other criteria.

In the media market “concentration raises the entry barriers for new companies and is thus stifling competition. The inter-dependency of politics and the media tends to block any form of creative media policy. The loss of journalistic jobs is but one of the consequences.”²⁶ Concentration is also a clear and present danger to media pluralism and diversity. Both concepts are centre stage for the ongoing European debate on media concentration.

Over the years the Council of Europe has adopted a string of resolutions on ministerial level as well as numerous non binding recommendations on the control of media concentration. These documents follow the Council’s all including “Working Definition” on media concentration:

“In relation to media concentrations, the notion of pluralism is understood to mean the scope for a wide range of social, political and cultural values, opinions, information and interests to find expression through the media. Pluralism may be internal in nature, with a wide range of social, political and cultural values, opinions, information and interests finding expression within one media organisation, or external in nature, through a number of such organisations, each expressing a particular point of view.”²⁷

The fact that the Council of Europe views media concentration as being in opposition to media pluralism “makes the definition of media concentration ‘negative’, which is a rather common method in scientific contexts and logic”.²⁸

Following the Council of Europe’s definition, media concentration can not be determined by traditional economic factors like ownership alone. And, contrary to common understanding, if pluralism and diversity of the media are to be

protected, a certain level of market concentration may even be desirable; as it can make for economically healthier media companies which otherwise might become unsustainable. Such positive effects of concentration, however, are possible only as long as the editorial independence of the incorporated newspaper is safeguarded.

A report by media experts commissioned by the Council of Europe states: “Although concentration in the mass media sector has some advantages (the preservation of media enterprises threatened with closure, the establishment of groups capable of confronting international competition, etc), the phenomenon of media concentrations, in particular as regards its multimedia form, may reach a threshold beyond which pluralism of information sources (freedom of information and expression) may be threatened.”²⁹

Consequently, if “media products are not like other economic products” because “they have a social, cultural and democratic value that makes them special within market conditions”³⁰, and if a certain degree of media concentration is accepted, instruments to preserve editorial independence of different titles grouped under one entrepreneurial roof become more important than the guarantee of widely fractioned ownership.

Publishers might even find it economically convenient to ensure pluralism within their group, as with this strategy a wider share of the media market can be held.

26 Josef Trappel and others, *Die gesellschaftlichen Folgen der Medienkonzentration* (Duesseldorf, 2002).

27 Council of Europe, “Pluralism and Media Concentrations in the Internal Market”, *The Green Paper* (23 December 1992).

28 Prof. Jens Cavallin, “European Policies and Regulations on Media Concentration”, *International Journal of Communication Law and Policy* (January 1998).

29 Council of Europe, Committee of Experts on Media Concentrations and Pluralism.

30 European Federation of Journalists, *European Media Ownership – Threats on the Landscape* (Brussels 2002).

Uncontrolled concentration processes in the media sector are a threat to the nerve centres of democratic societies. In case of the European Union the threat is double. Concentration endangers the very cultural diversity which is at the heart of the EU, too. "Media concentration is a serious problem across the continent. A specific issue in the new democracies is that a small number of companies now predominantly own the printed press. At the national level some of the press markets are highly concentrated."³¹ The Federation of European Journalists warns that with concentration "comes increasing concern for the impact on media quality, pluralism and diversity".³²

As ever fewer media concerns control ever bigger market shares, an increasing number of daily newspapers are losing their independence by being bought off by bigger competitors. These titles either disappear altogether or become downgraded to regional or local supplements of financially sound dailies. Free and independent media need a sound financial basis in order to guarantee editorial and journalistic independence. Only then can they withstand direct or indirect pressure on the content by advertising companies or through the allocation of state subsidies.

The case of the Federal Republic of Germany can be taken as exemplary: Even in Europe's richest economy the number of daily newspapers dropped from 391 titles in 1998 to 374 titles in 2002 (- 4.35%). Over the same period of time, total circulation of daily newspapers in Germany diminished by 7.10 per cent. Renowned papers with long standing traditions like *Die Welt*, the *Frankfurter Rundschau* or the *Berliner Tagesspiegel* are threatened with closure. Important newspapers like the *Sueddeutsche Zeitung* or the *Frankfurter Allgemeine Zeitung* had to reduce their journalistic workforce drastically. Roughly 1,500 journalists are reported jobless in Berlin alone: A clear

indication of the economic and financial strains that the German daily newspaper market has been suffering from for years.

If economic constraints have such an impact on a rich and democratically vibrant media environment like the German market, consequences for smaller and emerging media markets in CEE countries are even more dramatic. More than ten years after the collapse of the former regimes the financial situation of newspapers as well as the revenue from advertisement remains very insecure, making journalists and media extremely vulnerable to all kinds of influences from the outside.

Foreign media investment in CEE countries might help to stabilize the financial situation, thus helping to retain or to create the basic conditions for editorial independence and investigative journalism. Principles for Guaranteeing Editorial Independence, as proposed by the OSCE Representative on Freedom of the Media, could be an additional means to achieve this target.

However, media concentration always implies a threat to pluralism and diversity of opinion. Horizontal concentration, e.g. ownership of a large number of regional newspapers, might lead to unified papers with local supplements only. Vertical concentration, e.g. the ownership of newspapers, printing houses and distribution channels, might prevent market access for smaller or new media companies.

1.5 Legislation on Media Concentration

In the early stages of media legislation the basic right to freedom of expression was interpreted mainly as a right to a free print media system. As radio and television broadcasts were considered to be of strategic importance to the State, frequency

31 Council of Europe, 1. "Report by the General Rapporteur on the Media" (Strasbourg, 5 December 2002).

32 European Federation of Journalists, *European Media Ownership: Threats on the Landscape* (Brussels 2002).

licences were allocated only to State owned broadcasters or those under the control of public law. As opposed to broadcasters in communist ruled countries, where the State maintained a monopoly not only on frequencies, but on programme content as well, Western European broadcasters were and mostly still are controlled by a broad range of public interest groups. This model of public service broadcasting has widely been acknowledged as serving the citizen's right to an unbiased information well.

The liberalization of the electronic media market in most Western countries during the 1980s and 1990s eliminated the State monopoly over transmission frequencies. At the same time it opened up the rather strict public control over content. This development required a completely new legislative approach both nationally and internationally, especially as radio and TV frequencies are not subject to national frontiers.

In contrast to electronic media contents, the sales of print media products are, due to the natural language barrier, generally limited to national markets. With the collapse of the communist regimes in Central and Eastern Europe the first step, therefore, was to privatize existing and previously State owned print media companies and to liberalize the licence procedures for the opening of new print media outlets.

While this newly acquired press freedom led to a substantial increase in print media titles in CEE States, very few of them were based on sound market analysis and financial calculation. Inexperienced in the rules of an open market economy the result was predictable: basic economics forced many newspapers out of business. In Poland for example the number of daily newspapers dropped between 1998 and 2002 from 56 titles to 46 or by 8 per cent.

New press laws were introduced in all CEE countries. Many of these laws, however, had to be amended time after

time, as the concept of a free and independent media only became gradually understood by the governing elites. At least in the beginning the problem of print media concentration did not rank very high on the political agenda of these countries. The notion of media concentration came to be understood only with the dramatic increase of foreign investment in national print media markets. In most cases EU Candidate States had to be coached by Brussels into formulating media laws in line with the *acquis communautaire*.

One reason for being so slow in adopting wide ranging laws for the print media might have been the sense of urgency to regulate national electronic media markets. The credibility of the print media had suffered badly from the decade long direct control of the one-party State. Private television broadcasting, offered immediately after the regime change by international news channels like *CNN*, better reflected the citizens' hunger for seemingly unbiased information.

Private TV broadcasting introduced a hitherto unknown lofty mix of news and entertainment. Television became the natural media choice for the new elites, who quickly became aware of the political risks of opening their electronic media markets too widely to foreign investment.

While cross-border transmissions of European radio and TV contents within the territories of the European Union are considered an expression of cultural diversity, the EU has always tried to protect a common European identity by safeguarding its internal radio and TV market from being flooded by programmes from outside the Union. In this respect the EU is in open conflict mainly with the US where electronic media content is considered a normal product of the service industry and therefore it is illegitimate to treat it outside of existing free trade agreements.

During the last decade of the twentieth century legislators in most European countries have, however, adopted legal norms not only to curb the transmission of non-European contents, but also to regulate media industry's temptations, European and non-European, to cross- ownership into other sectors of the media market as well.

Due to the need to tackle the radical changes in the electronic media sector, developments in the print media markets have long been neglected.

Whereas in Western Europe the decade long evolution of legislation concerning media concentration basically followed the technological developments, Central and Eastern European countries have had a rough time catching up with European media law standards since the collapse of the former regimes.

As a result of the liberalization of the electronic media markets, legislators both on national and international levels have concentrated mainly on regulating this extremely dynamic sector. Consequently the evolution of legislation concerning the print media market has not been at the forefront of interest.

This situation is changing rapidly. All over Europe new media laws are being drawn up. Most of these proposed drafts consider what the British Government describes as "a lighter touch approach" for market share ceilings, mergers and cross-ownership.

1.6 The European Union and Media Concentration

The concept of diversity of content as the key to media pluralism is recognized by both the Council of Europe and the European Union and its Member States.

While most of the Council of Europe's decisions are always only political guidelines based on principle, the European Union's directives, once ratified by national parliaments, are law to its members.

It appears, however, that this position of the EU has little clout when it comes to practical political considerations. A veritable conflict of interest between the EU and national governments of EU Member States remains unresolved.

Brussels had already in 1992 defined the media sector as part of the EU's *service industry* and therefore subject to control from European concentration controlling bodies and *the rules of the Single European Market*.³³

National regulations intended to guarantee media pluralism are regarded by the Commission as an obstruction on the way to a single European media market. On various occasions the Commission has tried in vain to introduce EU wide rules.

The need to harmonize European media concentration laws is due to the growing pressure from media groups, advertisement lobbies and the administration of the United States of America to lift entry barriers to the European TV broadcasting markets.

The EU's basic media concept is to safeguard cultural diversity as an integral part of European identity. It was for this reason that as long ago as 1989 the "Television without Frontiers" directive (TWF) was introduced. It required broadcasters to transmit at least 50 per cent of European originated programmes on their channels. Since then the US television and movie industries have never stopped rallying against this quota provision.

The aim of the US has always been to have mass media declared a normal commercial activity and therefore subject to the free trade agreements of the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO).

If these attempts succeed, the cultural diversity induced quota regulation benefiting European originated programmes

³³ EU Commission, "Pluralism and media concentration in the single market", *The Green Paper* (23 December 1992).

would become illegal. Hence the growing pressure from Brussels to agree upon a harmonized European media law. A revised version of the TWF directive is due to be introduced by the end of 2003.

Still, the media law policy pursuit by Brussels is met with little enthusiasm from national European governments.

National governments as well as regional and local authorities, even though committed in principle to at least limit the process of media concentration, follow different objectives than the EU. Their need to strengthen existing publishing entities often stands in open contrast with European guidelines and principles.

Permitting existing media concerns to add additional market shares at the expense of smaller competitors, is a means to secure local jobs and ensure fiscal revenues. Keeping cross-border investors away and media firms in national hands is an additional motive for governments to allow for a certain degree of concentration.

The dilemma of EU Member States governments can therefore be best described as a difficult balancing act between local allocation politics and social market politics: to find an equilibrium between an economically necessary level of concentration, in order to protect the national media market against an increasingly globalized media environment and the need to define and to adhere to an upper limit of tolerance of concentration in order to preserve media pluralism.

Concerning the EU's desire to harmonize European media law Member States have so far kept the upper hand. That which is not governed by the European Union's competence in creating a single European market and safeguarding market competition remains with the legislative authority of the Member States.

1.7 New Threats on the Horizon

1.7.1 Cross-Media Ownership. The modern information society has fundamentally changed the news media business. The leisure sector, which has grown dramatically over the past decades, has gradually encroached onto the news market. Formerly, clearly defined, entrepreneurial border lines between traditional news media and film, television, book publishing, music, new online media, theatre, sports and even theme parks are increasingly blurred. Broadcasting, telecommunications and even print media via the internet are converging. Globally operating media conglomerates like the US based Aol Time Warner Inc. or the German Bertelsmann group strive to be present in as many market segments of this emerging infotainment society as possible.

Key to such strategy is cross-media ownership: newspapers are co-owners of radio and TV stations. Television companies buy into film production firms, create virtual portals on the internet, run video and DVD rental chains and sponsor sports events. Creating bigger economic units does economically make sense. But the inherent risk of corporate mainstreaming of content, not only on the national level, but across borders can not be underestimated. "The experience in the USA, since the 1996 Telecommunications Act, has been that a small number of media corporations have moved into dominant positions by acquiring chunks of the US media. Deregulation has boosted both the commercial power of companies like AOL Time Warner, Viacom, Disney, but it also gives them political power."³⁴

Unchecked, cross-media ownership is, therefore, a deadly threat to pluralism, to content diversity and to the freedom of the media itself. A vision that frightens the ever suspecting liberal just like the, truly to democratic principles committed

³⁴ European Federation of Journalists, *European Media Ownership* (Brussels, January 2003).

conservative. “Many artists, consumers, musicians and journalists know that such protestations of cable and internet competition by the huge dominators of content and communication are malarkey”, writes the famous American columnist William Safire, who surely does not rank among the “Leftists” of the United States: “Does that sound un-conservative? Not to me. The concentration of power – political, corporate, media, cultural – should be anathema to conservatives. The diffusion of power through local control, thereby encouraging individual participation, is the essence of federalism and the greatest expression of democracy.”³⁵

Legal limits to cross-media ownership are in place in most European countries. Yet, at this very moment when US media giants are pulling all strings to lower the entry barrier into the European markets, many European governments are planning new legislation which would, if enacted, give no additional protection to their national media but open the doors widely to globally operating foreign media concerns.

The British Government advocates for opening the national market to the point where non-EU media firms could own commercial TV stations. Based on the findings of the Competition Commission that even locally high levels of concentration in the daily newspaper sector do not necessarily “operate against the public interest”, newspaper mergers will be considered with “a lighter touch approach”. Even though the British Government remains – at least on paper – committed to “maintaining diversity and plurality”, the print market share ceiling as the main threshold for triggering anti-concentration legislation will be raised. Finally regulation on cross-ownership especially between electronic media and print media will be watered down.

Similar projects are under way in Italy, where Prime Minister and media magnate Silvio Berlusconi directly or indirectly

owns or controls not only the three biggest private TV Channels, but the public service broadcaster RAI as well.

Even before the new media law the Italian media market was already suffering from a worryingly high level of concentration in all sectors. Not publishers in the classical sense, but industrial tycoons, are the owners of Italy's biggest daily newspapers. Except for the biggest selling daily, which is a sports paper, all of them are linked to either ideological areas/political parties or to professional associations like the Italian Industrialist Association Confindustria. It is an open secret that each paper plays to the agenda of its owner. Journalists are seen as serving these agendas willingly. Not surprisingly, Italians do not rate the credibility of the print media and most of their journalists as very high.

An exception in this morass used to be the public service broadcaster RAI; not so much because of the quality of RAI's reporting but because of the general knowledge of the political affiliation of each of its three channels. Listening into the programmes of all three channels it was possible to get a more or less accurate picture of a given event. Not so any more, since Mr. Berlusconi came into office, only to follow the decade old habit of nominating his friends and political allies for key positions with RAI.

The new media law does not only cement Mr. Berlusconi's stranglehold on the Italian media, it would also benefit the long term commercial plans of the Prime Minister's close personal friend, media tycoon Rupert Murdoch. The stern warning from President Carlo Azeglio Ciampi to safeguard media pluralism and diversity as an indispensable corner stone of Italian democracy has largely been ignored by the ruling centre-right coalition. The President of the Lombardian Journalist Association,

35 William Safire, "Public Interest is threatened by Media Power Grabs", *New York Times* (23 May 2003).

Mr. Franco Abruzzo, envisages the enshrining of journalistic freedom and independence into the constitution as the only remaining way to save press freedom in Italy. Under the current parliamentary majority the chances of such a proposal being accepted are close to nil: Italy “is well on its way to becoming one of the most concentrated media markets in the world”.³⁶

The German Government is also considering easing up on media concentration ceilings and limits to cross-media ownership. And US media concerns are known to have tried to influence European media law evolution through putting pressure on EU Candidate States who are required to abide by European media standards laid down in the *acquis communautaire*.

1.7.2 Cross-Border Ownership. Even a decade after the fall of communism the European media landscape is still divided into at least two very different realities. In most Western European countries media concentration peaked during the 1960s and 1970s. During that period comprehensive anti-concentration laws were introduced.³⁷

In CEE countries the media landscape changed dramatically after the collapse of communism. Newspapers and broadcasters, which had been at the service of the old regimes, started their new life with hardly any credibility with their customers. New media outlets competed for users in societies in which the notion of a free and independent press and its sociopolitical role had hitherto been unknown.

But national media markets are no longer insulated from the outside world. Over the past 20 years, globalization has also encroached on the media sector. For an increasing number of media groups, cross bordering has become part of the survival strategy. To expand in cross border operations does indeed allow for the creation of competitive information hubs. The possibility of serious political implications of cross border ownership can thus not be denied.

Target countries sometimes interpret cross-border acquisitions as Trojan horse operations with the clear political intent to first infiltrate and then influence public opinion. Oliver Money-Kyrle of the International Federation of Journalists interprets such fears, as do most other media experts, as the understandable preoccupation of national political and corporate elites of losing clout and influence over media content. "In the past, one always talked about interference, censorship, either through the government or by local press barons, who had strong political interests or strong business interests that would heavily influence the editorial policy of their media for their own political or business ends. Clearly if you have foreign media ownership, that pressure is relieved from the journalists."³⁸

Even though a legal framework for governance of the concentration processes on national media markets is highly desirable, it can not be denied that in some instances new media laws were initially designed with the clear intent to curb the newly acquired freedom of the press. "The initial drive towards media concentration is practically caused ... by foreign companies stepping in and by their consequent decisions to divide local media markets. ... (But) after the Russian crisis of 1998, which hit Lithuania in mid-1999, the mismanagement of the country's economy was severely criticized by the Lithuanian mass media. As a result, Lithuanian journalists fell into the government's and the ruling conservative party's disfavour. Hence the appearance of the new drafts in media legislation."³⁹

36 European Federation of Journalists, *Public Broadcasting for All: Campaign* (2003).

37 Prof. Axel Zerwig, Thomas Simeon, *Publizistik- und kommunikationswissenschaftliche Ueberlegungen zur Mediensituation in Berlin* (Berlin, February 2003).

38 Institute for War and Peace Reporting, "German Media Giant dominates Balkans" (25 April 2002).

39 "Mass Media Law and Practice", Vilnius University Institute of Journalism, Issue 8 (April 2000).

As many of the media outlets in the emerging democracies were financially too weak to sustain the prolonged period of transition, they were easy prey for Western European publishing houses which moved rapidly into CEE print press markets, while U.S. broadcasters got a strong foothold in the CEE countries television sector. US investors shun the print press markets in CEE countries because, as Mr. Marty Pompadur from Rupert Murdoch's News Corporation put it "It's too political to own newspapers in some European markets".⁴⁰

Over the past decade, investors among others from Germany, France, the Scandinavian countries and Switzerland have bought heavily into the emerging Central and Eastern European print media markets. It is the numbers of foreign investors that create fear in CEE countries of being culturally colonized by Western media and their supposed political masters.

After the fall of the communist regime in 1989, the Hungarian daily newspaper market was 100 per cent Hungarian owned. Seven years later, 60 per cent of this media sector was already in the hands of foreign investors, mainly from Germany and Switzerland. By 2001, foreign ownership of the Hungarian daily newspaper market had risen to 83 per cent.⁴¹

One of the biggest players in a number of CEE countries is the German WAZ group. Beside its important stakes in Hungarian daily newspapers, the group owns or controls dailies in Bulgaria, Romania, Yugoslavia and Croatia. In addition, WAZ has invested both in printing plants and distribution centres across the region.

WAZ manager Dr. Markus Beermann stresses that his group has no intent to influence the journalistic content of its foreign titles. "WAZ takes only care of the entrepreneurial aspects. And as long as they follow the guidelines for editorial

independence proposed by the OSCE Representative on Freedom of the Media and entirely part of our contracts of acquisition, the editorial responsibilities continue to lie exclusively with our local partners".⁴²

WAZ has always rejected the notion of having created a monopoly in Bulgaria. According to the group's management the Bulgarian WAZ titles are in fierce competition with each other. But in 1999, only three years after its first arrival on the Bulgarian media market, WAZ controlled more than 35 per cent of Bulgaria's media and around 70 per cent of the print advertising market.⁴³

After a negative ruling by the Bulgarian Committee for the Protection of Competition the German group had to divest itself of some of its Bulgarian stakes. Nevertheless, WAZ remains the dominant investor, not only in Bulgaria, but in other CEE countries as well.

Overall the situation is not very different in other CEE countries. At the dawn of the new millennium, for example, 54 per cent of the Estonian subscribers to daily newspapers were served by the Norwegian media and information company Schibsted ASA, while the remaining 46 per cent of the market were covered by Bonnier Group of Sweden.⁴⁴

Considering the magnitude of foreign investment into CEE print media markets mounting criticism is not surprising. For many observers the initially most welcomed financial injection into CEE print media markets has turned rapidly into

40 European Federation of Journalists, *Eastern Empires* (Brussels, June 2003).

41 World Association of Newspapers, *World Press Trends* (2003).

42 Dr. Markus Beermann, 2nd Conference on Media Law (Frankfurt/Oder, October 2003).

43 Institute for War and Peace Reporting, "German Media Giant Dominates Balkans" (Zagreb, April 2003).

44 "Mass Media Law and Practice", Vilnius University Institute of Journalism, Issue 8 (April 2000).

an unhealthy dominant position of Western media companies. In principle, the European Federation of Journalists (EFJ) has welcomed the arrival of especially European investors, as “Foreign investment in CEE countries can bring benefits in terms of greater resources, improved management and increased independence from national political elites”.⁴⁵

At the same time the Federation’s survey concluded that since the collapse of communism “the old state monopoly of sections of the media, particularly the press, has been replaced by commercial monopolies”.⁴⁶

The notion of new “commercial monopolies” may be exaggerated. But clearly the massive Western investment into the emerging CEE print media market has sped up the concentration process in these countries.

The pioneering years into the “Wild East” seem to have passed. Growing economic difficulties in Western European economies have led to the re-thinking of business strategies and company structures. By late October 2003 the Bertelsmann subsidiary Gruner & Jahr initiated a new round of market concentration by selling its acquisitions in most Central and Eastern European countries to the Swiss media group Ringier. In future Gruner & Jahr will only operate in Poland and Russia, while the deal with the German media giant has strengthened Ringier’s already strong position in the Czech Republic, Slovakia, Romania and Serbia.

At least EFJ Secretary General Aidan White is surely pre-occupied: “If Europe’s media is to have a future even remotely connected to its traditional role as a watchdog over the exercise of political and corporate power and as a provider of quality information in the public interest, the issue of media concentration must be on the European agenda”.⁴⁷

The massive influx of foreign capital into CEE countries has definitely not helped independent nationally-based media

groups to grow. And there is the incumbent danger that “as media groups from elsewhere in Europe acquire newspapers in CEE countries, they do not pay enough attention to training, pay and the status and independence of journalists in carrying out their work”.⁴⁸

This opinion has been encountered on various occasions during the preparation of this survey. “The foreign investment driven concentration process, which started after the collapse of communism, may have saved a number of media outlets”, said one leading Romanian journalist. “At the same time this process has led to a lower degree of journalistic freedom, less pluralism and fewer job opportunities for professional journalists”.

Notwithstanding such harsh opinions, the majority of journalists in CEE countries would probably agree that foreign ownership has substantially improved the quality not only of the content of their media, but of their working conditions too.

To respond to rising concerns among media consumers about editorial independence and hence journalistic credibility, some internationally operating media conglomerates like the Norwegian Orkla-group, the Essen/Germany based WAZ-Mediengruppe or the Springer-Verlag have voluntarily introduced internal rules to protect their writing staff from outside pressure and to separate managerial and editorial responsibilities.

In the Anglo-Saxon media such principles have a long standing tradition. They were introduced not to demonstrate but to maintain journalistic independence at a time when political and industrial pressure groups tried to gain influence over the media.

45 European Federation of Journalists, *Eastern Empires* (Brussels, June 2003).

46 European Federation of Journalists, *Eastern Empires* (Brussels, June 2003).

47 Aidan White during a press conference presenting the EFJ Report: *Eastern Empires* (Brussels, 6 June 2003).

48 European Federation of Journalists, *Eastern Empires* (Brussels, June 2003).

The continental European media tradition is quite different. Newspapers were either founded by or had close relations with political parties and/or ideologically driven groups. Journalistic independence and hence editorial freedom had to be conquered by editors and journalists step by step. The introduction of Orkla-style rules therefore demonstrates a healthy trend amongst the newspaper community that guarantees their right to editorial independence and to defend media pluralism and diversity.

Most journalists participating in this survey agreed on the usefulness of such rules and expressed their desire to work under a similar regime.

1.7.3 Professional Journalism under Attack. While public interest is focused on the political and economic aspects of media concentration, its impact on professional journalism goes widely unnoticed.

Severe political pressure on representatives of the media has been reported from several countries included in this survey. It would be too easy to explain these incidents with growing economic difficulties alone. The consequences of political indifference to the situation of the media and direct intervention and abuse of power by political parties, other socially relevant groups and organizations as well as individuals, can not be underestimated.

It is important to remember that over the years the office of the OSCE Representative on Freedom of the Media has had to intervene on various occasions to remind the authorities of participating States of their obligations towards a free and independent media in general and the protection of journalists in particular.

In this regard OSCE participating States from Central Asia, the Caucasus, the former Federation of Yugoslavia and other

areas of Central and Eastern Europe have been of major concern. Death sentences against journalists, execution style murder of critical writers, long term prison sentences for members of the press and other forms of violent or psychological repression have been condemned in the strongest possible terms by both the Representative on Freedom of the Media Mr. Freimut Duve, and the European Union.

Totally unacceptable are attempts by the authorities to stifle all forms of investigative journalism, to threaten critical newspapers and television stations with closure and to hamper or to block altogether the work of foreign correspondents. Hungarian Governments, from both sides of the political spectrum, have tried to buy the “political correctness” of the national print media by either placing or withdrawing the rights to publish the results of the national lottery. Some Romanian newspapers have shown a particularly perverse reaction to such pressure. Instead of fulfilling their role as a watchdog over the institutions, they have begun to sell their silence on political or industrial scandals by not reporting in exchange for advertisement placements or other favours.

Temptations to gag the media are, alas, not limited to the transitional societies of the former communist bloc. Even in Western Europe, which has enjoyed half a century of peace, liberty and democratic rule, attacks on the freedom of the media in recent years have become more frequent.

The fight for market shares and quotas opens the doors widely to superficial infotainment at the expense of serious professional journalism. “Emotion” and “conflict” have become the two most important criteria for information to be “newsworthy”. “This way the importance of events becomes distorted, differentiating reporting becomes more difficult; relevant themes disappear from the agenda altogether and society as a

whole becomes de-politicized.”⁴⁹ The picture of independent Western media as a bright shining beacon for democracy is clearly tarnished.

One of the most disturbing examples of unashamedly putting commercial interests over journalistic freedom was the decision of the Australian-American media tycoon Mr. Rupert Murdoch to end the transmission of the British BBC’s World Wide Service via his Hong Kong based Star Satellite TV in order to maintain good political and industrial relations with the political leadership in Beijing. Mr. Murdoch ultimately strives for “unmatched reach around the world. We’re reaching people from the moment they wake up until they fall asleep.”⁵⁰ But this strategic guideline seems to cover just market presence. Journalistic excellence does not seem to be on the agenda of Mr. Murdoch’s “News Corporation” conglomerate.

In Germany “we increasingly do experience politicians who choose the journalists by whom they accept to be interviewed not on the base of professional quality but on the level of docility”.⁵¹ The astoundingly forceful reaction by 10 Downing Street to the BBC’s reporting on the Governments alleged “creation” of a clear and present danger to the world by Saddam Hussein’s supposed weapons of mass destruction programme has seriously jeopardized the public broadcaster’s standing with its audience and its ability to investigate into British politics.

But the situation appears particularly serious in Italy, one of the six founding members of the European Union.

In his first report released in 2002, the Council of Europe’s General Rapporteur on the Media noted that, “although no evidence can be given of direct infringement of freedom of expression, the combination of political and financial control of the mass media by (Prime Minister) Mr. Berlusconi undermines the usual notion of democratic legitimacy”.⁵²

Directly or indirectly Mr. Silvio Berlusconi not only controls the country's three biggest private TV-stations, newspapers, newsmagazines and radio stations. But as Prime Minister he also holds sway over Italy's public broadcaster RAI. Some of Italy's most distinguished Journalists, who had been critical of Mr. Berlusconi prior to and after the election of his centre-right government, saw their contracts with RAI cancelled, after the Prime Minister had publicly labelled them as "communists" and "enemies of his government".

According to the World Press Freedom Review for 2002 "the Prime Minister said that the journalists were using taxpayers' money for a political campaign, something he called 'criminal behaviour'. The report concluded that "Media diversity has been in retreat in Italy and political control is filling the vacuum".⁵³

The OSCE Representative on Media Freedom pointed out at that "in Italy, a founding member of the EU, the present political leadership is not following the constitutional tradition of Europe. Especially the pluralism of the broadcasting media is in jeopardy because of an ownership situation that allows the executive to control both public and private broadcasting media."⁵⁴

While democracy in Italy should be strong enough to withstand even a prolonged attack on the country's media, the same does not necessarily apply to the media of the transitional

49 Michael Rutz, editor-in-chief of the German weekly newspaper *Rheinischer Merkur* in a speech on Freedom and Pluralism of the Media (Berlin, 30 May 2003).

50 According to Campaign Press and Broadcasting Freedom <www.mediachannel.org>

51 Michael Rutz, editor-in-chief of the German weekly newspaper *Rheinischer Merkur* in a speech on Freedom and Pluralism of the Media (Berlin, 30 May 2003).

52 Council of Europe, 1. "Report by the General Rapporteur on the Media" (Strasbourg, 5 December 2002).

53 "World Press Freedom Report" (Italy, 2002).

54 "Italy's Media Ownership – A Challenge to the European Constitutional Architecture", Press Release by OSCE Representative on Freedom of the Media (12 March 2002).

societies of Central and Eastern Europe. A recent report commissioned by the European Federation of Journalists concluded that “the regulatory bodies that have been established to oversee broadcast media are, in many CEE countries, appointed by political elites who want to ensure continuing control over areas of the media. This trend raises issues of democratic accountability and transparency in the appointment of people to oversee the work of these bodies, and the basis for the allocation of broadcasting licences.”⁵⁵

Developments like the ones in Italy are particularly serious because they set poor examples and could be used in the future to legitimize unacceptably low standards for Freedom of Expression and Freedom of the Media in countries, where the temptation of autocratic rule among the political elites is still vibrant.

Even though Albania was not included in this survey, the following statement of one of the country’s publishers is indicative for the dangers Central and Eastern European countries are facing. “Of the existing 15 Albanian newspapers all are owned by business people”, says Shpetim Nazarko. “Our government wanted to completely copy the government of Mr. Berlusconi. Today the State as well as the media is in the hands of businessmen”. The dire prediction of Mr. Nazarko: “I’m afraid that this is only the final phase before the return to total chaos.”⁵⁶

The Berlusconi model stands out in stark contrast to the role the media are supposed to play in an open and democratic society.

Professional journalists as indispensable guardians of the democratic functioning of society are the media companies’ most important assets. As such, the professional independence and, in some cases even the personal safety of journalists needs better protection.

Yet this simple notion appears to become more and more irrelevant. Over the years the understanding of democracy has experienced almost unperceivable, but far reaching changes. The once clear cut distinction of different roles of different groups within society is becoming increasingly blurred. The role of the representatives of the media is no exception.⁵⁷ Politicians increasingly use the media to promote their own personal profile in light of the next elections, and less to promote public debate about ideas, programmes and visions. They sometimes even substitute journalists by actively writing for media outlets of their choice.

Governmental institutions increasingly abuse the media as a cheap propaganda tool. Analysing the role of the Swedish media during the Kosovo conflict, the Swedish “Office for Psychological Defense” concluded that NATO and the US Department of Defense had successfully managed “to transform the media of the countries participating in the campaign into a fourth force next to the army, the Air Force and the Navy”.⁵⁸

According to the Swedish researchers the main drive of NATO press policy during the Kosovo crisis was to keep radio and TV journalists busy 24 hours a day and to provide them with as much “filtered” infotainment as possible in order to level the general quality of information. The clear intention was to force the “slower” print media to follow the editorial line dictated by the electronic media. “Independence and integrity of the Western media are steadily retrieving under the pressure of the New World Order”.⁵⁹

55 European Federation of Journalists, *Eastern Empires* (Brussels, June 2003).

56 Karl Hoffmann, Albanien; in: *Bayrischer Rundfunk B5* (10 October 2003).

57 Michael Rutz, editor-in-chief of the German weekly newspaper *Rheinischer Merkur* in a speech on Freedom and Pluralism of the Media (Berlin, 30 May 2003).

58 Office for Psychological Defense, “Kampen om det kommunikative rummet” <www.psyccdef.se/bibliotek/report_show.asp?FileID=71>

One of the worrying conclusions of the Swedish report was that the modern information era is characterized by “an ever faster convergence of print media, electronic media and digital communication with at the same time a growing fractioning of the media consumers. Traditional media are increasingly seen as part of the power elites.”⁶⁰

Which, following the line of thought of the Swedish researchers, could lead to a dangerous development: Not only “Non-governmental Organizations (NGOs), Independence Movements, Lobbying Groups, Activists and Terrorists” could turn against the established media, but parts of the ordinary citizens as well, “whose opinions would then become less predictable”.⁶¹

Publishers, editors and journalists on the other hand, are becoming less concerned with being seen as being too close to individual politicians or political parties. Their role in society becomes totally confused when they operate as “private counsellors” to politicians or even as active political players.

The same problematic applies when investments from outside the media market into media firms change the quality of relations between industry and journalism. Journalists retain their credibility only as long as they are seen as neutral and as critical observers. They should never be put in a position of, nor should they be allowed to act as, industrial product promoters in disguise.

Professional journalism is facing new and disturbing challenges not only from the outside. The profession, which the European Court on Human Rights considers of the highest importance for the functioning of democracy, is facing difficulties also from within. Again, it's the daily newspaper sector which has been hit hardest.

The loss of advertisement revenue due to the appearance of the internet has resulted in a dramatic power shift within

newspaper firms. Using the argument of having to restructure due to the financial crisis, management is setting new rules for journalism. Investigative journalism is being reduced to the bones. News agency dispatches are filling columns which, not very long ago, were used to publish articles written by professional staff members. In times of dire straits the journalistic quest for quality content has become almost optional.

Newspaper management is using the economic consequences of normal market contractions to rein in critical writers and commentators. Direct or indirect pressure is put on journalists not to report negatively or even critically on events, institutions or people who might be important to publishers or editors and their friends from politics and industry.

Such pressure often leads to “politically correct” reporting by journalists – a euphemistic description of self-censorship. It may, however, lead to direct censorship. According to the German Sociologist Roland Seim censorship is nothing but “knowingly taking influence on public opinion by withholding information from the public or presenting it in a distorted way”.⁶² It appears, therefore, essential to protect daily newspapers in their role as watchdogs over the proper function of democracy and a vital instrument of social cohesion from undue economic dependencies and outside pressure.

One model to guarantee editorial independence could be to organize daily newspapers as public service entities. “Should all other roads (to a durably sound economic base for print

59 Office for Psychological Defense, “Kampen om det kommunikative rummet” <www.psyndef.se/bibliotek/report_show.asp?FileID=71>

60 Office for Psychological Defense, “Kampen om det kommunikative rummet” <www.psyndef.se/bibliotek/report_show.asp?FileID=71>

61 Office for Psychological Defense, “Kampen om det kommunikative rummet” <www.psyndef.se/bibliotek/report_show.asp?FileID=71>

62 Roland Seim, *Zwischen Medienfreiheit und Zensureingriffen* (Telos Verlag, Muenster 1998).

media) been unsuccessfully explored, the state would have to financially guarantee a basic provision to the nation of quality news and information, free of state or commercially induced intervention".⁶³

Such ideas are not new. The German centre-left Government thought, already in the 1970s, of a pilot project organized along such lines. The proposal was, however, abandoned almost immediately as the treatment of daily newspapers as public service companies would have significantly infringed on the entrepreneurial rights of the private owners of daily newspapers.

As every legislative framework meant to limit ownership and entrepreneurial rights is contrary to the principles of an open and democratic market economy, editorial independence in the end can only be guaranteed by the voluntary acceptance of a framework of principles.

The OSCE Representative on Freedom of the Media has proposed a set of principles for guaranteeing editorial independence. This proposal includes

- total transparency of the ownership structure of all journalistic media to the public;
- a common code of conduct reached between the staff and the management on basic journalistic principles, including:
 - standing up for Human Rights
 - standing up for the fundamental democratic rights, the parliamentary system and international understanding, as laid down in the United Nations
 - fighting totalitarian activities of any political tendency
 - fighting any nationalist or racial discrimination
- a clear and public statement on any institutional political affiliation of a journalistic media;
- a commitment of media companies, holding more than one title to safeguard journalistic independence and plurality as

a contribution to democratization and to strengthening freedom of the media.

Of the European media, only the Essen/Germany based WAZ group and the Norwegian ORKLA group have so far adhered in full to these principles.

Dangers to the freedom of the press also come from the political environment. As fallout from September 11 and the following global war on terror, the pressure on independent journalism is mounting. “Several of the laws passed to fight terrorism have raised concern and undermine the basic principle of a free flow of information”.⁶⁴ Especially targeted is the protection of journalistic sources, which is not perfectly regulated anywhere, and has been further weakened .

Recent court sentences in the US and other countries indicate the growing temptation of the political powerful to strip journalists of this most important tool of their profession. While the principle is well defined – “Journalists have a duty to protect confidential sources” and “The independent status of journalists is compromised when their sources and material becomes readily available to the public.”⁶⁵ Source protection has also recently been an issue in the United Kingdom, in Germany, Switzerland, the International Criminal Court at The Hague and even in Denmark.

Only superficial infotainment can live without in-depth investigation, which is often based on confidential insider information. With ever less legally guaranteed protection of journalistic sources it becomes nearly impossible to obtain relevant confidential information.

63 Michael Rutz, editor-in-chief of the German weekly newspaper *Rheinischer Merkur* in a speech on Freedom and Pluralism of the Media (Berlin, 30 May 2003).

64 Reporters without Borders, *World Freedom Press Report* (2002).

65 International Federation of Journalists, Executive Committee Meeting (Brussels, June 2003).

Since the end of communism, the development of freedom of the media and the professional independence of journalists has been at the centre of interest in many Eastern and South-Eastern European countries. The list of incidents of censorship and often, open aggression against professional writers is endless. But even though these cases are by no means excusable they were, in a certain way, to be expected. Democracy is a continuous learning process. There is no painless transition from decennial dictatorial repression to an open and democratic society.

In a much more subtle way censorship is also raising its ugly head in democratic Western European societies again. As a consequence of discreet threats to their livelihood many professional journalists no longer set the agenda for public debate but follow the agenda set by governments. All this does not seem to speak in favour of professional journalism. Yet journalists are not so much perpetrators but victims of developments. Lower journalistic quality reflects less a loss of ethics of professional journalists than the fact that editors and publishers are in cahoots with politicians and industrialists. Serving mainly their own industrial and all too often political interests they tend to forget the role of the media as vigilant observer of those elected to serve society. Professional journalists may have succumbed too easily to such pressure, but, as Franco Abruzzo, the President of the Regional Association of Journalists in Milan/Italy put it so bluntly during an interview for this survey: “Somehow professional journalists have to survive, too!”

“Journalistic Darwinism” is the term so aptly created by the young editor-in-chief of a well renowned Swiss weekly newspaper. His crude conviction: better journalistic work can be achieved by keeping professional staff writers in constant fear of being dismissed. Within two years content and presen-

tation of this formerly liberal paper have changed by 180 degrees. About two-thirds of the professional writing staff have been replaced with less independent-minded employees. The remaining journalists have “voluntarily” adopted the strong neo conservative beliefs of the editor-in-chief and the publishers. Even though the title remains in existence, Switzerland has lost one of its long standing jewels of journalistic independence and pluralism.

Publishers and editors-in-chief are not reacting to political pressure alone. Through the power to decide on where to place their advertising campaigns, industry is holding the media on a very short financial leash. Full time journalists are replaced by cheaper and, because of their economic predicament, more accommodating freelancing writers. Instead of well researched and written articles, features or background analysis newspapers are filled with dispatches from news agencies.

The immediate effect of such measures may be a drastic reduction in costs and hence budgetary improvements of media companies. In the long run, however, the classification of professional journalists as cost factors alone will prove counter-productive. The success of the Media in general and of newspapers in particular depends on their level of credibility. Renouncing to a pronounced individual profile of individual media outlets by reducing positions of professional journalists means gradually succumbing to this creeping process of media content homologation. Content quality and with it the level of credibility will inevitably suffer.

Only the work of independent professional journalists can guarantee public debate and social cohesion, which are among the most important duties of the media in a democratic regime. Without credibility professional journalism is doomed.

2. The Survey

As media concentration has long been understood as being a threat to pluralism and content diversity and thus to democracy proper, the phenomenon has been the subject of extensive research. Concentration today is well understood in its economic dimension as well as in its social and political implications.

Interestingly enough, in this ongoing debate on concentration, one key sector of the media industry has received little attention. What happens to professional journalism? How do journalists cope with the changing professional environment? And how do journalists describe their professional situation in the “New World Order” of globally operating media conglomerates?

If it is true, that a free and independent press is one of the essential pillars of democracy, and that journalists are the most important asset of media companies, then their opinions and their feelings have to be taken into account, too.

To fill this gap was the purpose of this survey, conducted each in four full Member States and four membership Candidate States of the European Union. The results presented in this publication would not have been possible without the active and generous help of the European Federation of Journalists in Brussels and the national journalist unions and associations as well as media NGOs in Finland, Germany, Hungary, Italy, Lithuania, Poland, Romania and the United Kingdom.

The survey deals only with the impact of concentration on professional journalism in the daily newspaper sector. The decision to research daily newspaper journalism alone was due to limited financial resources and the short amount of time available.

This limitation in no way indicates that journalists in other media sectors do not experience similar hardship and frustrations. On the contrary, the high numbers of responses from journalists operating in media other than daily newspapers suggests a deep frustration even among the journalists of the electronic media, which have been hit by the economic crisis and loss of advertisement revenue to a much lesser degree.

A complete picture of the difficult situation of professional journalism as a whole is impossible without a second additional survey on the impact of concentration and globalization on professional journalists of the electronic media in the eight countries represented in this study.

While economic research is based on verifiable facts and figures, this survey deals with personal impressions and feelings. In many cases simple “yes” or “no” answers are impossible. Political sentiments and personal experiences from the past may have an influence on the evaluation of a given and evolving situation. All questions combined, however, result in a personal description of the present level of job satisfaction.

Journalists are used to posing questions. They are less used to being asked. For practical reasons the questionnaire for this survey was distributed in the English language. Participants, however, were offered the option to answer in their native languages.

To guarantee complete anonymity the questionnaire was distributed via the internet. National journalist unions and associations as well as media NGOs were asked to send the questionnaire on to their members. In some cases as, for example, in Italy the questionnaire was distributed directly via the electronic servers of individual newspapers.

Journalists were given the opportunity to fill in the questionnaire on-line and to send their answers back to the OSCE headquarter server, where all computer generated information

about the sender was automatically erased before being forwarded to the research group.

Notwithstanding all these precautions and guarantees, the general reluctance to participate in this survey was notable. The level of response from those countries included in the survey varied widely. This made it impossible for some questions to be analysed in detail for each of the countries included in this survey. Graphics were used only in those cases where the number of returns allowed for significant description. However, it was in each case possible to elaborate general trends.

Of more than 500 returns, only 300 plus were usable. Those eliminated contained either incomplete or objectively false answers. Returns from countries “other” than the eight represented in this survey were equally discounted as were the answers of journalists not working in daily newspapers.

With the exception of Finland, which ranks amongst the champions for freedom of the media, the reluctance of journalists to voice their personal opinion peaked in countries where press freedom is known to be in jeopardy.

The argument of a leading Hungarian unionist, as to why he would not recommend his colleagues to participate in this survey, revealed a surprising level of political misconceptions. “The foreign media have colonized a substantial part of the Hungarian daily newspaper market on behalf of the CIA. As the American Intelligence Services are controlling each and every message sent via internet, they would be able to collect the private political opinion of every journalist partaking in this survey. It would, therefore, be professional suicide to contribute to your research.”

An Italian journalist refused to answer the questionnaire, “because it would be absolutely useless. Media concentration in Italy has reached such a level, that the notion of a free national

press is ridiculous. Journalists continue to fill pages. But in their heart they know that they are neither free nor independent”.

While such statements are certainly induced by the professional situation of the individual journalist, it would be too easy for them to be dismissed as not being representative. Firstly, because the whole survey was exclusively built on the personal opinion of individual journalists and secondly, such radical feelings were mainly received from countries where the freedom of the press is in danger.

This study does not pretend to offer final and “scientifically sound” answers to the question of to what degree professional journalists feel the impact of media concentration. It should, however, be taken seriously, as it sheds a bright light on the not so optimistic evaluation of journalists of the state of their profession.

Where journalists do not feel free to state their real personal opinion, and retreat to what they believe to be the expected socially and politically “correct” answers, the very foundations of democracy are in question.

Position of the European Federation of Journalists (EFJ)

by Renate Schroeder, European Director

The rise of a global commercial media system and of media concentration is more than an economic matter for Europeans; it also has clear implications for democratic and social values as well as for the role of journalists. Excessive commercialisation and, particularly, media concentration can impede the right to know because it leads to a small number of corporations controlling the major proportion of media outlets, thus restricting diversity and pluralism. The European Federation of Journalists representing about 200.000 journalists throughout Europe is, therefore, concerned not just about the quality of journalism and journalistic work, but also the impact on politics, pluralism and traditional cultural values.

The issues that need to be considered when talking about journalistic quality, ownership of media and concentration are:

- The importance of media to democratic pluralism, creative expression and cultural diversity within society;
- The needs of owners to create viable and vigorous media businesses to suit a turbulent and expanding information market;
- The need to maintain distance between media activity and the exercise of political power;
- The needs of journalists and others to work in a professional environment free from undue political or commercial pressure.

Much of the work of journalists and authors depends heavily upon good conditions of freedom of expression and opinion. The problem, and there is much evidence to support it these days, is that corporate influence in modern media is upsetting the traditional balance between business interests and editorial independence.

At the heart of journalism, without being too grand, is the notion of impartiality, tolerance and respect for the truth. But ideas of “mission”, “public interest” and ethical standards are increasingly compromised by commercial pressure on the news agenda in favour of business interests.

At the same time social conditions and employment rights are under extreme pressure as corporate hostility to unions and collective bargaining are having a negative impact on both quality of content and social conditions.

However, it must be said that although flawed, the global media system can be at times a progressive force. This happens, for example, where it enters national markets in Europe that have traditionally been tightly controlled by corrupt administrations or where there has been significant state censorship. Also we can all agree that the development of new technologies can offer unprecedented opportunities for ordinary people to participate in the democratic process.

But these progressive aspects of the globalisation of media should not be exaggerated. We have seen how media corporations want to avoid rocking the boat, as long as they can do their business. Nor is it their intention to enhance public access to information when they believe it can be delivered by them – at an appropriate price.

When commercial interests are set against democratic or professional values it is inevitable that the interests of the market take priority.

There is a discernible **decline in standards of reporting** and especially in the frequency, range and quality of investigative journalism. Newspapers and network television, in a panic over audiences, are universally addicted to tabloid values. Bizarre changes in the news agenda have been accompanied by a rise in intrusive television focused on mindless and trivial programming. We see the eclipse of serious political and social debate in favour of tasteless voyeurism and prurient entertainment.

Advertising has always been vital to traditional media, but in the global economy it is becoming ever more important and is already imposing intolerable pressures on editorial departments. Journalists are increasingly expected to produce material to suit the interests of sponsors and advertisers. The traditional lines between advertising and editorial content are blurring if not altogether disappearing.

At the same time investment in journalism has fallen. As advertising-driven content becomes an increasingly important source of corporate profit, severe cuts have been imposed in editorial budgets that have reduced quality.

Where editorial managers now perceive that certain areas of journalism are not commercially interesting – investigative journalism or coverage of foreign affairs, for instance – they are discouraged as being too expensive.

The reduction of coverage of foreign affairs by prominent national media is evident in all countries and has led to a reliance on material from a small number of sources,

mainly established news agencies and a tiny group of broadcast networks with global reach.

Cuts in editorial budgets have additionally depressed the capacity for research. Although the use of Internet has made life much easier for desk-bound journalists, the advantages and potential dangers are not fully explored. The pressure is, instead, to produce editorial material to satisfy sponsors and advertisers. This has seen an explosion in publicity journalism – for instance, “advertorials” – that is replacing editorial material normally produced according to higher standards of independent journalism.

While this decline in newsroom quality has taken place an equally dramatic change can be seen in the social conditions of journalists.

The social dialogue process launched by the European Union around the European Works Council Directive has been least successful in the media sector, largely due to vigorous opposition from private media.

In addition, there is less investment in professional training. Almost no professional training is provided by media companies for freelance staff. There have been cuts in training arrangements for full-time staff, both in the entry level and in mid-career courses. Too often, the impact of these trends on content is the loss of journalistic edge.

But isolated voices of protest, no matter how eloquent, are not enough to turn the tide in favour of a return to **public-spirited journalism**. What is urgently needed, instead, is an organised challenge to the disturbing national and international trend towards corporate control.

In spite of long-established commitments from both the Council of Europe and the European Union to recognise the cultural and social value of media products, the distinctly European quality of media organisation – especially in the area of public broadcasting continues to be undermined at national and regional level. We are still waiting, as we have been for many years, for the European Union to respond to the challenge of media concentration.

Nevertheless, the loss of public interest values, particularly in the public sector of European broadcasting, could have a devastating effect, not only on the work of journalists and other cultural workers but also on the quality of democratic exchange in Europe.

The sample of journalists in this study to whom the questionnaires have been sent, only includes within those eight countries, those working for daily newspapers. However, quite a number of filled in questionnaires were sent in by journalists from electronic media, radio, television, magazines, or news agencies. A number of respondents also worked for more than one paper or company: freelancers working for radio stations as well as newspapers, for weekly magazines as well as dailies, writing for news agencies as well as feature stories for different magazines, and increasingly working for Internet publication in addition.

The phenomenon of media concentration and foreign investment is, of course, not limited to print media. Unfortunately the study in hand had to restrict itself to daily newspapers and thus can only serve as a first oversight on media concentration and the impact on professional journalism. Not including journalists from other sectors does not mean they don't have any problems, nor does it mean that the work of the OSCE Representative does not include them.

"I am working for German Television and I ask myself why you are only looking into the newspaper market. Sorry, but I think that television is more important in influencing people's minds than newspapers, and therefore special attention should be paid to the quality and independence of TV journalists. The effects of concentration, cost control and profit maximisation are devastating, both to the quality of programmes AND the working conditions of journalists. During the last two to three years, working conditions have

been going from bad to worse. Working an 80 hour week is no exception, wages are in free fall, and people are hired and fired at random – these are often illegal practices but nobody cares. Instead of employing experienced journalists, editors-in-chief prefer placement students – because they are cheaper. I know people who have been told on a Thursday night in April that they need not come back on Monday – although they had a contract until the end of the year.

Placement students, who do not know whether Arafat is Palestinian or Jewish, edit the news about the peace process in the Middle East ...

As I see it, this is a return to brutal early capitalism, when the small people depended completely on the mercy of the big bosses. It is a danger to democracy – and the destruction of a profession. I personally do not know any TV journalists who still love their job. Most want to leave.”

Anonymous German Journalist

In addition, this study does not ignore that foreign investment is not limited to the respective country's print media. There are various degrees of cross-ownership between print media and electronic media. In Germany, for example, local and regional daily newspaper publishing houses are very much linked to regional commercial radio stations, whereas Lithuania was reported to have a rather distinct differentiation between the owners of newspapers and electronic media. But while in Lithuania virtually all TV stations are owned by foreign capital, the TV landscape in Germany is to a large extent in the hands of German companies. In Romania a lot of vertical cross-ownership can be seen: the same company owns TV programmes, radio stations, newspapers and magazines, printing plants and distribution networks. Then again, this phenomenon of vertical concentration is not a Romanian peculiarity.

This is to say that the results of this study mainly reflect answers from journalists from dailies, but that the trends shown

may well be true for journalists from other media as well. The study gives a first impression of the changing situation of professional journalism and outlines the field of still necessary research.

The researchers of this study want to explicitly thank the European Federation of Journalists (EFJ). Their studies “European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe” (2002) and “Eastern Empires. Foreign Media Ownership in Central and Eastern European Media: Ownership, Policy Issues and Strategies” (2003) have been a valuable source of information for this publication.

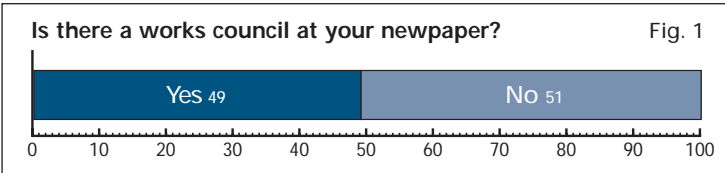
3. General Survey Results

Dialogue is the most efficient way to either prevent or to solve open conflict. For dialogue to succeed knowledgeable representatives, who are accepted by all sides, are needed. In the industrial world dialogue between the workforce of one given category and their employers is conducted by industrial unions on one side and industrialist associations on the other side. On the lower level of individual companies it has been long standing practise for workers to elect a works council, which is to act as their representative organ in any dispute with the company's owner(s) and/or management.

The reason for the existence of such institutions is to increase the weak bargaining position of the individual worker through the support of the collective workforce.

The rights of such works councils to participate in strategic decisions concerning the future of the company vary widely from country to country. Probably the most extensive interpretation of functions and rights of the works council is to be found in the German "Betriebsrat" model. In many other systems, however, the function of the works council is limited to the right of the workforce to be represented without the right to partake in the decision making process.

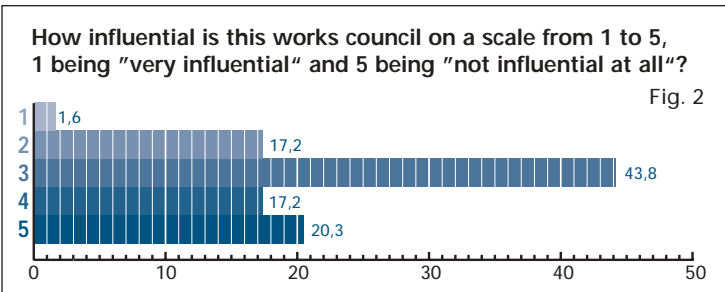
However influential the institution of such works councils is defined, it does not seem to be very much in favour with the daily newspaper industry. Little less than half of the journalists contacted for this survey enjoy this basic form of organized industrial relationship at all. (Fig. 1)



The importance of such collective representation can be explained by connecting the results of Figure 1 with the answers shown in Figure 2. The majority of participants in this survey or 62.6 per cent, rate the influence of their work council from “very influential” to at least “influential”. In other words, more than half of the journalists who responded to the questionnaire do have the impression that they are considered – *nolens volens* – as a serious counterpart by their employers.

Individual interviews conducted with journalists during this survey indicate that the total dissatisfaction rate of 37.5 per cent depends either on weaknesses within the national labour laws as such or, as in many cases, for example, in Italy, on the personal conviction of not having elected the right people into the work council.

Being considered as a valuable partner by the owners/management is an important ingredient to overall job satisfaction for every employee. In daily newspaper companies this feeling is, however, of particular significance, as it indicates a general understanding between owners and/or management and the



writing staff about both the editorial line and content of the paper. Being that quality journalism is an activity based on intellectual integrity, such common ground is essential for the willingness to strive for journalistic excellence.

The media business is probably the only industrial sector in which no company can live from the sales of its produce alone. As quality journalism has no equivalent and can not be substituted even in part, by technological progress, fix costs for journalistic staff remain the heaviest and almost invariable burden on the budget of every media company. At the same time, the democratic necessity of media pluralism and diversity as well as the regional or local character of most newspapers keep the number of potential buyers of each media outlet below even the break even line. To stay on the market, newspapers, radio and television broadcasters, as well as information providers on the internet, will therefore need external financing either through selling advertisement space or through public funding.

At a first glance, selling space for advertisement might appear as the “proper” way to do business in a free market system. Those media which have the greatest appeal to their potential clients will clinch the biggest advertisement contracts. To use a variation of President Bill Clinton’s famous election campaign remark: That’s competition, stupid!

This equation, however, is not without risks. As long as the overall economy is healthy, companies do have enough money for advertisement. Limited advertisement space in the media will create a climate of competition between potential advertisers which in turn guarantees the editorial independence of the media.

That, at least, is the theory. In times of economic downturn, however, this equation demonstrates its flaws. When lower consumer spending results in the industry generating fewer advertisement campaigns, the lion’s share of advertisement

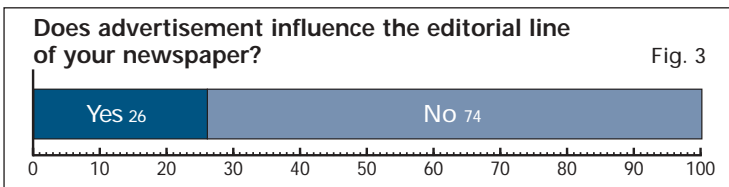
will go to television, this being the prime choice media sector of the average consumer.

Newspapers on the other hand have few chances to reduce their operating costs if they want to stay in quality journalism. In order not to jeopardize their income generated by advertisement, they will be reluctant to publish anything which might strike at the interests of their advertising clients. And – bang! – goes editorial independence.

One has to decide for oneself which version of editorial dependence is worse. The Romanian version, where professional journalists are forced to write “big articles about fashion, because fashion firms buy lots of advertisement space”, or the British version, in which “One major advertiser contacted our previous manager to ask him not run a story about a consumer complaint. The story was pulled”.

Twenty-six per cent of the journalists contacted during this survey admitted that advertisers have an influence on the editorial line of their newspaper. (Fig. 3) This means that when it comes to information concerning advertisement clients and their environment, only three out of four newspapers can be trusted. The sarcastic comment of a British journalist to the question, whether the editorial line of his paper was independent from advertisement influence, simply read: “Money talks!”

It would be extremely short sighted to consider a situation as satisfactory, in which the editorial line of “only” one-quarter of the newspapers is influenced by advertisement funds. As nobody can be absolutely sure which information to trust, credibility of daily newspapers as a whole will suffer!

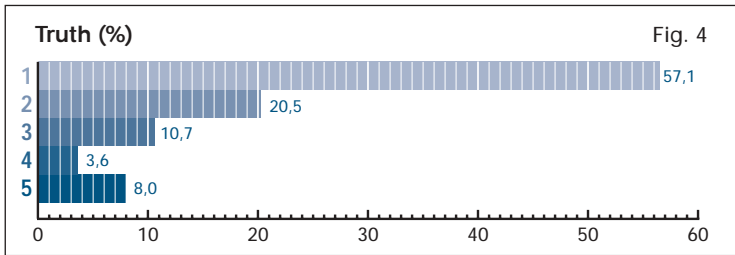


When it comes to the rating of

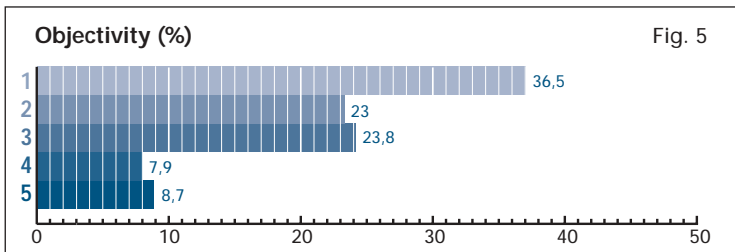
How important are the following criteria for the editorial line of your paper on a scale from 1 to 5, where 1 stands for "very important" and 5 stands for "not important at all"?

journalists seem to have little doubt. Good old professional standards appear to be still very much en vogue. There are, however, a number of contradictions which suggest that quite a few of the answers received were dictated more by wishful thinking than reality.

Even though 11.6 per cent of the participants of this survey admit openly, that "truth" is not an important factor for the editorial line of their papers, for the vast majority of journalists the "truth" factor remains a top priority. This judgement is absolutely in line with all ethical standards of the profession. (Fig. 4)



This impression seems to be confirmed by the ratings for "objectivity": 83.3 per cent of the answers to this survey labelled this factor as being important to very important for the editorial line of their newspaper. (Fig. 5)



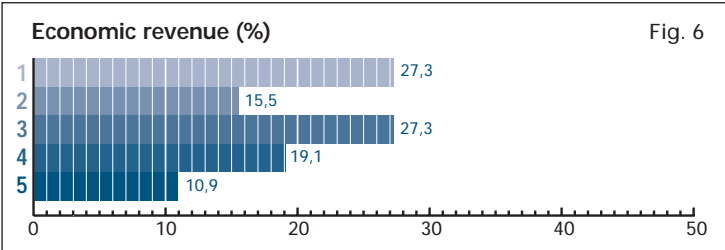


Fig. 6

The term “editorial line” includes everything that has to do with the content of the newspaper. Even though it is the publisher’s right to define the general editorial direction of his paper, decisions on daily content fall into the realm of the editor-in-chief and his staff of journalists. At the end of the day, of course, editorial qualities are measured by sales numbers at the news-stands and the numbers of subscribers. Still, for the editor of a quality paper the need to generate economic revenue will always be on a separate level from the content driven “editorial line”.

Considering the newspapers’ dependency on advertisement revenues it is, however, difficult to perceive how the high ratings for truth and objectivity can, especially in times of economic crisis, be brought in line with the 70.1 per cent of participants in this survey who consider economic revenue to be an important, to very important factor for the editorial line of their newspaper. (Fig. 6)

Even worse: As the sources for newspaper revenues are limited to sales of copies and space for advertisement, the high percentage of journalists who considered economic revenue as being among the top priorities for editorial decisions, contradicts the mere 26 per cent of those who admitted to the editorial line being influenced by income from advertisement.

The impression is that growing economic difficulties of an increasing number of newspapers force editors away from their

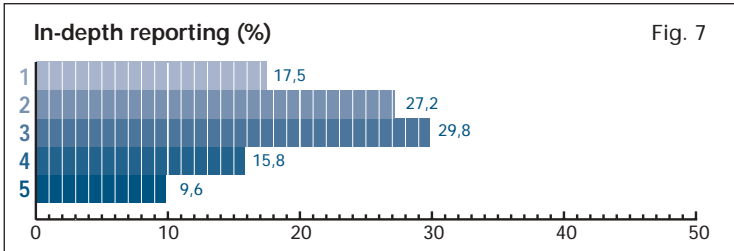


Fig. 7

genuine duty of providing quality content and into damaging compromises with outside sources of economic revenue, such as advertisers.

Still, when it comes to the professional qualities of their work, 74.5 per cent of the journalists maintain the value of in-depth reporting as being important for the editorial standards of their newspaper. (Fig. 7) Investigative journalism is the most expensive form of journalism, as there is no guarantee for success. Somewhere down the road, stories that seemed to promise explosive revelations may suddenly vanish into thin air. Especially in times of scarce financial resources it takes a remarkable amount of courage for any editor to engage in investigative journalism.

59.1 per cent of the participants in this survey denied that the editorial line of their paper is influenced by any form of loyalty to political ideologies or parties. (Fig. 8)

That leaves, on the other side, 40.9 per cent of the participants who must, to varying degrees, follow political ideas

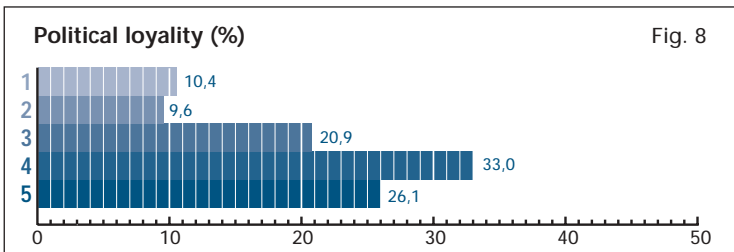
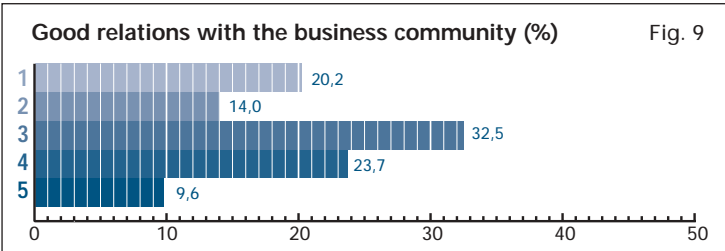


Fig. 8



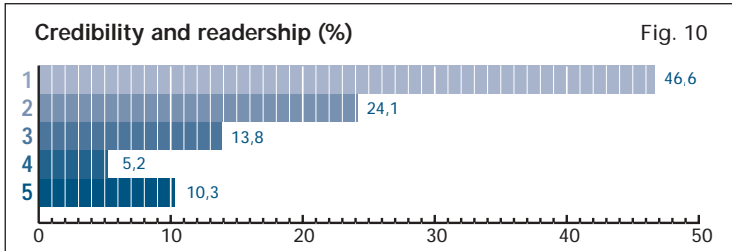
formulated outside of their editors' offices. Some of them explained in other parts of the questionnaire that they work for daily papers affiliated either directly to a political party or to a trade union or professional association. Others, however, showed open contempt for their editors for succumbing to political pressure. A Romanian journalist had only two words to say on who defines the editorial line of his paper: "Good question!"

Such a remark is a heart warming reaction, as the term "free and independent media" obliges political parties and authorities also, to abstain from any attempt to exert influence on the editorial line of the media in general, and daily newspapers in particular.

This is particularly important, as the governments of each of the eight countries included in this survey are signatories to the permanent Council's decision to install a Representative on Freedom of the Media. The adoption of his mandate indicates the acceptance of precisely defined obligations!

The same criticism applies to the editorial line of 66.7 per cent of the responding journalists, who define "good relations with the business community" to be important to very important. (Fig. 9)

Quality newspapers do maintain good relations to all sectors of society and therefore to the business community as well. This is both necessary for having access to quality information and for being capable of fulfilling the role as sponsor of social cohesion. Good relations, however, have nothing to do with the



editorial line, which should be guided, amongst other things, by the other essential role of the press: the role of watchdog over political and corporate powers and their interests.

Both figures 8 and 9 demonstrate that journalists working with daily newspapers can not necessarily exercise their professional objectivity when it comes to reporting on either the political sphere or the business community.

Such shortcomings will not go unnoticed by the readers. Newspapers succumbing to such influence from the outside are destroying the very foundations of their existence. They are bound to lose their credibility.

Whenever someone is asking for two contradictory things to happen simultaneously, the Romans have but one short clipping question: You want to keep the barrel full of wine and your woman drunk, too?

This comment comes to mind when looking at those 84.5 per cent of the journalists, who defined credibility with their readers as being important to very important for the editorial line of their paper. (Fig. 10)

How does a newspaper retain credibility with its readership, when the editorial line keeps the quest for truth and objectivity as high a priority as economic revenues, considering that a big chunk of these revenues depends on advertisers who are free to choose the newspaper closest to their interests to place their advertisements?

Further, how can a newspaper, whose editor-in-chief is bound by political loyalty and who works hard to keep good relations with the business community, pretend to be credibly independent in its reporting on either political or industrial issues?

It simply seems to happen without any bad intent. “Old boy” networks are created at school or university. One of the friends later goes into politics, another one runs a successful business, and their common friend has emerged from the journalistic treadmill as editor-in-chief of an important newspaper. There is, after all, nothing wrong with old friends getting together, right?

But there is a fine line of distinction between just meeting old friends and being “only a weenie little bit” at their disposal. It needs strong character and professional ethics for a journalist to sit regularly at the tables of the powers-that-be without getting seduced by the illusion of being one of the hosts!

This is a particularly demanding task in times when newspapers have to fight for their economic survival. Without a reliable substitute to advertisement revenues daily newspaper editors have little alternative than to bow to the growing pressure from politics and industry. “The boss of a prosperous quarrying firm threatened my own small local publication with legal action over criticism over environmental impact on the village”, reported one British journalist. “We are editing our content according to the wishes of our advertisers”, reads one comment from Germany. “Our publishers use the papers as a political instrument”, is the complaint of an Italian journalist.

Talking to Western European journalists, one gets the clear impression that the fine line of distinction between just being friends and respecting the paper’s editorial independence is constantly violated by both sides. Journalists become politicians. Politicians write for newspapers. Both are in close relation with big business.

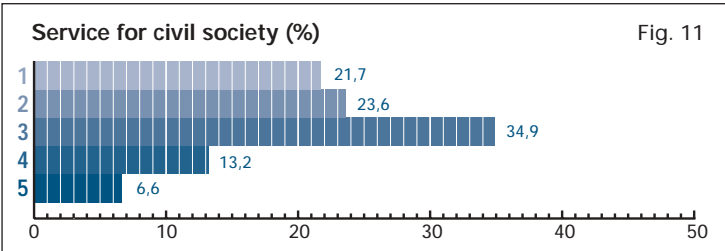
Cross-media ownership can be regulated by law. But it is the creeping virus of cross sector counselling behind the scenes that puts the credibility of Western European media in general, and daily newspapers in particular, at risk.

It is no wonder that Western European media consumers are getting increasingly sceptical about the quality and correctness of the information they are presented with.

Distrust of the honesty of information published by the media has been normality for consumers in Central and Eastern European countries for half a century. More than a decade after the collapse of the old regimes, daily newspapers have still not managed to bridge this credibility gap completely.

In many cases this has to do with the journalists' own understanding of their socio-political role. Being the elder generation educated to be "faithful soldiers of the party", they sometimes find it difficult to exercise their professional duty as watchdogs over political and industrial power holders. The younger generation of journalists often lack the training necessary to hone their professional skills and ethics. The latter, unfortunately, has not so far been on top of the agenda of foreign investors.

If possible, the Central and Eastern European power networking is even more complex than in Western Europe. Not only is it understandably difficult to accept new rules of a hitherto unknown game called democracy over night, but old and new elites are still fighting for positions in the emerging political order. This keeps professional journalism in these countries in limbo. Be it a close relative of a high ranking Romanian politician who gets hold of one of the biggest national dailies; or the polish film producer who asked for US\$ 17.5 million in exchange for him lobbying for a new media law, which would have allowed for lower barriers to cross-ownership – scandals like these are still happening all over Central and Eastern Europe.



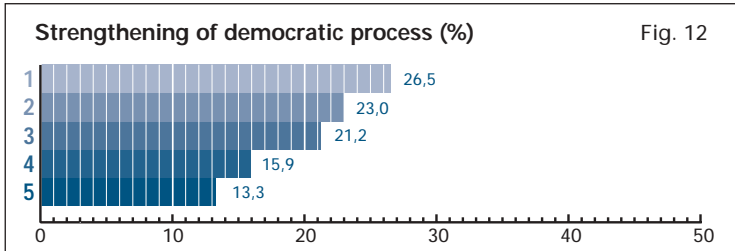
The problem is that politicians, industrialists and, of course, professional journalists in Central and Eastern Europe in many instances do not get the right signals from Western European elites.

Instead of being too cosy with the powerful, the journalistic message from Western Europe should be that newspapers gain their credibility only on merit of full intellectual and ideological independence.

Yet there are glimmers of hope. Newspapers may be subjected to outside pressure, but journalists insist on “service for civil society” (Fig. 11) and Strengthening of the democratic process (Fig. 12) as being important to very important criteria for the editorial line of their papers. Striving for these objectives is considered an integral part of the profession almost equally among Western European journalists and journalists from CEE countries included in this survey.

It is, however, important to remember that both civil society and democracy can only flourish where pluralism and content diversity of the media is guaranteed. For that purpose it needs free and independent professional journalists. When politics and industry abuse the economic weakness of newspapers, freedom of the media and with it civil society and democracy will inevitably suffer.

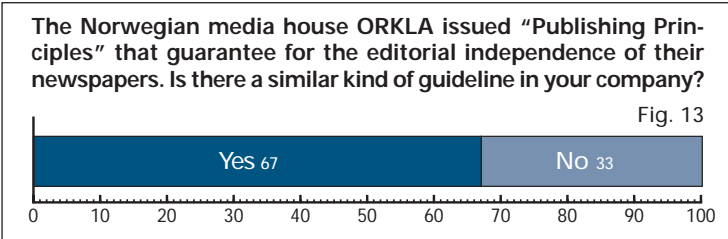
One of the means to safeguard the independence of professional journalism is for media companies to put internal rules



in place that protect journalists from pressure both from within and outside the company. In contrast to former experiments with so called editorial statutes, which gave editors and journalists certain rights to interfere with purely entrepreneurial decisions, such rules offer clear guidelines to both the journalist and their “targets” of research and investigation about what to do and what not to do. One such rule used in many newspapers is that reimbursements of travel expenses by third parties are not acceptable. Another disposition would be the clear order to journalists never to accept gifts or any kind of benefits they may be offered. At the same time such internal rules normally include a clear divide between editorial responsibilities and those of general management and marketing in particular, as well as full protection of the journalists’ independence against unwarranted pressure or even outright blackmailing.

The Norwegian Publishing group Orkla has been one of the first media companies to introduce a comprehensive set of rules to safeguard the editorial independence of their newspapers. These “Publishing Principles” have been extended by Orkla to all media acquisitions in Central and Eastern European countries.

It seems as if the idea of safeguarding editorial independence is slowly catching up with the industry. Recently, other media groups such as the German Springer Verlag have introduced similar principles as well. The German WAZ group has not issued



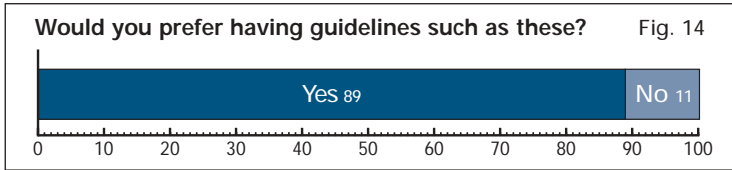
proper guidelines but has adhered to a set of principles on editorial independence outlined by the OSCE Representative on Freedom of the Media.

All in all, 33 per cent of the journalists contacted for this survey are working under a corporate protection scheme like or similar to the Orkla-Principles. (Fig. 13)

The fact that 89 per cent of the returned answers indicate the desire to see such principles established in their own working environment is, however, indicative of the level of today's professional insecurity in which journalists have to work. (Fig. 14)

The comments on this specific topic made by many journalists contacted directly for this survey suggest that lack of information on how to deal with a structurally changing professional environment is one of the main reasons for increasing frictions between management and the editorial staff. This in turn results in growing concerns over job security and growing preparedness to compromise on journalistic standards and professional ethics.

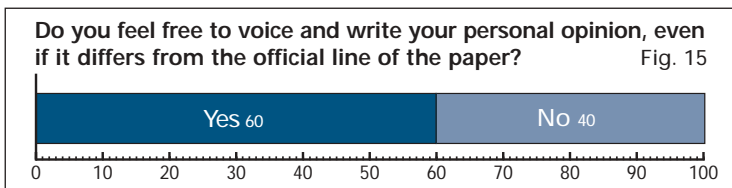
Working under a set of rules, which do not curtail the publisher's entrepreneurial rights and which at the same time offer the journalists better protection against unjust pressures would, therefore, be helpful in maintaining high quality standards even during periods of structural changes of the newspaper's economic environment.



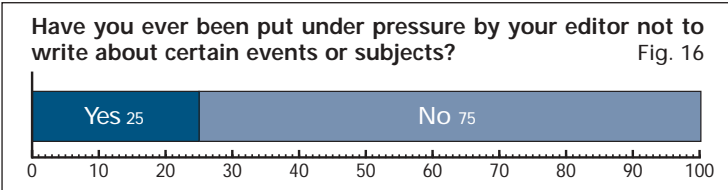
That some kind of protection of professional journalists is needed urgently, is demonstrated by the fact that no less than 40 per cent of the participants of this survey do not feel free to express a personal opinion which differs from the official editorial line of their paper. (Fig.15)

While his ownership title leaves the right to decide on the general editorial line exclusively with the publisher, the principle of company internal pluralism of opinion has to be safeguarded as well. The publisher, and on his behalf the editor-in-chief, may decide not to publish an article or an opinion of one particular journalist. Voicing or writing factually true and verifiable, but differing opinions, however, can not be tolerated as being detrimental to the professional position of the journalist.

True journalism has always to do with questioning official lines and mainstream opinions. It needs a certain amount of courage to do so. Limiting journalists in exercising this part of their professional duties is one important step towards the end of a free media.



The feeling of not being free to express one's personal opinion increases once it becomes editorial policy to pressure journalists into not researching and/or writing on certain subjects or events. In one way or another, this is the case for one-quarter of the participants in this survey. (Fig. 16)



It is probably no coincidence that this figure roughly compares to the number of journalists who admitted the editorial line of their paper is influenced by advertisement.

During individual interviews conducted for this survey, journalists described in detail their impression of this pressure not to investigate into certain areas as increasing proportionally to the growing economic difficulties of their newspaper.

Following this line of thought the number of cases where journalists are prohibited to work on certain issues is bound to increase. And every additional such case means a little less freedom of the media.

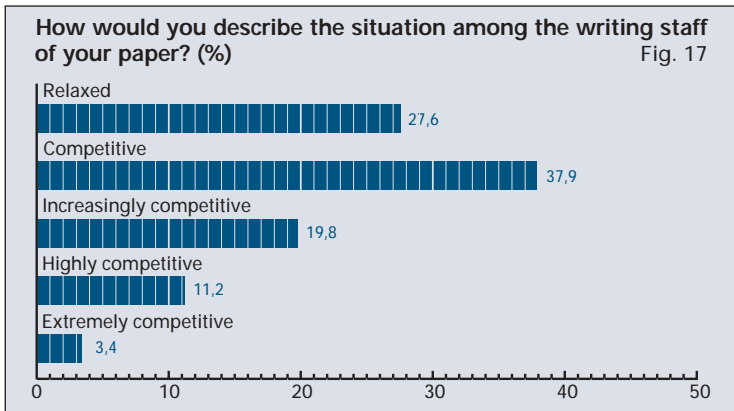
It has to be understood that the notion of a completely free and independent media has at all times been more of a theoretical principle than editorial reality. There have always been journalists who encountered editorial difficulties when working on subjects put off-limits by either the publisher or the editor. While such professional impediments are not acceptable in principle, they are a fact of life for every journalist. In a free market system no journalist is forced to work for a publisher or editor who violates basic ethical standards of the profession.

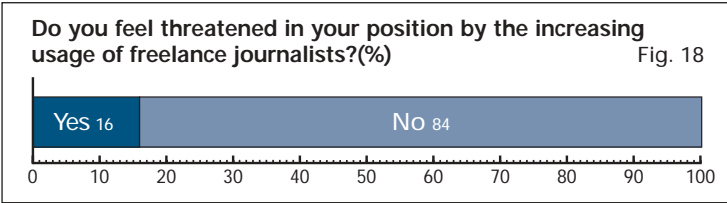
But that notion of a free and open labour market for journalists is theory, too. Practically, journalists have no choice in times of economic downturn than to accept the editorial dictate. When publishing houses have to compete for fewer advertisements, generated by a slumping industry, editorial dissent is less likely to be tolerated. Diminished advertisement revenues force publishers into cost cutting operations. Once staff

reduction is on the table, the first to go will be the editorial “dissidents”. During times of economic recession the chances for journalists to change to another employer are practically nil.

Growing editorial pressure makes for more competition among journalists. That in itself does not mean negative effects on the quality of professional journalism. On the contrary, journalists who feel compelled to look more actively for stories able to generate wide public interest are definitely bettering their position as an asset to their editor.

Competition among journalists will, however, become detrimental once it is combined with pressure from inside or outside the editorial environment as described above. If increased competition is meant to create a more homologated and less courageous editorial staff, the very notion of professional journalism as an independent and critical observer of society is at risk. During this survey journalists and unionists of several countries asked for the OSCE Representative on Freedom of the Media to develop general guidelines to prevent competition enhancing measures to be used as career blocking instruments against individual journalists.



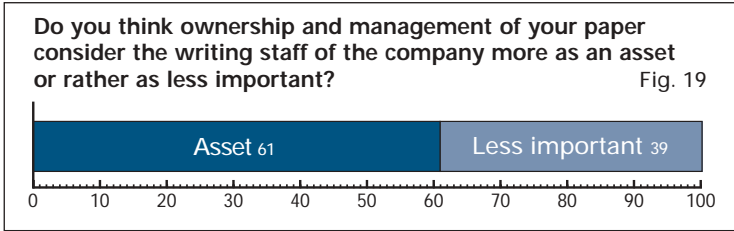


Freelancing journalists are an essential part of a free media system. They often specialize in subjects that fully employed staff writers do not have the time or the necessary contacts for. Freelancers ought to exist, as they contribute widely to pluralism and diversity of the media.

This said, freelancers should never be used by editors as a means to threaten the livelihood of fully employed professional journalists.

Especially in times of economic difficulties, freelancers become an interesting option for publishers and editors-in-chief alike. As freelancers receive neither fixed salaries nor are they included into the company’s insurance and pension schemes, they place a much lighter financial burden on the editorial budget. In addition, freelancers are, because of their dependency on being commissioned for each separate article, much more manageable than their fully employed colleagues.

Sixteen per cent of participants who feel threatened by the increasing use of freelance journalists may not seem to justify a sense of preoccupation. (Fig. 18) The overwhelming majority of journalists contacted do not consider freelancers as unfair and dangerous rivals to their full employment status. On the other hand, it can not be denied that a diffuse sentiment of insecurity among fully employed journalists is on the rise. This feeling of insecurity is also highlighted by the received answers on how professional journalists think they are considered within their organization.



If the newspaper is nothing but the packaging of the real product, i.e. the journalistic content, journalists should be thought of as the most important asset of their company.

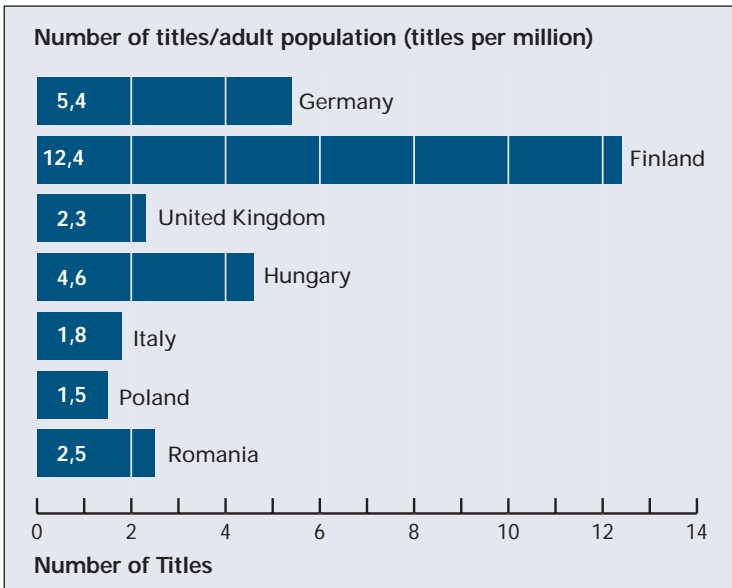
This is, as Fig. 19 shows, still the case in the majority of cases. Sixty-one per cent of the participants in this survey do believe to be held in high esteem by their employers. More than one-third, however, have serious doubts about their position.

“I often feel if they could get away with producing an all-advertising publication they’d be happier. They don’t understand what newspaper people are or do, and therefore don’t understand why we can’t be run like they would run a call-centre or something”.

This particularly frank statement coming from the United Kingdom was one of the saddest answers received during this survey.

It demonstrates clearly what kind of impact economic recession followed by concentration is having on professional journalism.

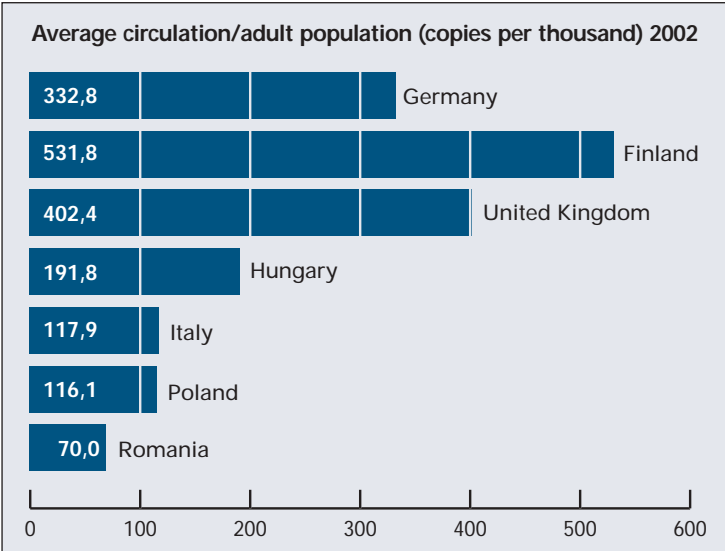
4. Number of Titles and Readership Structure



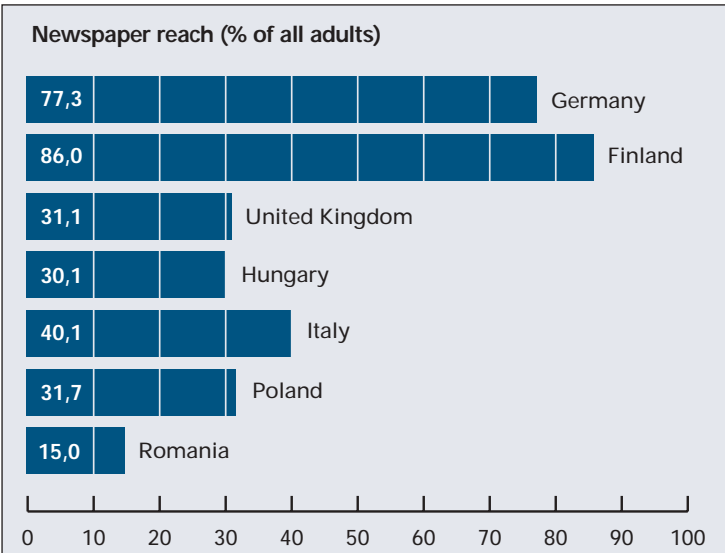
Source: World Association of Newspapers (2003) *World Press Trends 2003*.⁶⁶

The above graph shows that the number of titles per adult population (titles per million) is differing significantly throughout the exemplary countries of this study.

⁶⁶ Data for Lithuania was not provided



Source: World Association of Newspapers (2003) *World Press Trends 2003*.⁶⁷



Source: World Association of Newspapers (2003) *World Press Trends 2003*.

⁶⁷ Data for Lithuania was not provided

5. Country Reports

5.1 Germany

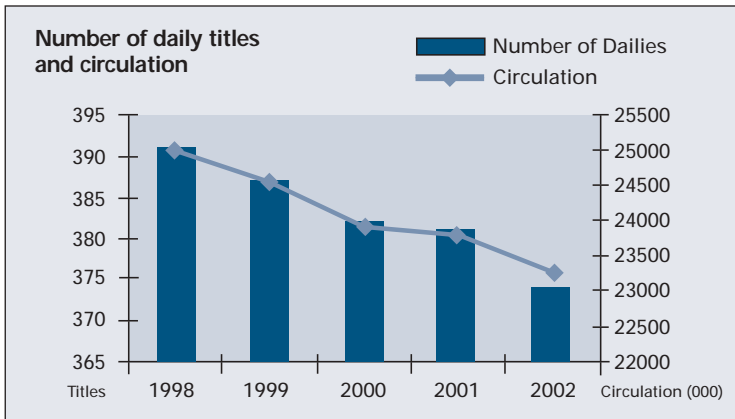
5.1.1 Country Report

Capital	Berlin
Population 2003	(million) 82.5
Average annual income 2001	(US\$) 23,560

Source: BBC Country Profiles

<http://news.bbc.co.uk/1/hi/country_profiles/default.stm>

Germany is one of Europe's largest media markets not only for TV but also for print media. The process of concentration on the newspaper market is considerable and the reduction of advertisement revenue is putting media outlets under financial pressure.



Source: World Association of Newspapers (2003) *World Press Trends 2003*.

The data provided by the World Association of Newspapers (WAN) shows a continuous decrease of both the number of daily newspaper titles and circulation in the years 1998 to 2002.

Newspaper reach (%)

All Adults	77.3
Men	79.9
Women	75.8

Source: World Association of Newspapers (2003) *World Press Trends 2003*.

The three largest publishing companies are *Axel Springer Verlag*, *Verlagsgruppe WAZ* and *Südwestdeutsche Medien Holding*. All these companies have investments in other media sectors as well as in foreign media markets. The media landscape of German daily newspapers is highly regionalized, as can be seen in the large number of titles in the relevant graph. On a regional and local level concentration of newspapers is considerably high, but on a national level the major dailies belong to different companies.

Although Germany's regional press has a large number of titles, which might suggest it is locally produced and diverse in character, the bulk of editorial content is either produced in central offices or many of the titles are linked with one another through an umbrella agency.⁶⁸ In the radio sector there are lots of investments by publishing houses but, however, German legislation sees electronic media and printing houses as belonging to different markets.

The sector of national dailies is dominated by the Axel Springer title *Bild* (3,952,000)⁶⁹ which sells more than ten times its nearest rival. However, the largest regional titles are sold nationwide, for example, *Frankfurter Allgemeine Zeitung* (472,600),

Süddeutsche Zeitung (463,000), *Leipziger Volkszeitung* (400,000), or *Frankfurter Rundschau* (210,000).

Guetersloh based Bertelsmann is Europe's largest media enterprise and one of the top ten global media groups. Besides shares in broadcasting (RTL group) and the magazine sector, Bertelsmann's daughter company Gruner+Jahr owns 11 stakes in the German newspaper sector, e.g. *Berliner Kurier*, *Berliner Zeitung*, or *Financial Times Deutschland*. Like many other media groups Bertelsmann expanded its newspaper activities during the 1990s into the emerging CEE markets.⁷⁰ With the exception of its activities in Poland and Russia, Bertelsmann sold in October 2003 all other stakes in the former Yugoslavia, Romania and Slovakia to the Swiss Ringier group .

One of Germany's largest publishing houses, however, is Verlagsgruppe Georg von Holtzbrinck, which is still owned by the Holtzbrinck family. According to its corporate philosophy, quality and standards take precedence over profit maximization. Holtzbrinck's portfolio includes *Tagesspiegel*, (150,000) *Handelsblatt* (150,000), and local papers like *Saarbruecker Zeitung* (182,000).⁷¹

Axel Springer Verlag AG, which claims to be the largest newspaper publishing company in Europe also has broadcasting interests. Europe's best selling national daily *Bild* with 31 regional editions belongs to Springer as well as *Die Welt* (220,000) and a number of regional and local papers. Outside Germany Springer owns, for example, eight daily regional titles

68 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 17.

69 *Financial Times Germany (FTD)*, "Bild Auflage faellt unter 4 Millionen" (13 January 2003).

70 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 17.

71 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 18.

in Hungary, but its main focus is magazine publishing.⁷² It publishes 16 magazines in Hungary, 14 in Poland and 8 in Romania but it is active in other CEE countries as well.⁷³

Social democrat-originated *Westdeutsche Allgemeine Zeitung* (WAZ) expanded through acquisitions of regional papers in Germany and post-1989 in Central and Eastern Europe (CEE). The group consists of more than 130 newspapers. The WAZ group is the second largest German publishing house after Springer and publishes 28 daily newspapers with a total circulation of 4.3 million. It also has interests in 25 newspapers and 50 magazines in CEE, e.g. in Bulgaria, Croatia, Romania (51 per cent stake in the daily *Trustul des Presa National*, 50 per cent stake in *Romania Libre*), and Hungary, where WAZ publishes 5 dailies.⁷⁴

Another German publishing group, *Passauer Neue Presse* (PNP), hasn't received much attention, but is expanding strongly towards Eastern Europe. From 1990 on the company started to acquire regional newspapers in the Czech Republic and by 2001 controlled nearly 100 per cent of the regional newspaper market and part of the national market through the acquisition of two national dailies *Slovo* and *ZN Zemske Noviny*. PNP also expanded into Poland in 1994, acquiring regional dailies and founding the regional title *Polskapresse*. Since 1999 they have also been active in Slovakia.⁷⁵

The ongoing discussion about the merger of two major dailies in the capital Berlin, Holtzbrinck owned *Tagesspiegel* and Gruner+Jahr's *Berliner Zeitung*, may serve as a good example for the struggle for market shares. The publishing house Holtzbrinck wanted to take over *Berliner Zeitung*, but the merger was blocked by the German Federal Office of Monopoly Control because of concerns that one company controlling both titles would dominate the Berlin newspaper market. Another

publisher, the Axel Springer Verlag feared that it would have to discontinue their national daily *Welt* once the two Berlin newspapers would merge. Holtzbrinck used their right to appeal to the Federal Ministry of Economy. However, before the ministerial decision the *Tagesspiegel* was sold to a former Holtzbrinck manager who is claimed to be an independent actor, whereas critics voice the opinion that he is just a front man in this deal.

Position of ver.di

by Ulrike Maercks-Franzen and Holger Wenk

Especially compared to Central and Eastern Europe, Germany has long been considered “media’s paradise”. From the river Rhine to the Oder, from the northern seas to the Alps, realists concede highly desirable conditions at least regarding working conditions and media pluralism. Almost 200 local, regional or national daily newspapers are printed in more than 130 publishing houses. German print media reach nearly 80 per cent of all households. This puts Germany within in the top range worldwide.

Rights and duties of publishers and journalists alike are regulated by each Land of the German Federation by its own media laws. Legal courts of all levels consider Freedom of Opinion and Freedom of the Press, as regulated by Art. 5 of the German constitution, of the utmost importance. To avoid state regulation or even censorship the media are governed by a common press council which can be addressed by each citizen. Even the fact that Germany has neither a law governing

72 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 19.

73 European Federation of Journalists, *Eastern Empires. Foreign Ownership in Central and Eastern European Media: Ownership, Policy Issues and Strategies* (EFJ, Brussels, 2003) 8.

74 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels 2002) 20.

75 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 4.

specifically the Freedom of Information nor a federal media law does not indent this success story. Access to the journalistic profession is free. The lack of minimum standards for both education and training of journalists is not helpful, however, for increased journalistic quality.

Industrial agreements for almost every area of life and work offer German newspaper journalists rather a comfortable level of security. Those agreements cover training as well as freelancing work and additional pension funds. Fix working hours, vacation, additional remuneration for holidays and Christmas as thirteenth and fourteenth monthly salary and an agreed salary increase after the third working year all guarantee a high standard for all those working to maintain the Freedom of the Press. The press card recognized by all interior ministers of the Federation offers help not only while exercising the profession.

Smaller German publishing houses are protected by special competition rules against hostile take overs thus safeguarding pluralism against high levels of concentration. The Federal Anti-Cartel Authority which is attached to the Ministry of Economy, handles existing rules in a restrictive manner. Being economically strong because of their importance for the advertisement industry, newspapers, with the exception of a fifty per cent reduction on VAT, neither need, nor receive direct or indirect State subsidies.

But since the economic crisis engulfed the advertisement industry in 2000, Germany's print media paradise is lost. The opinion is mounting that the German print media industry is not just suffering from recession, but is facing a deep structural crisis. And as always, mistakes made during times of peace are out for vengeance in times of war. Some research studies accuse publishers of not having pre-empted the move of classified ads to the internet and thus the loss of an important part of revenue. Credible models for the multiple use of content have not been developed. Companies have not been economically optimized. Content has not been improved and the attachment of readers to their papers has in some cases been neglected.

A three directional strategy is what most publishers now see as the way out. Firstly, they want anti-trust regulations to be relaxed in order to ease buy outs. Secondly, they want to save massively on writing and administrative staff as well as on fees. Thirdly, German publishing houses are expanding into Eastern European markets hoping for higher return on capital than on the national market. These activities are followed feverishly, while important home work like optimizing internal structures, profiling of products, new strategies for websites and others are neglected.

What will this three pronged strategy do to media concentration and professional journalism in Germany? According to first signs nothing good will come out of it. Several waves of dismissals in a dozen publishing houses have pushed the numbers of jobless journalists to a new record high of roughly 10,000. While in the past dismissed journalists still had a chance to continue their profession – even though with notably less income, 60 hours per week and no vacation – today this is hardly possible. Contemporary to job cuts publishers decided to reduce editorial budgets.

Consequently ever fewer full time “editorial managers” and ever fewer “editorial soldiers of fortune” have to fill the editorial part of the newspapers. Quality no longer is an issue. Time consuming researches and personal intensive background reporting are written off. Local editions are “chained” together or are stopped all together. Reporting from “on location” has been reduced drastically. At the publishing house Springer one editor-in-chief together with his editorial staff will do two and maybe even three newspapers. Other publishing houses, which are following this experiment with great interest, are planning similar strategies. Most national newspapers have discontinued their special reporting pages from the capital Berlin. Others have closed their editorial part directed to youth or other special groups. With print figures shrinking and hence lower sales revenues, advertising clients and their budgets grow in importance.

Several newspapers offer their readers nothing more than mainstream material from news agencies. Special interest sections like reporting on the media disappear all together. Fast news and yellow press tabloid style high society reports fill the pages. Political propaganda and public relations material are published without any filters or critical comment. Much of this material is done by freelancers who have switched from journalism to public relations and who do work as spokespersons, in advertising or PR agencies or at communications centers of political parties, associations and institutions.

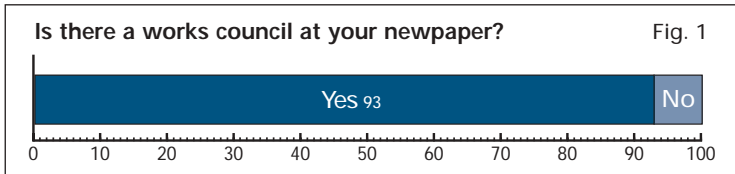
But even if big publishing houses like Springer and Holtzbrinck are allowed to incorporate smaller titles thanks to relaxed anti-trust regulations, the negligence of the essential watchdog role of the media will probably not disappear. This is especially true as publishers are not willing to agree on any model to safeguard editorial independence. All kinds of direct or indirect State subsidies, like in almost a dozen other European countries, are refused by the publishers as well. The question remains on how media pluralism can be guaranteed in times of growing ownership concentration!

Especially damaging is a specific German rule which allows publishers to realize the second and third part of their survival strategy. The rights of the works councils to co-decide on economic questions are very limited. Industrial representatives of the employees of the media sector are at the same time confronted with budgetary cuts for staff, salaries and fees worth millions of Euro and investments in new titles or the acquisition of whole publishing enterprises in EU Candidate States in Central and Eastern Europe. German publishing houses like WAZ care less about Freedom of the Press and journalistic diversity than about profits.

In conclusion: the crisis is threatening media pluralism and journalistic professionalism in the apparent German "paradise".

5.1.2 Survey Results

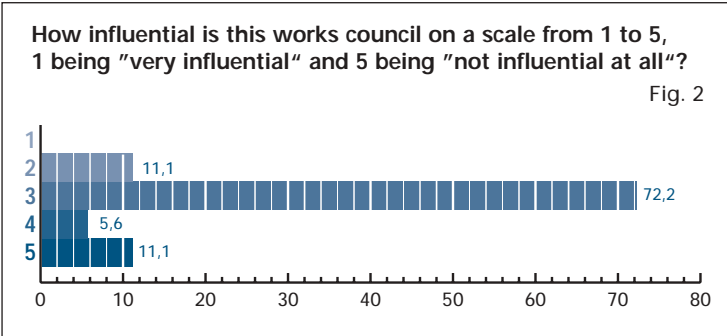
Backed by traditionally strong labour unions, German workers enjoy what is probably the most elaborated model of works councils. On a number of entrepreneurial decisions this “Betriebsrat” has to be consulted by the management. Even though in most cases the works council has no rights to decisional participation, the long standing German tradition of largely co-operative relations between both owners and Betriebsrat guarantee the workforce an important degree of influence. This makes for a widespread feeling of the workforce being adequately represented. The Betriebsrat scheme is also applied to the majority of daily newspapers. (Fig. 1)



The most extensive interpretation of this model can be found at the Hamburg based media group “Der Spiegel”, where the employees actually own 49 per cent of the company. The Spiegel model remains, however, an exception on the German media landscape and has over the years been repeatedly modified in order to facilitate entrepreneurial decision making processes.

The returned questionnaires suggest that German journalist still feel in-line on organized representation with workers and employees of other industrial sectors. On average German journalists seem to be quite satisfied with the effectiveness of their work councils. (Fig. 2)

Trade unions do, however, sense a creeping and profound climate change in their relations to their industrialist counterparts. Economic stagnation has hit Germany hard for the last three consecutive years. After almost a decade of fruitless debate



on social reforms the governing coalition of social democrats and the green party has finally embarked on an ambitious reform programme meant to overhaul most of the existing structures in the labour market, the pension and insurance schemes as well as public health service.

If passed, these reform bills would change, among others, the German labour market forever. The new laws would open up to the employers' long standing request for lesser guarantees on job security, thus forcing the German work force into high mobility gear. Employers would be entitled to make ample use of time limited work contracts. What, under such circumstances will remain of the institution and the industrial rights of the works council, remains to be seen.

Other parts of the reform programme do envisage facilitating company mergers. An offer to open debate on this issue has already been made by the Chancellery to daily newspaper publishers in order to tackle growing financial and economic problems of German daily newspapers.

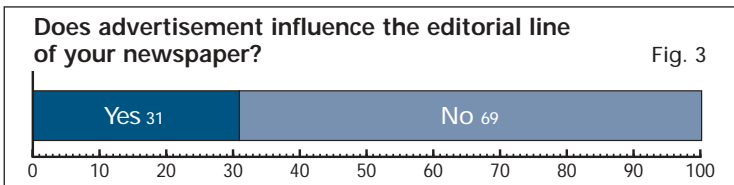
Critics of such plans like the trade union ver.di, however, fear that media concentration, which is already on a high level in Germany, will be further accelerated by such reform elements. According to ver.di media concentration in Germany is picking up speed.

Cross-ownership has also increased since the liberalization of the electronic media market. Trade unions depict this development as “worrying”, as the investment of daily newspapers, for example, in privately owned radio stations are seen as a dangerous drainage of financial resources of daily papers.

The combined immediate effects of lesser financial resources and the general economic slump on the German daily newspaper market are described by the unions as diminishing journalistic freedoms, reducing journalistic pluralism and providing fewer job opportunities for professional journalists.

In many areas industrial reality seems to have anticipated political reforms by a large margin. Already 31 per cent of the journalists contacted during this survey conceded the editorial line of their newspaper is influenced by advertisement. (Fig 3)

Private reactions both from trade union representatives and individual journalists suggest that this development is seen by the writing staff of German dailies as particularly worrying.



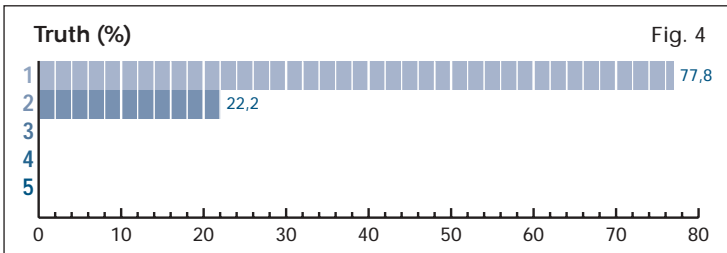
Still, when it comes to evaluating the editorial line of their newspapers German professional journalists do not seem to have much reason to complain.

On the question

How important are the following criteria for the editorial line of your paper on a scale from 1 to 5, where 1 stands for “very important” and 5 stands for “not important at all”?

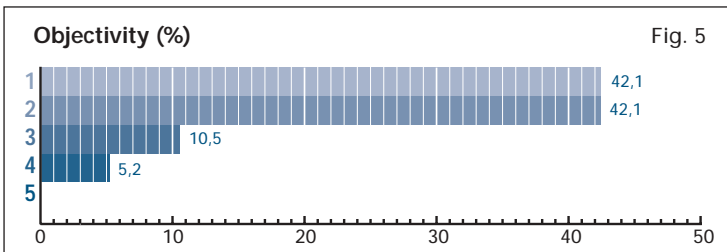
the results were surprisingly homogeneous.

Old-fashioned editorial values are cherished. If the rankings provided by the survey participants are to be believed, articles published by German daily newspapers have to be first of all “true” (Fig. 4) and “objective”. (Fig. 5)



The general socio-political environment would appear to be helpful in this regard. Both journalists and trade unions describe the level of outside interference by political or industrial pressure groups as very low.

In such an environment the relatively high priority given to economic revenues as part of the editorial line gives no reason for concern. Daily newspapers are, after all, industrial enterprises. In addition, generating as much revenue as possible out



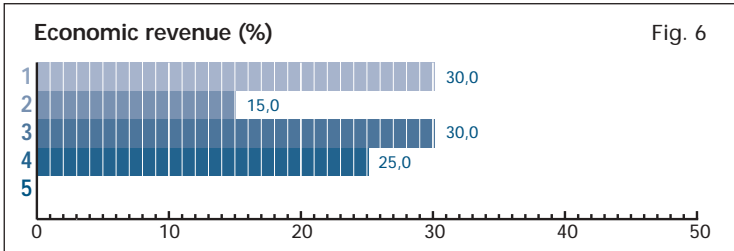


Fig. 6

of quality journalism reduces the dependency on other income such as advertisement. (Fig 6)

The overall positive impression that German journalists present of the editorial line of their newspapers is further enhanced by the importance in-depth reporting. (Fig. 7) Serious investigative journalism is by definition the most challenging, the most expensive and the less predictable form of journalism. There is no guarantee for success. At the same time it is the one form of journalism that can be really disturbing for the powers-that-be. To keep truth, objectivity and in-depth research as the top priorities for the editorial line, even during difficult economic times, would put German daily newspapers and their journalists among the European champions of a free and independent media.

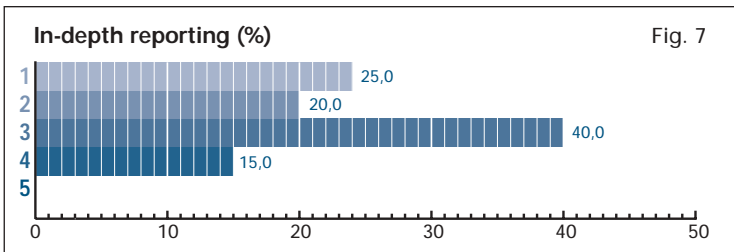
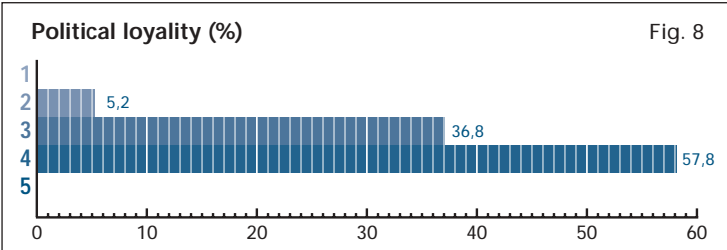


Fig. 7

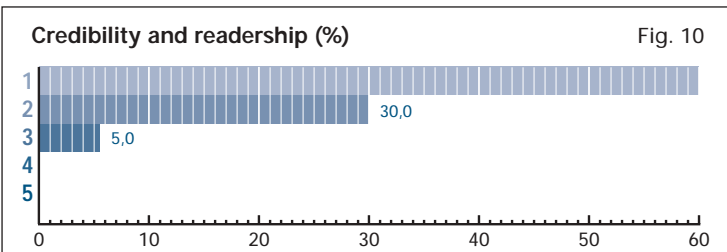
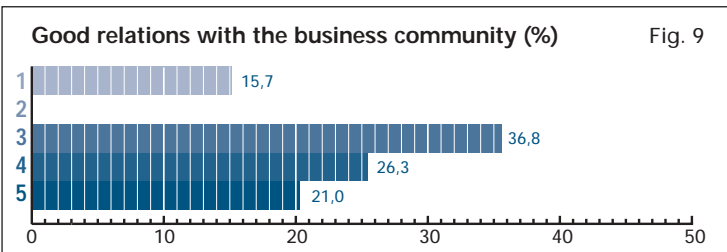
In addition, following the indications received from the survey participants, most German editors-in-chief and their writing staff are not guided by political loyalties. (Fig. 8) This is not to say that they do not have to follow in principle the

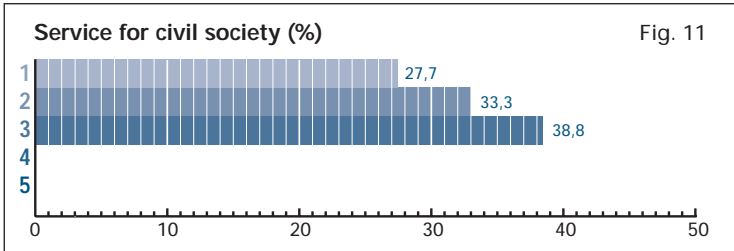


editorial guidelines set in stone by the publisher’s political convictions. But at least according to the questionnaires returned and individual interviews, German publishers concede ample space for editorial interpretation of these guidelines.

The daily newspapers’ interest in maintaining their editorial independence is demonstrated also, by the journalists’ impression that good relations with the business community in the sense of shady under-the-table deals, belong in the category of “don’ts” in German journalism. (Fig 9)

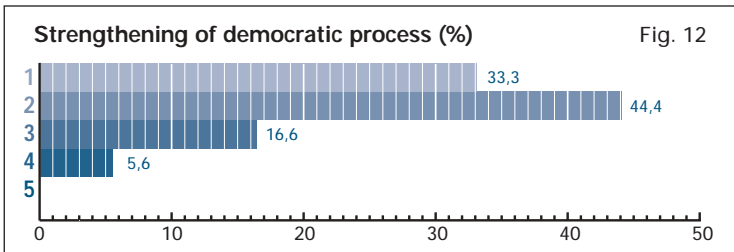
It comes as no surprise that credibility with the readership ranks top with German editors-in-chief and their staff. (Fig 10)





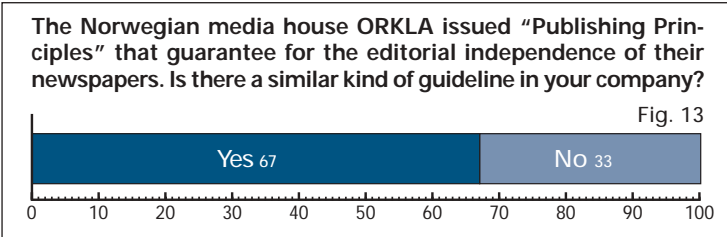
As does the awareness of the journalistic duty to render service for the German civil society; (Fig. 11)

And finally the newspapers' essential role in strengthening the democratic process. (Fig 12)



Might Germany be a journalist's secret paradise? All warnings received during private interviews about the detrimental influence of advertisement on editorial content seem to have evaporated all of a sudden. No indication that such influence might have a negative impact on the editorial line's objectives of truth and objectivity. No hint that the trade union's complaint about dramatic changes in the relations between works councils and publishers might have at least a minimum resemblance with reality.

The overall positive picture of working conditions in the German daily newspaper environment surely continues unabated with 67 per cent of the participating journalists affirming to work under a regime similar to that of the Orkla-Principles on editorial independence. (Fig 13)



Orkla or similar principles are in fashion both with journalists and their employers never mind their political orientation. The latest German media company to introduce such rules was the conservative Hamburg/Berlin based Springer group.

German print media's credibility has long suffered from the erroneous perception of being too close for comfort to either political parties or industrial interest groups. The reason for such a perception can be found in history. Early print media in Germany were "children" of political and/or ideological areas of society.

Credibility could be the most important card to play for publishers in their fight for winning over a population which seems, however, to be generally frustrated with German mass media. A survey conducted in 1990 showed that 51 per cent of Germans would miss television. Ten years later this number had dropped by 7 points to only 44 per cent. Over the same period of time the appreciation rate of daily newspapers dropped from 63 to 52 per cent.⁷⁶

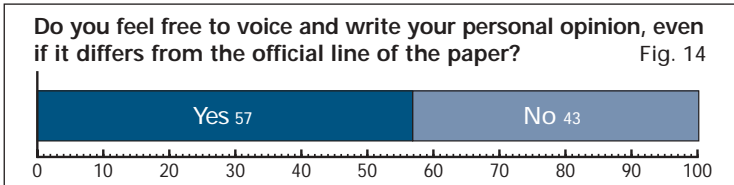
"Our only chance to survive in the long run is to push for quality and credibility" said one German publisher contacted for this survey.

Journalists, on the other hand understand the main purpose of such internal statutes as to assist them in keeping their bearings while their professional world is undergoing dramatic structural changes.

Understandably all German journalists (100%) contacted for this survey expressed their preference to work under similar conditions as offered by Orkla oriented principles.

The interest of German journalists to see Orkla-style principles introduced shows that beneath the surface not everything is going as smoothly as the previous answers might suggest.

In stark contrast to the, so far, very positive picture only a small majority of journalists feel free to voice and write their personal opinion when it differs from their paper's official line. (Fig. 14)



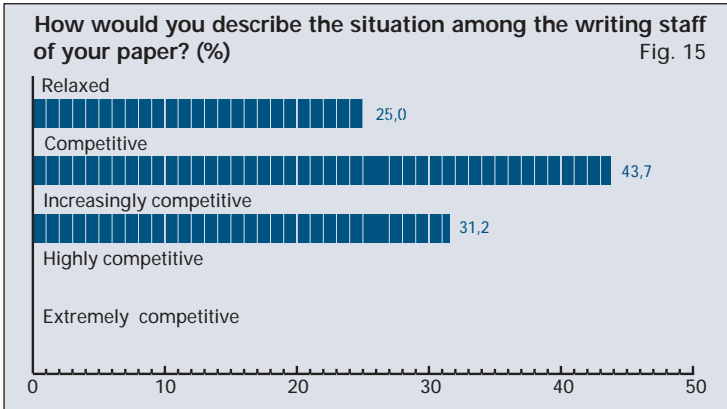
Even though no open pressure is applied to prevent journalists from researching or writing on certain events or subjects, participants of this survey, as well as trade unionists, report more sophisticated and subtle methods to keep the editorial staff in-line:

“They (the management) make us understand that we should be happy to keep our jobs because there are enough people out there ready to replace us”.

Creating fear and insecurity is a very efficient instrument not only to streamline the editorial content according to unspoken priorities. It quells even the slightest sign of dissent and makes for an extremely unhealthy kind of competition among journalists.

Even though the majority of journalists contacted for this survey would describe the general climate at their daily paper as still being relaxed to moderately competitive, the pressure is on the rise. (Fig. 15)

76 Trends in der Nutzung und Bewertung der Medien 1970 – 1990;
Media Perspektiven 11/2001

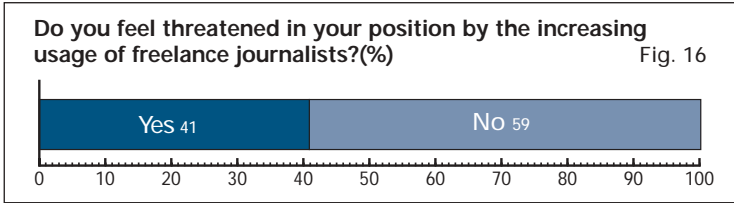


Journalists of German quality papers have always considered themselves as an elite group, even though on the public’s social scale they never figured very prominently. Mass firings of quality paper journalists did not exist, but “management and editors are setting examples by firing colleagues.”

The structural crisis German daily newspapers are experiencing today has, however, eliminated most of the traditional certainties overnight. Even highly respected dailies like *Sueddeutsche Zeitung* or *Frankfurter Allgemeine Zeitung* had to go for massive staff reductions.

Scores of formerly fully employed journalists are joining the army of underpaid and easily manageable freelancers. Publishers and editors alike are well aware of the advantages of such a development. As one journalist put it: “The already sky high competition among freelancers is on the rise because of the increase in numbers of freelancing journalists, putting additional economic pressure on them to sell their articles even cheaper”.

The increased use of freelancing journalists adds to the growing feeling of insecurity amongst fully employed professions. By now, 41 per cent of the survey’s participants do feel threatened by this development. (Fig. 16)



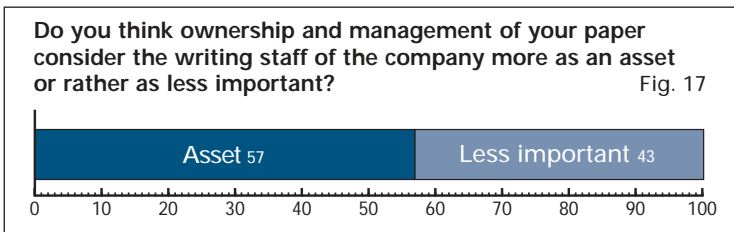
Still, the majority of German daily newspaper journalists believe that they are considered by their employer as an asset for the company. “Having the competence on issues essential for a local newspaper, we are considered as assets”. And “management knows that should the quality of writing and the variety of subjects diminish there would be no readers left”.

But a creeping feeling of existential fear among German daily newspaper journalists is confirmed by 43 per cent of the participants of this survey. (Fig. 17)

“So far my editor gives me the impression of being important for the paper. But I know perfectly well that I could easily be substituted”.

The impression confirmed by a trade unionist is that “journalists have become less important in the daily newspaper business. Today it’s only the economic facts that count”.

All in all Germany may still have the image of being professional journalists’ heaven. But there’s a clear and present danger that if the ongoing structural crisis is used to undermine long standing ethical and professional standards, Germany could turn into Europe’s lost paradise for Freedom of the Press.



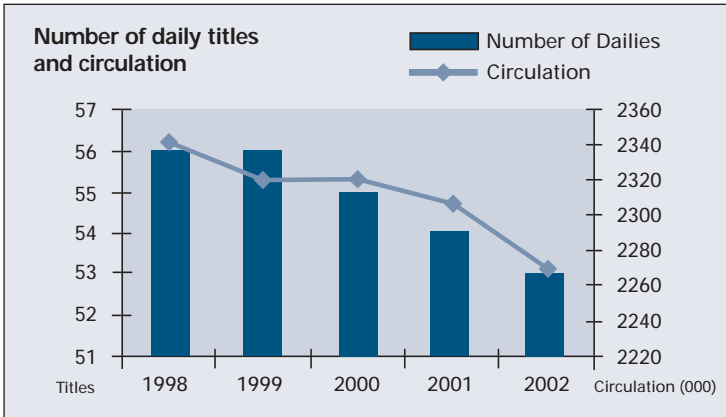
5.2 Finland

5.2.1 Country Report

Capital	Helsinki
Population 2003	(millions) 5.2
Average annual income 2001	(US\$) 23,780

Source: BBC Country Profiles
<http://news.bbc.co.uk/1/hi/country_profiles/default.stm>

Finland has a large newspaper market with a highly local character. Seventy-three per cent of Finland's media advertising expenditure goes to the print sector. Newspapers in Finland have a strong local character and a high proportion are ordered on annual subscriptions and delivered to homes early each morning.⁷⁷



Source: World Association of Newspapers (2003) *World Press Trends 2003*.

As also seen in Germany, the data provided by WAN shows a continuous decrease of both the number of daily newspaper titles and circulation in the years 1998 to 2002.

Newspaper reach (%)

All Adults	86
Men	87
Women	84
MHS (Main Household Shopper)	89

Source: World Association of Newspapers (2003) *World Press Trends 2003*.

The two largest national dailies, *Helsingin Sanomat* (circulation 440,000) and *Ilta-Sanomat* (218,000) both belong to the Sanoma WSOY group. The third largest paper is the national evening paper *Iltalehti* (133,000), which is owned by Alpress, as is the largest regional daily *Aahulehti* (135,000). The weekly editions of these papers are also the country’s most popular Sunday papers.⁷⁸

The main media companies in Finland are Sanoma WSOY and Alma Media. Helsinki based Sanoma WSOY, which owns Finland’s two largest national dailies, as well as a number of local papers, printing plants and *Channel Four* TV station, is the second largest Nordic media group after the Swedish Bonnier group. Following the acquisition of parts of the Dutch VNU group the group is also present in Eastern, Central and Western Europe. Besides the leading role in the newspaper sector, Sanoma WSOY publishes magazines and books and owns *inter alia* the second commercial TV channel and Finland’s largest

77 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 11.

78 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 12.

cable company. In addition, a vertical integration in the newspaper sector is achieved, for example, by 13 printing plants and a couple of press distribution networks.⁷⁹

Alma Media, Finland's second largest media group, is the result of a 1998 merger between Finnish publisher Aamulehti and the commercial television group MTV Corporation. 26.8 per cent of Alma Media, that is active in Finland, Lithuania, Estonia and Latvia, is owned by the Swedish Media Group Bonnier. Alma owns a newspaper portfolio of 30 titles, regional papers and Finland's leading commercial TV channel *MTV3*.⁸⁰

79 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 12.

80 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 13.

5.2.2 Survey Results

Finland competes with Germany for the title of “European media paradise champion”. So convinced are Finnish print media journalists of the health of their sector that most of them did not feel compelled to actively participate in this survey. Information for this analysis had to be gathered by personal interviews with individual journalists and media experts. The surprised remarks of one of the contacted journalists were revealing:

“Negative impacts of media concentration on us journalists? At my paper we are understaffed, because we do not find enough journalists of sufficient talent and quality. The same applies to most other papers. I don’t know what you’re talking about!”

This, of course, was utter nonsense. Finnish journalists may have forgotten the impact of structural changes in their business some 20 years ago. Their professional freedoms may, so far, have survived largely unscathed. But media concentration has been and is happening in Finland, too. With such a small population and so many media products, newspaper markets are nearly saturated. New niches are hard to find.

“There is of course at present a lively and wide discussion going on about problems and effects of media concentration in Finland”, confirms Finnish media expert Jyrki Jyrkiaainen.

This debate is happening for very good reason. Jyrkiaainen calls it “indicative, that a newspaper with a circulation of over 90,000 copies, the oldest Finnish-language newspaper from 1847 and the second national daily proper, *Uusi Suomi*, had to discontinue in 1991. After that the national market niche of 7-day dailies was left alone to *Helsingin Sanomat*.”

The Finnish print media are, however, a rare example of how concentration and cross ownership issues can be handled without having to compromise too much on either pluralism or content diversity. None of the journalists contacted for this

survey could remember a single case where political or industrial power groups had tried to influence the editorial line of their paper. "Our employers still consider their journalists as an asset, of course. But sometimes you wonder ..."

None of the participants, however, admitted to threats or personal consequences for refusing to change the content of a story according to the wishes of either publishers or editors-in-chief: "I would be asked to amend it – which I would NOT do. Then it's up to them to publish the article or not". Professional journalism in Finland seems to operate on a friendly and relaxed level with competition concerning just the quality of work. In the Finnish like in any other market economy the options are but two: live or die.

Like elsewhere in the Northern countries Finns, too, have always been avid newspaper readers. Resulting in market coverage publishers in other countries can only dream of. The Swedish language minority is 6 per cent of the total population. This compares to the 14 papers published in Swedish language, which in 1998 reached a total circulation of 170,000 copies or 5.1 per cent of the circulation of all Finnish newspapers. But Finns are not just readers; they are loyal readers who subscribe to their papers. Three quarters of all papers are home delivered every morning. The remaining 25 per cent are delivered by mail.

But even this level of readership loyalty proved not to be enough!

To live through the structural crisis of the 1980s, Finnish newspaper houses had to develop a remarkable degree of innovative creativity.

Their remedy consisted in a degree of concentration which in other countries would have provoked public outcry. Today, just four newspaper companies publish 46 of the remaining 56 Finnish daily newspapers. In 1998, these four groups accounted for 66 per cent of the total circulation of dailies.

Newspaper chains were the logical result of such a highly concentrated ownership structure. Already since the 1970s, the majority of local newspapers have come to be owned by provincial papers. This trend has long since reached regional and national dailies as well, and has been accelerated by the structural changes since the mid-1980s. Today, 26 plus newspaper chains are operating throughout the country.

But Finnish publishers didn't stop there. As soon as it was legally possible, they diversified into other media sectors to become multimedia producers. The big groups moved into the liberalized television and radio broadcasting market and/or expanded into publishing magazines and books. They realized the potential of the internet early on. With the exception of theme parks, shops and music the Finnish media giants today cover all mass media products and services.

Today, Finnish newspapers generate half of their revenue through subscriptions and single sales at the news stands. The other half is generated through advertisement, down from a dependency level of 73 per cent 25 years ago. It is widely accepted within the newspaper community that the advertisement industry has little to no influence on the editorial line of Finnish newspapers. The one hundred per cent result on the related question should, therefore, be accepted without much surprise.

Of course, this rush into ownership concentration and cross-ownership changed many things for Finnish journalism. Provincial newspapers, both in chain or independent ownership, have intensified their co-operation by exchanging editorial materials, producing common supplements and pages for weekend issues, and sharing printing capacity. The main reason for such co-operation is to be found in the economic concept of economies of scale: by combining individually limited

financial resources, the co-operators are able to make better use of editorial resources for content quality.

Similar concepts apply in dealing with the advertisement industry. A group of important papers offers a common platform for national and regional advertising packages. Another group publishes a common weekly TV broadcasting schedule supplement.

Finnish media experts and publishers believe that concentration and cross-ownership have largely contributed to maintaining a high level of pluralism and content diversity. "The Finnish market is too small to support a high number of small and independent newspaper companies. Only by incorporating smaller media outlets into financially strong groups were we able to guarantee the ongoing existence of many titles which, in order not to lose their readership, had to maintain not only their traditional character but their content individuality as well."

Whether this relaxed atmosphere can survive remains to be seen. The benefits of the structural reforms of the 1980s have been used up. The domestic market doesn't offer any more substantial growth potential for the four big companies. In addition, Swedish media groups are beginning to show an increasing interest in the Finnish market. Consequently the Finnish media industry has crossed the borders into hitherto unknown territory. For the first time in the Baltic States and other CEE countries, the Finnish media groups face the turbulences of international competition.

Uncharted waters lay ahead for Finnish professional journalism, which has, so far, proven to be extremely resilient to outside pressure and attacks on its professional standards and ethics.

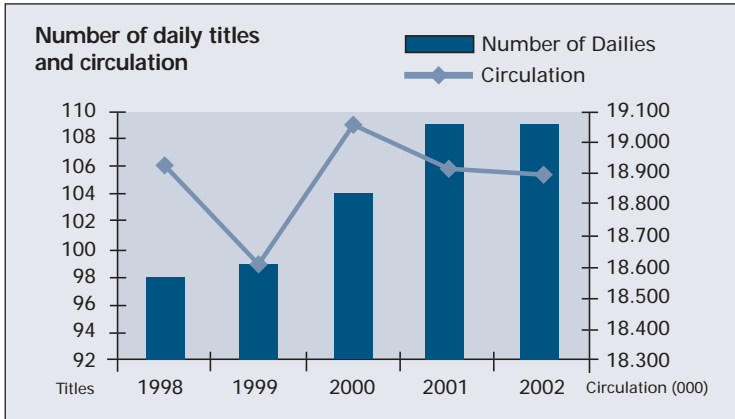
5.3 United Kingdom

5.3.1 Country Report

Capital	London
Population 2003	(millions) 59.2
Average annual income 2001	(US\$) 25,120

Source: BBC Country Profiles
 <http://news.bbc.co.uk/1/hi/country_profiles/default.stm>

The UK government's Communication Bill, passed on 15 July 2003 abolishes a number of rules on media ownership, including the prohibition on non-EU countries owning commercial television stations.



Source: World Association of Newspapers (2003) *World Press Trends 2003*.

Newspaper reach (%)

All Adults	31.1
Men	33.1
Women	29.4
MHS (Main Household Shopper)	30.3

Source: World Association of Newspapers (2003) *World Press Trends 2003*.

The Communications Bill was widely discussed and has made the UK one of the most liberal countries in terms of media ownership and concentration, especially in commercial broadcasting. Many commentators thought the decision to offer Rupert Murdoch a stake in terrestrial television was an attempt by the Labour government to keep Murdoch's substantial press interests supportive of the government.⁸¹

The UK has a very centralized national press with most of the publishing houses based in London, and produces a range of broadsheet, mid-market and tabloid newspapers. The behaviour of the tabloid press has caused controversy over the years, with its style of intrusive, sensational celebrity and scandal driven journalism. The newspaper industry is self-regulated by the industry-funded Press Complaints Commission (PCC).⁸²

The entire national press is owned by seven companies. The four largest of these account for about 90 per cent of sales:

- News International (News Corp.):
The Sun (3,600,000), *The Times* (632,600), *The News of the World* (3,860,000), *The Sunday Times* (1,300,000)
- Trinity Mirror: *Daily Mirror* (2,100,000), *Daily Record* (Scotland, 541,000), *Sunday Mirror* (1,760,000), *The People* (1,300,000)

- Daily Mail and General Trust: *Daily Mail* (2,350,000), *Mail on Sunday* (2,300,000)
- Northern and Shell: *The Express* (936,000), *Daily Star* (840,000), *Sunday Express* (926,000).⁸³

The other daily national newspapers are *The Daily Telegraph* (946,000), *Financial Times* (432,000), *The Guardian* (375,000), and *The Independent* (191,000). Other Sunday newspapers are *The Observer* (411,000, owned by *The Guardian*), *The Sunday Telegraph* (735,000), and the *Independent on Sunday* (189,000).⁸⁴

The regional and local newspaper market is also highly concentrated. Besides its national activities Trinity Mirror belongs to the four largest groups in this field as well. The group has a total of 234 papers, including regional dailies, weeklies and free newspapers. Newsquest, owned by the US media group Gannett has 207 titles covering regional dailies, weeklies and free newspapers. Northcliffe Newspapers is a regional newspaper subsidiary of Daily Mail and General Trust and publishes 106 titles. Johnston Press moved, through the acquisition of RIM from fifth to fourth place amongst the top regional publishers and has 244 titles.

81 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 43.

82 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 43.

83 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 45.

84 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 45.

5.3.2 Survey Results

The United Kingdom, as one of the world's oldest democracies functions along a well established system of institutions, procedures and unwritten rules. Even the Constitution has never been put in writing.

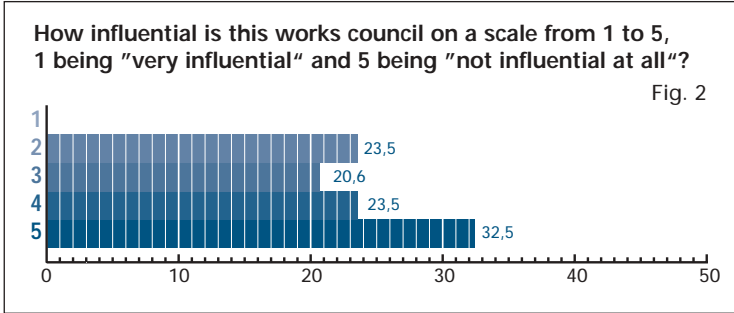
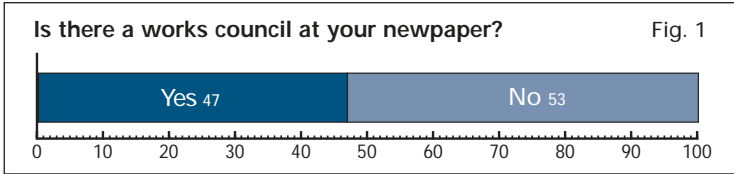
Accordingly, the British media system is not to be compared with any continental European model.

Undoubtedly, the British media system has always been regulated to a much lesser degree than the continental media. Since the introduction of a new media law in 2003 the UK enjoys the most liberalized and open media market of the European Union. Ownership concentration, already at a high level, has thus received new incentives, according to the government's conviction that only financially strong newspaper groups will be able to compete on an ever more globalized media market. Cross-ownership barriers, which were among the lowest in Europe in the past, have been further alleviated to foster the creation of British, globally operating media giants. As the first member of the European Union, London has opened its market to 100 per cent ownership of British media by foreign media conglomerates.

Born out of the long standing cultural tradition of Freedom of opinion and expression, British newspaper journalists, including those working with quality papers, have always been considered as unruly and aggressively partisan. In comparison, British broadcasters have an international reputation as being neutral and impartial.

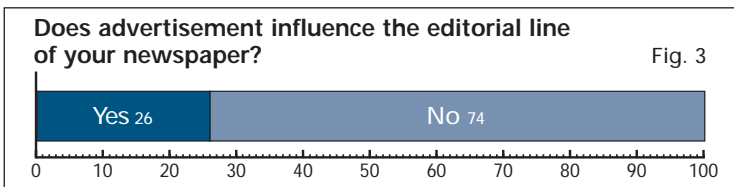
To counter the economic liberalism enjoyed by the owners, British journalism used to be highly unionised. It was Thatcherism that broke the unions' power during the 1970s and 1980s.

The effects of the "Iron Lady's" revolution on the unions are clearly visible. Of the British journalists contacted for this survey only 47 per cent were working at a newspaper with an established works council. (Fig. 1)



On the effectiveness of the existing works councils the participants' judgement was rather subdued. (Fig. 2) "If you engage too much in this line of activity, they (the management) can make your life very difficult", was the comment of the Rome based foreign correspondent of a prominent Fleet Street paper.

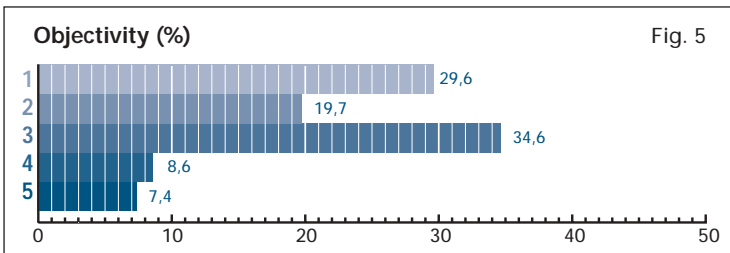
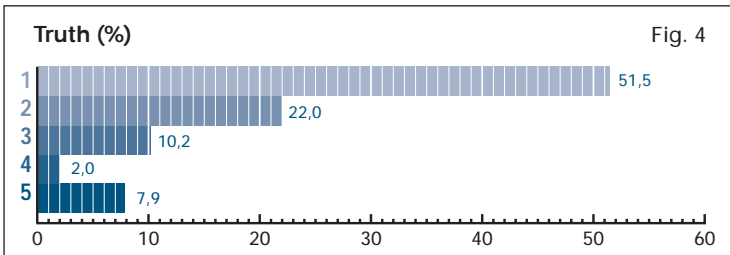
All in all, British journalists do display a considerable amount of cynical realism when talking about their profession. Most of them have accepted the fact that it is the publisher who in principle decides on editorial content. "The editor will decide but with an eye on the owner's view". Only 26 per cent of the participants of this survey believe that advertisement influences the content and editorial line of the paper they are working with. (Fig. 3)

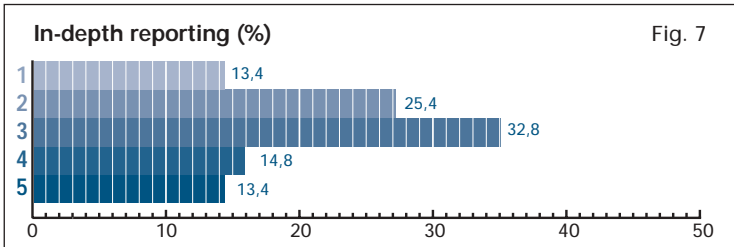
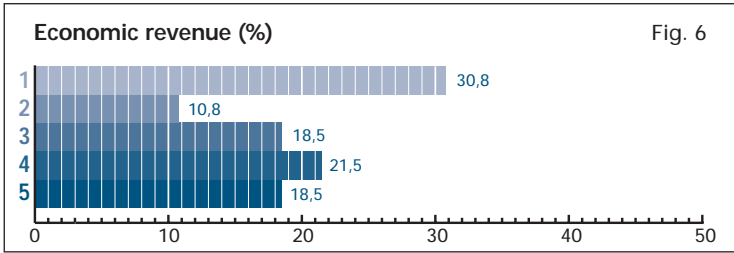


At the same time, many of those contacted individually conceded that “it often seems like there is a company-driven agenda behind some coverage”. Another journalist admitted that “advertisers today are more likely to get editorial space for features”. And “occasionally we have to ‘tread carefully’ around certain companies”, which will then get “extra positive coverage”.

Still, when it comes to evaluating the **following criteria for the editorial line of your paper on a scale from 1 to 5, where 1 stands for “very important” and 5 stands for “not important at all”**, British journalists do not seem to be overly concerned about possible influence from the outside. Both “truth” (Fig. 4) and “objectivity” (Fig. 5), the two main criteria to suffer from outside pressure, continue to get high marks.

There seems to be therefore, a stroke of continuity in traditional British journalistic standards, which gets confirmed by the fact that, at least according to their staff, many British editors-in-chief do not see generating economic revenue as their editorial top priority. (Fig. 6)

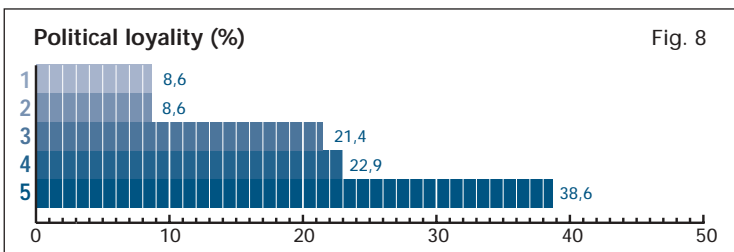


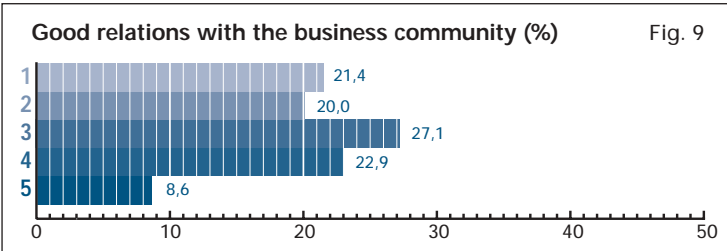


Instead in-depth reporting, the classical trademark of British newspapers, continues to figure rather prominently. (Fig.7)

There is, however, a growing number of journalists who believe that “an interest in investigative journalism seems to be a problem” for their future career. “I have a battle to persuade the news editor and the editor of the facts”. And “how can you do serious investigative journalism, when the editorial budget is downsized year after year?”

What seems, however, to be completely intact is British newspapers’ aversion to being bound by any form of political loyalty. (Fig. 8) Maintaining credibility depends largely on the readers’ impression of total political independence.



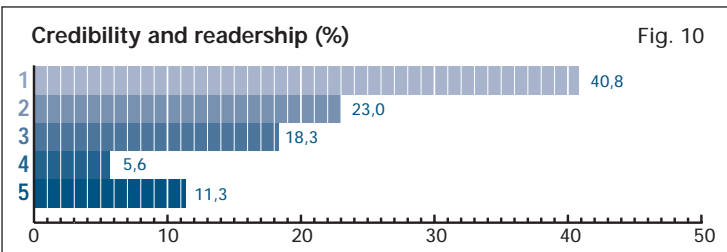


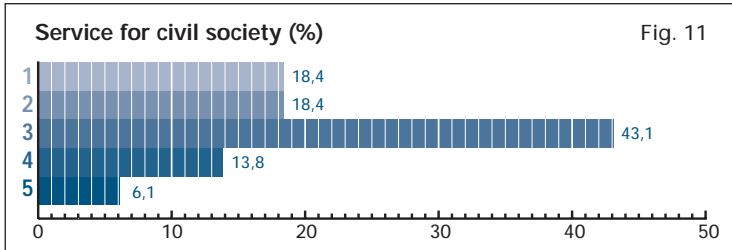
The same applies to the local and national business community. “Good relations” in a British journalist’s understanding do not imply any kind of unclear business or currying favours. (Fig. 9)

Being unruly and aggressively partisan without being connected to any political party, or seen in cahoots with the industry, are the criteria on which British quality dailies’ credibility are rated by their readers.

The high ratings for credibility as an important element of the editorial line expressed by the participating journalists are, therefore, nothing but the confirmation of the priorities set for earlier questions. (Fig. 10)

Consistent with their history of not having any political affiliation, British print media don’t feel the particularly continental European missionary urge. They certainly do consider civil society. But according to British journalistic understanding, the role of the press is to report on facts and events and not to service or educate anybody. Hence the rather lukewarm enthusiasm when asked about service to civil society as part of the editorial line. (Fig. 11)

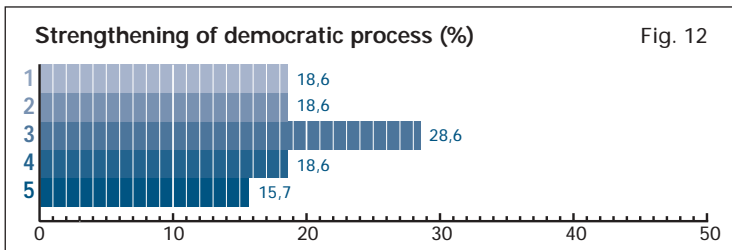


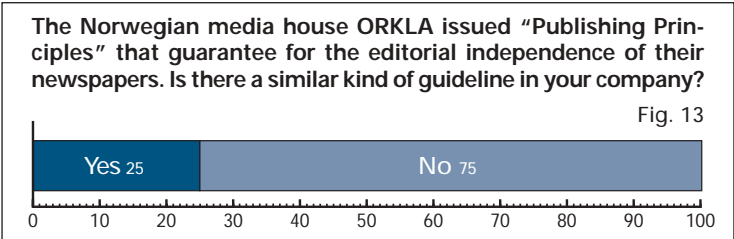


A similar kind of hesitance is provoked by the notion of the press as a promoter of democracy. (Fig. 12) British journalists will watch over democracy. They will defend the system which guarantees their rights of freedom and independence. They will report on shortcomings and abuses. But they will, in almost any case, refrain from counselling in the way the continental European print media would do.

It is, however, interesting to observe how the British journalists' rather detached description of the state of their newspaper differs from the opinion of their own professional situation.

There is no substitute for the, once so powerful, works councils at British newspapers. Without the possibility of getting proper organized support from the inside of their paper, many British journalists today have to fend for their rights individually. This is particularly difficult in times of dealing with globally operating media conglomerates. This most extreme form of media concentration surely has positive effects for the owners. It leaves, however, professional journalists without any practical protection.



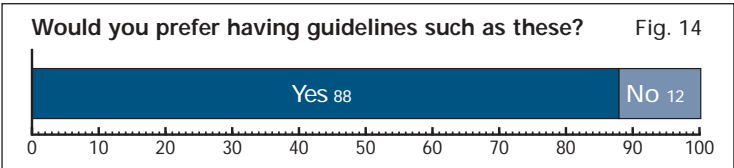
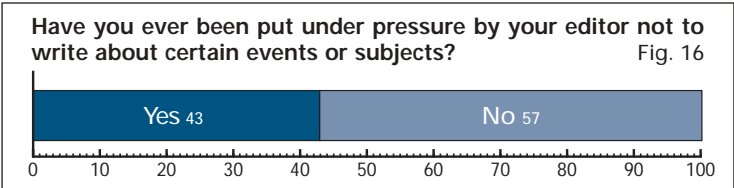


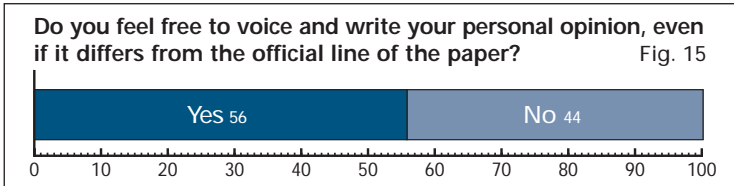
Twenty-five per cent of the journalists included in this survey at least enjoy the guiding principles on editorial independence, as laid out in the statutes of the Norwegian publishing house Orkla. (Fig. 13)

The fact that 88 per cent of the participants would like to work under similar conditions demonstrates the positive regulatory and protective effect of such principles. (Fig 14)

It is protection against the consequences of concentration that British journalists urgently need. The often admired Anglo-Saxon tradition of journalistic independence seems to be at risk, when 44 per cent of the survey participants no longer feel free to voice or write an opinion which is different from the official line of the paper. (Fig. 15)

Almost exactly the same number of participants stated that they have experienced pressure from their editor to abstain from writing on certain events or issues. (Fig. 16)





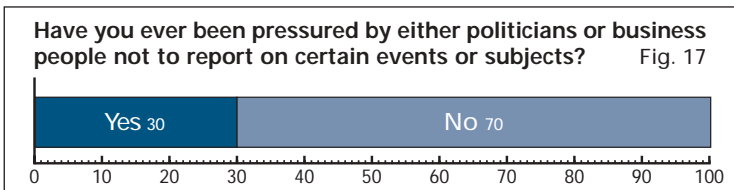
In some cases the story is too big not to be mentioned. In this case, if the reporter returns from his research with different results than those desired, “there will be a debate at executive level and the item will either be run unamended, spiked, or a request made for me to amend the item under instruction, or the item will be amended by someone else and published without my further input being requested”.

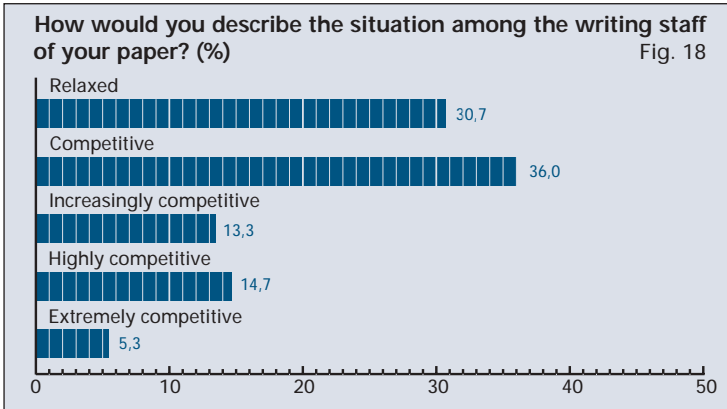
In another case, a specialist journalist described his situation as “dependent on having a patron among the paper’s initiating editors – for protection and for reliable opportunities and having access to publication. Editors enhance their power by increasing the insecurities felt by their journalists”.

Three out of ten professional journalists experienced pressure from either politicians or business people not to report on certain knowledge. (Fig. 17)

Such incidents occur with higher frequency once professional journalists are left without proper protection from either their employer or the union. How courageous is the individual reporter supposed to be when an “important advertiser threatens to withdraw”?

What happens to journalists who do not bow to such pressure, was described by one participant of this survey as



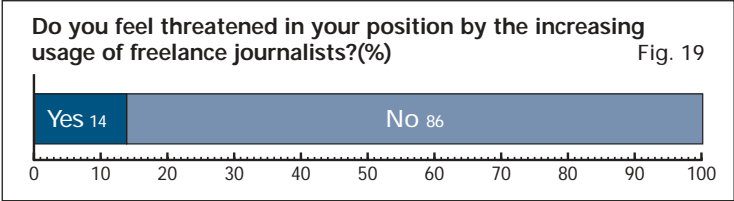


follows: “Personal targeting of individuals, bullying, harassment, denigration of a personal nature, by editors and middle management on a constant, daily, hourly basis”.

This might have been a particularly serious case. But reading the stories contained in the questionnaires returned, a clear pattern of increasing abuse of British newspaper journalists is emerging.

On the management level, such treatment would probably euphemistically be called competition enhancement measures. Especially younger journalists, who never knew anything but globally competing journalism, describe their work climate as being relaxed to moderately competitive. Their elder and more experienced colleagues remember different times and feel growing insecurity: “They constantly remind you that if you refuse to work long hours or to make yourself available to the company 24/7 there will always be others willing to do so”. (Fig. 18)

However, 86 per cent of the British newspaper journalists who responded to this survey feel relatively safe in their job. (Fig. 19) Freelance journalists may be cheap and “free to hire, free to fire”. They tend “never to query instructions given to them by desk heads. It’s that simple”.



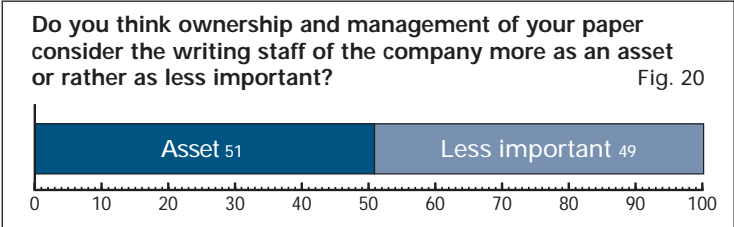
But actually it is more complicated. British newspaper publishers and management would probably love to cut costs by using more freelancers. But in the end there is always the one reputation no newspaper can afford to lose: credibility!

Nevertheless, frustration is growing rapidly among journalists. They may be kept in their positions because “even to an inherently hostile management it is evident, that good writers and sub-editors are an asset”. That said “I think that they regard writing staff as a negative figure on the balance sheet”. Another journalist described himself as “a necessary tool, like machinery and plant in manufacturing”.

The impact of concentration on British newspaper journalists has resulted in the feeling of being “merely a tool to make money” or “a commodity”.

No wonder only 51 per cent of the British participants of this survey considered themselves still as an asset to their company. (Fig. 20)

“Content”, one journalist commented, “is always the first to suffer in recession, and integrity falters as a result. The bean counters are the bottom line, not the editorial staff”.



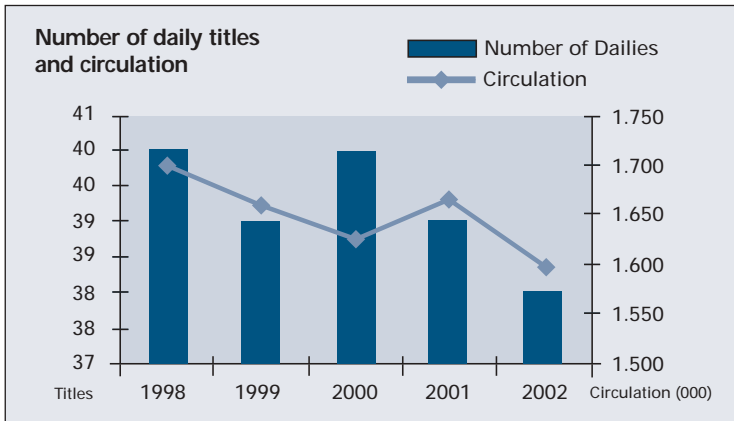
5.4 Hungary

5.4.1 Country Report

Capital	Budapest
Population 2003	(millions) 9.9
Average annual income 2001	(US\$) 4,830

Source: BBC Country Profiles
http://news.bbc.co.uk/1/hi/country_profiles/default.stm

After the old system of licensing was abolished in 1989 foreign investment started in the field of print media. In 1996, foreign investors held a controlling interest in 60 per cent of the daily newspaper market.⁸⁵



Source: World Association of Newspapers (2003) *World Press Trends 2003*.

⁸⁵ European Federation of Journalists, *Eastern Empires. Foreign Ownership in Central and Eastern European Media: Ownership, Policy Issues and Strategies*, (EFJ, Brussels, 2003) 33.

Newspaper reach (%)

All Adults	30.1
Men	35.3
Women	25.6
MHS (Main Household Shopper)	27.7

Source: World Association of Newspapers (2003) *World Press Trends 2003*.

A 17.6 per cent share of the largest Hungarian broadsheet, *Nepszabadsag* (198,000)⁸⁶, is held by the German Bertelsmann Group through Gruner + Jahr. This paper is owned within a joint venture with Axel Springer and Ringier. Bertelsmann also owns 49 per cent of the leading commercial television station in Hungary, *RTL Klub*, that was launched in 1997 by the RTL group just after the market was partly liberalized and national frequencies were sold to private companies.⁸⁷

Axel Springer also is very active in the Hungarian market. While its main focus is magazine publishing, Springer still has eight daily regional titles and one Sunday title with a circulation between 20,000 and 50,000 each.⁸⁸ Springer is also involved in a joint venture with Bertelsmann and Ringier regarding the daily *Nepszabadsag*.

The German media group WAZ also publishes five dailies in Hungary, but the dominant player is the Swiss publishing group Ringier.⁸⁹ It publishes *Blikk* (208,000), the second daily newspaper, *Vasarnapi Blikk* (180,000), which is a Sunday paper, as well as the old-established daily sports paper *Nemzeti Sport* (65,000), the third placed daily newspaper. Ringier also owns the Hungarian quality paper *Magyar Hirlap* (38,000) and has an important level of participation in the leading newspaper *Nepszabadsag* in a joint venture with Axel Springer and Bertelsmann.⁹⁰

While the broadcasting market was liberalized from 1997 on, in the print sector, significant ownership changes took place in a relatively short period of time following the fall of the communist regime. Foreign media ownership became a dominant factor in the sector by the end of the 1990s.⁹¹

Status of Journalism in Hungary

*by Péter Bajomi-Lázár, Department of Communication,
Kodolanyi University College*

The Hungarian press and media have undergone significant changes over the past 15 years, marked with the privatization of the press and media; a varying degree of political pressure on, especially, the public service media; financial difficulties of the press; lowering social prestige of the journalistic community; and changing standards of journalism. This paper describes the major issues of contemporary journalism in Hungary.

Legal Background

The Hungarian press and media are regulated by two major sources of law, namely the 1986 Press Act, as modified in 1990, and the 1996 Radio and Television Act, amended in 2002. The first, which primarily regulates the print press, is relatively liberal, the second, which regulates the broadcast media, is more restrictive; both laws are now largely compatible with European regulation.

86 World Association of Newspapers, *World Press Trends 2003* (2003) 135.

87 European Federation of Journalists, *Eastern Empires. Foreign Ownership in Central and Eastern European Media: Ownership, Policy Issues and Strategies* (EFJ, Brussels, 2003) 33.

88 European Federation of Journalists, *Eastern Empires. Foreign Ownership in Central and Eastern European Media: Ownership, Policy Issues and Strategies* (EFJ, Brussels, 2003) 34.

89 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 21.

90 European Federation of Journalists, *Eastern Empires. Foreign Ownership in Central and Eastern European Media: Ownership, Policy Issues and Strategies* (EFJ, Brussels, 2003) 36.

91 European Federation of Journalists, *Eastern Empires. Foreign Ownership in Central and Eastern European Media: Ownership, Policy Issues and Strategies* (EFJ, Brussels, 2003) 37.

As regards ownership concentration, the same regulation applies to the press and media as to other industries. The only difference is that the Broadcasting Act forbids vertical concentration, i.e. no one can own both a nationwide newspaper and a nationwide radio station or television channel. At the same time, the law does not limit horizontal concentration and, in recent years, several local radio stations have joined some of the major, quasi-nationwide, radio networks.

Ownership

Most of the Hungarian nationwide and regional quality newspapers were privatized in the early 1990s and acquired by Western investors, including, among others, Axel Springer, VNU, Bertelsmann and Ringier. Despite repeated efforts to establish new titles, the same four newspapers are available on the market of nationwide quality dailies today as before the political transformation. The same holds for the regional markets where the former county dailies, once published by the local bureaus of the communist party, have managed to preserve their leading position – indeed, a de facto monopoly – after the political transformation in all but one or two of Hungary's 19 counties. Foreign investors, however, have modernized the Hungarian press in terms of both style and content. Whereas the nationwide quality dailies advocate a marked political stance, the regional dailies seek neutrality and internal plurality in daily political matters.

The local newspapers (i.e. town weeklies) are owned by Hungarian companies or the local municipalities. Most of the political weeklies are also owned by Hungarian companies. The Hungarian state had a major share in the newspaper market especially in the mid-1990s through Postabank, yet most of the press portfolio of this state-owned bank was later sold to private publishers. The political parties too, have a marked presence in the (weekly and bi-weekly) newspaper market through partisan newspapers many of which, however, pretend to be independent.

Likewise, the nationwide commercial television channels *RTL Klub* (CLT-UFA) and *Tv2* (MTM-SBS), as well as the

nationwide radio stations *Hit Radio* and *Danubius Radio* (British and American investors) have been acquired by foreign companies, whereas cable television channels and local radio stations are predominantly owned by Hungarian ones.

Standards of Political Journalism

The contemporary press and media in Hungary display a strange mixture of at least three kinds of journalism tradition. Firstly, that of cause promoting or partisan journalism as it existed in most of Western Europe earlier in the twentieth century. Secondly, that of the Soviet-type agitation and propaganda journalism, loyal to the government of the day. And, last but not least, that of objective, fact-based and politically neutral journalism which is marked by the spread of United States-based global communication.

The Hungarian journalistic community is deeply divided along political cleavages which is demonstrated, among other things, by the conflict fraught co-existence of several journalists' organizations as well as fierce debates in the press and media.

Self-Regulation

There was practically no journalistic self-regulation until the late 1990s when, however, the major journalists organizations adopted a common code of ethics. Yet this code, which is based on the objectivity-doctrine, is frequently ignored by journalists: unethical behaviour, including the faking of news and conflicts of interest, is not an exception in Hungary. According to longitudinal empirical studies conducted by sociologist Tibor Závecz, the prestige of the Hungarian journalism community was steadily declining in the early 1990s, but has remained practically unchanged since 1996. In recent years, an increasing number of newspapers and broadcasters have passed their own codes of ethics. Moreover, dialogue between politically divided journalists has improved and the journalistic community is more united now than a few years ago when it comes to pointing to unethical journalists, regardless of their political stances.

Financial Background

Despite the presence of foreign publishers, most of the political newspapers, including both daily and weekly publications, have produced a loss since the political transformation. Only a few titles have been profitable, the rest of them relied heavily on ad hoc government subsidies and support from the Soros Foundation. However, unlike the Latin and Scandinavian countries of Western Europe, Hungary has no press subsidies system to financially support loss-making newspapers. As a result, subsidies have been granted on the basis of political loyalties, which have made many newspapers the loudspeakers of the government of the day. Because of the poor financial situation of the press, little is spent on investigative journalism and most journalists are underpaid. It is to be noted, however, that the average journalist is slightly better paid than the average intellectual in Hungary.

Because of the peculiarities of the Hungarian tax system, many journalists work without a regular contract. This makes journalists vulnerable when in conflict with the publishers. Moreover, the lack of work contracts makes it extremely difficult to have journalists observe codes of ethics.

Political Pressure

Like in most other countries in East Central Europe, post-communist political elites, left and right alike, have exerted pressure on the press and media – especially on public service radio and television – in an attempt to change editorial content and to have their policies propagated. This conflict over who controls the media and who sets the public agenda has generally been described as the “media war”. One of the major reasons for the persistence of political efforts to control the media after the political transformation is that the Radio and Television Act was passed relatively late (as compared with other countries of East Central Europe). Moreover, the law is of relatively poor design, especially with regard to the supervision and financing of the public service media.

Journalists' Freedom

According to quantitative and qualitative data by the Freedom House, the status of press freedom has slowly but surely improved in the past eight years in Hungary. At the same time, comparative data offered by this organization also show that, among the countries of East Central Europe that will join the European Union in May 2004, in recent years political pressure was the third most intense in Hungary, following the Czech Republic and Slovakia.

In a way contradictory to the trend of improvement registered by the Freedom House, the Hungarian journalists' own perception of press freedom displays a more negative picture. According to a representative longitudinal opinion poll conducted by sociologist Mária Vásárhelyi among hundreds of Hungarian journalists, in 1992, 45 percent of journalists thought that there was total press freedom, while in 1997 and in 2000 only about 27 percent had this opinion. In 1992, 45 percent said that they were free to comment on facts, in 1997 and 2000 only 31 percent thought so. In 1997, 38 percent reported on political efforts to prevent the publication of compromising information, in 2000, 49 percent did so.

Journalists were also interviewed on how exposed they felt to their publishers/superiors. The survey found that journalists of the regional dailies – which, as mentioned, have a de facto monopoly in their respective counties – felt slightly more exposed to their superiors than those of the nationwide and weekly newspapers.

5.4.2 Survey results

If Finnish journalists wrongly dismissed this survey because they believed not to be affected by media concentration, their colleagues in Hungary refused to participate out of insecurity and some times outright fear.

“We all know that it was the CIA who sent Western European media companies into former communist countries”, was the explanation of a Hungarian unionist, as to why he would not recommend his colleagues to participate in this survey. “They are controlling not only our telephones, but our internet connections as well. And they are controlling OSCE. We would be mad to pass on private information so that Langley later can use these data against us!”

Deep inside, the Hungarian unionist probably knew that he was talking nonsense. After years of scepticism most journalists today are convinced that cross-border owners do not have a hidden agenda. After a lengthy debate the unionist, too, conceded that foreign media conglomerates “probably just want to do business in Hungary”. His initial words were, however, a show-piece of the confusion which is reigning the Hungarian media world.

When communism collapsed in 1989, the Hungarians looked to their Western borders with exactly the same thought the Chinese leader Deng Xiao Ping had voiced looking across the bamboo fence into British ruled Hong Kong: “To get rich is glorious!”

Fourteen years have passed since the market economy arrived. Only a few Hungarians have collected riches, while the majority still has difficulties to make ends meet. And journalists are no exception.

Prominent television anchormen and women get salaries of up to two million Forint per month. That translates to

roughly US\$ 7.600 and is about five times the amount of money a four member family would need for a decent living.

But how can one live on a normal newspaper journalist's income of 80.000 Forint (ca. US\$ 320) a month and not been tempted by some "extra" money? Need for supplementary income on the one side, and need for journalistic support by individual politicians, political parties and the business community on the other side, make the perfect mix for a media catastrophe. Corruption and bribery were described by a Budapest based foreign correspondent as "ordinary means for local journalists to survive".

Hopes were high when during the 1990s foreign media companies moved into the Hungarian press market. They would pay better wages, show how to run a print media in a democratic environment and, probably most importantly, they would protect their writing staff against any form of pressure from outside.

All these hopes are mostly gone. Salaries paid for by foreign owned newspapers are, yes, a little bit higher than those paid by Hungarian publishers. The money is, however, generally still not enough for a normal family.

To be sure, the arrival of the market economy has forced publishers and journalists alike to develop a high degree of economic creativity. Especially the wages paid by Hungarian owned media are so low that journalists can not afford to pay taxes and social security. The way out for almost every Hungarian, with the exception of factory workers, is to refuse regular employment and to opt instead for self-employment. To avoid being taxed at all, the majority of Hungarian journalists figure as a "one-man limited liability company" constantly in financial difficulties. "It is legal and illegal at the same time. The day the system changes most of us will go to jail", said the "owner" of one

of those mini-companies. Most of all, however, by way of such self-employment most Hungarian journalists today are eliminated from both public and company health and pension schemes.

All this does not play in favour of safeguarding professional journalistic standards and ethics. The credibility rate of daily newspapers is low. Ordinary citizens are convinced that a number of journalists are secretly on the pay roll of politicians. Positively reported articles are commissioned by both politicians and industry. Normally these articles are presented as authoritative journalistic content and not as promotional advertisement in disguise. "We could not trust the papers during the communist times", complained the receptionist at the hotel. "But we can't believe them today, either". A leading member of the Hungarian Journalist Association described the situation as follows: "In Hungary you have to belong to something. If a journalist is not affiliated to any political party or organization, he's out!"

Most Hungarian journalists contacted during this survey conceded that cross-border ownership has prevented the national print press from being monopolized by national power elites. Foreign ownership of even several daily titles by one company is not seen as detrimental to media pluralism and content diversity. Most of the journalists were even in favour of foreign cross media ownership in the national Hungarian market. "What problems we may have in the Hungarian media, they are neither the result of foreign ownership nor has the concentration process co-stimulated by foreign media groups been detrimental to our social and financial status. On the contrary, without foreign investors the situation would probably be worse".

The main complaint about foreign owners is their lack of interest in education and professional training of a new generation of professional Hungarian journalists. But foreign owners

steadfastly refuse to enter in anything but profitable business deals. Any involvement in reinforcing Hungary's civil society or education on democracy is not seen by foreign investors as part of their duties.

Within the existing limits of the Hungarian media law, foreign media groups have received licences for nationwide TV broadcasting. Cross-media ownership is strictly limited. Most Programmes on private TV channels may be imported and culturally barely understandable by the majority of Hungarians. Still, foreign owned electronic media are widely preferred to Hungarian public service TV, which has never been able to completely shed the tarnished image of the dull State and party run television monopolist of former times.

As in Western Europe, the major part of Hungarian advertisers' budgets is also focused on private television channels. Newspapers have to fight for every advertisement from private industry. State run institutions and agencies, which know of the socio-political importance of the printed press, use their advertisement budgets to buy political loyalty. Not every Hungarian daily, for example, has the right to publish the results of the national lottery. Important government announcements and weekly inserts only go to certain papers considered to be politically reliable.

The monopolies of local and regional newspapers owned by members of either the old or today's political elites, have not been tackled by foreign media conglomerates either. General feeling among foreign investors is that although comprehensive media laws and regulations are in place, law and legal security as a basic concept of any democratic society are only in their early stages.

Most foreign media owners will not enter the fray of internal Hungarian affairs. The policy of the German WAZ group,

for example, is very clear on this point: business, yes. Influence or even dictate over editorial content, no. “As long as they don’t violate the OSCE principles on Freedom of the media, the editorial part is dealt with by our Hungarian partners exclusively”.

5.5 Italy

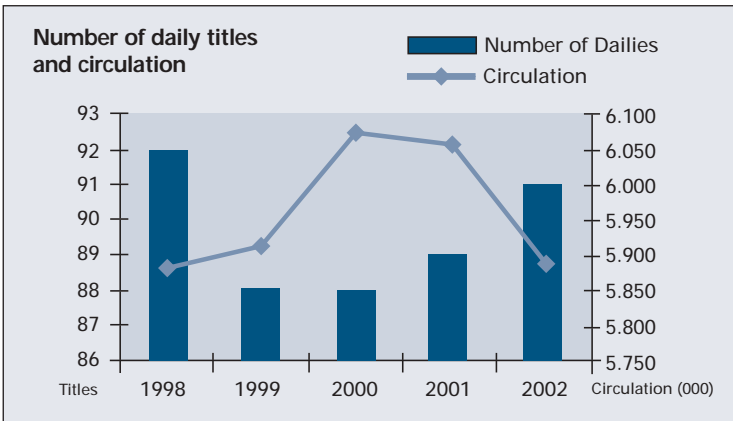
5.5.1 Country Report

Capital	Rome
Population 2003	(millions) 57.4
Average annual income 2001	(US\$) 19,390

Source: BBC Country Profiles

<http://news.bbc.co.uk/1/hi/country_profiles/default.stm>

Whereas TV reaches a broad audience, the importance of newspapers for the distribution of news and information is rather small in Italy.



Source: World Association of Newspapers (2003) *World Press Trends 2003*.

Newspaper reach (%)

All Adults	40.1
Men	50.9
Women	30.1
MHS (Main Household Shopper)	32.6

Source: World Association of Newspapers (2003) World Press Trends 2003.

A government survey in 1995 found that only 60 per cent of the population read a newspaper at least once a week, with more than a third admitting to never picking up a paper at all. The combined circulation of the twelve leading dailies is less than 3.7 million.⁹² If you conclude from this that most Italians depend on television and radio for news, the unbalanced control of the most important TV stations by Prime Minister Silvio Berlusconi is even more startling. Berlusconi is controlling, besides his three commercial TV stations (*Canale 5*, *Italia 1* and *Rete 4*), the public service broadcasting stations of RAI as well. The OSCE Representative on Freedom of the Media refers to this ownership situation as a “constitutional challenge”.

Berlusconi’s TV stations are organized under the company Mediaset in which Fininvest has a 48.6 per cent stake. The Berlusconi family holds a 96 per cent stake of Fininvest. Fininvest also controls the national newspapers *Il Giornale* (226,000) and *Il Foglio*.

The other two large media groups in Italy are L’Espresso and RCS Editori. The Gruppo Editoriale L’Espresso is one of the leading media groups with newspaper, magazine and broadcasting activities. *L’Espresso* is a weekly business title. The company’s daily *La Repubblica* (567,000) is the second most popular newspaper in Italy. Both are reported to share a critical view on Berlusconi’s media activities. Activities in fifteen regional and

local newspapers include *Gazzetta die Mantova*, *Il Tireno*, *Il Centro*, and *Gazzetta Reggio*.⁹³

RCS Editori is the holding group for one of the biggest media concerns in Europe, the RCS Rizzoli Corriere della Sera Group. The group is aligned with the Agnelli family, whose holding company, Giovanni Agnelli & C has extensive interests in the FIAT industrial conglomerate and insurance, property, sugar, chemicals, retail and other businesses.⁹⁴ The group is publishing the leading Italian daily *Corriere della Sera* (614,000), *La Stampa* (360,000) and the daily sports paper *Gazzetta dello Sport* (374,000). It has a 53 per cent stake in Unidad Editorial, publisher of *El Mundo*, Spain's second largest newspaper, and is also publishing magazines and books and has interests in advertising and distribution networks.⁹⁵

92 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 25.

93 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 26.

94 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 27.

95 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 27.

5.5.2 Survey Results

An anonymous Italian journalist's comments on the Italian media

When you examine the Italian press, remember:

- Italy should never be taken as operetta, even if you see operetta all over: the show is a cover and is an instrument of power.
- Italy is in a way “very advanced” and creative. It always was, for better or for worse. Where was fascism introduced first? Aren't some other European media starting to imitate our model?
- In Italy the copies/population rate is one of the lowest, because the quality of the papers is low, and it is low because the publishers use the papers as a political instrument (while, of course, they appreciate the profits).
- One example of a “trick”: on the main story of the day we do not publish one, two or three good articles, but three, four, ten full pages, sometimes even more than 20. Too much information equals no information, and nobody can accuse you of not covering the facts.
- Another peculiarity: the editors-in-chief of competing papers exchange a lot of tips on the phone and fix the layout only after the evening news on television: the “news” is the news on the screens of the different chains, controlled more or less by the same people.
- Again about the news sources: did you notice that today the world has only one real news agency, Reuters, and that when Reuters became hegemonic it moved the headquarters to the US?
- Italians who want or need to understand the world read foreign papers (The Economist, for example, has a very high circulation, considering that not so many Italians read English).

- The Italian society has been mentally levelled by the media, and prepared to accept the next political new thing.
- Unfortunately, the foreign correspondents (with rare exceptions) base their coverage on what they find in the Italian press. They relate the show and seem not to understand what is going on. They focus on the Berlusconi/anti-Berlusconi brawl, which is simply one of the best numbers of the show, useful to distract the attention from the real actors, transversal to this apparent divide.

The unknown Journalist is right: don't take Italy for a never ending operetta. It is a serious plot being played out between Bolzano in the north and Palermo in the south. The price is not only freedom of the media, media pluralism and content diversity. At stake is Italian democracy as such.

With so much being at stake, one would have thought Italian journalists would take the opportunity of this survey to voice their deep concerns. This has not happened. Possibly because of language problems, more likely, however, because of a very self-centred culture, only a few Italian journalists responded to this survey. During a series of personally conducted interviews journalists, however, mentioned their hesitation to answer in any other way but face to face because of their suspicion that their conversations as well as their internet communications might be intercepted by either their employer or State institutions.

The refusal of the absolute majority of journalists met to fill in any questionnaire made quantified results impossible.

Since the centre-right coalition of media tycoon turned politician Mr. Silvio Berlusconi won the general elections in May 2001, domestic Italian and international debate has focused mainly on the conflict of interests Mr. Berlusconi has not been able to and/or not been willing to solve. As Entrepreneur he holds Italy's three main private TV channels in his personal

portfolio. In addition, as democratically elected Prime Minister, he holds sway over Italy's three public service TV broadcasting channels. Adding Mr. Berlusconi's stakes in advertising, newspapers, news magazines, book publishing, video and DVD renting chains, cinemas, theatre, insurance, supermarket chains and so on, it becomes immediately obvious that the Italian democracy is living an experience that no other Western democracy has ever had to tackle.

Yet, Italian media concentration did not start with Mr. Berlusconi nor has he had, at least in the daily newspaper sector, any major responsibility for critical concentration movements. The country's main newspapers have long been in the hands, not of publishers in the classical sense, but Italy's major industrial groups, who have at times been openly hostile to Mr. Berlusconi's political ambitions.

Even though Italy has daily newspapers with long-standing traditions like the Milanese based *Corriere della Sera*, no real newspaper culture comparable to Northern European countries has ever taken root. Political unification in 1871 didn't create a culturally and linguistically unified nation. At that time only 20 per cent of the Italian populace spoke the dialect of Tuscany, which today is considered to be the purest spoken Italian. Illiteracy was rampant until after World War II. After the tragic experiences with fascism Italy was politically divided like no other Western European nation.

Part of this ideological divide was the conviction of left wing people that quality dailies belonged to the "cultural conservative elites". Most other papers were – and are – politically openly affiliated to political parties and/or ideologically driven groups.

Taking into account that 1961 was the first year in the history of unified Italy when government allocated more money to education than to the military, modern Italy owes its cultural

unification not so much to books, museums or theatre but to popular music – and television. 30 per cent of the 56 million Italians use television as their exclusive source of information. Only 3.5 million Italians are daily readers of newspapers. And the biggest daily newspaper in terms of printed and sold copies is a sports paper.

As a consequence of the importance of quality newspapers, mainly to the political, cultural and economic elites, Italian journalists have always considered themselves as part of a special caste. To this day, the profession protects itself by rigorously enforced entry barriers such as written and oral entry exams. Being a member of the “ordine dei giornalisti” comes with a number of privileges. Fully employed journalists are not heard of as being fired, not even in cases where serious professional mistakes have been made.

This closed system allowed Italian professional journalists not to have to suffer the consequences of concentration. During the 1980s quality papers like *La Repubblica* started to buy heavily into ailing regional dailies. Chain newspapers with regional or local inserts developed with almost no reduction in editorial staff.

Those who suffered most from this closed system were freelancing journalists. Their financial and professional exploitation by publishers and editors-in-chief is legend. By the end of the 1990s the payment of 50.000 Italian lire or roughly US\$ 25 per article was considered as standard rate at provincial daily newspapers.

Even though Mr. Berlusconi has no responsibility for the past, his influence on Italian journalism today has to be seen as dramatic. Since the liberalization of the electronic media market some 20 years ago, newspapers have continued to lose advertisement revenue to this prime source of information.

Mr. Berlusconi's TV advertisement agency Publitalia manages about 50 per cent of all television advertisement budgets.

As long as Italy's big industrial families were in open opposition to Mr. Berlusconi's rise to power, they continued to finance their fledgling dailies lavishly. After the election victory of the centre-right coalition, however, everything changed. With the exception of Mr. Berlusconi's year long "personal enemy" and owner of *La Repubblica*, Mr. Carlo De Benedetti, the industrialists-cum-publishers changed attitude – and in various cases the editors of their daily newspapers.

Even though Italy's Prime Minister is much less concerned with the impact of criticism by the print media than with that of television, Mr. Berlusconi and his political friends and allies haven't missed a chance to take "unruly" newspaper journalists to court.

Lodging defamation suits for millions of dollars with the Italian courts has become the Prime Minister's principal weapon to silence critical print journalists. The editor-in-chief of *Il Corriere della Sera* was reportedly sacked after the Prime Minister's office called a member of the car-manufacturing dynasty, Agnelli to complain bitterly about the most respected Italian newspaper's position on the government's position in the Iraq conflict.

But it is in Television that Mr. Berlusconi and his allies are having the greatest impact. Three of his popular, but left leaning critics were sacked after Mr. Berlusconi had publicly asked for their removal. Government proposals for Italy's public service broadcaster RAI are widely seen as favouring Mr. Berlusconi's private television empire Mediaset.

The continuing public row over the attempts by the Prime Minister and his allies to gag the nation's media even forced Italian President Carlo Azeglio Ciampi to write an appeal to

the parliament that “pluralism and impartiality of information are essential tools to build a full democracy”.

Nevertheless, a new media law was presented by one of his ministers. The law allows for further concentration, lower barriers against cross-ownership and higher target ceilings of market shares. The new law is seen by professional Italian journalists and the European Federation of journalists as tailor made to the business plans of Mr. Berlusconi’s empire Mediaset, and hence anathema to press freedom, media pluralism and content diversity in Italy.

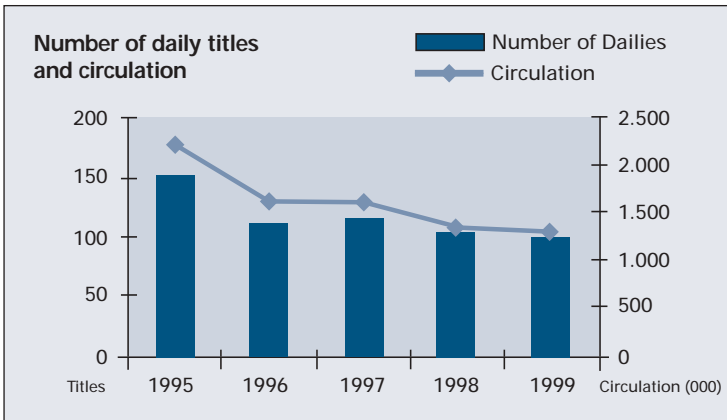
5.6 Lithuania

5.6.1 Country Report

Capital	Vilnius
Population 2003	(millions) 3.4
Average annual income 2001	(US\$) 3,350

Source: BBC Country Profiles
<http://news.bbc.co.uk/1/hi/country_profiles/default.stm>

While foreign media ownership is generally high in commercial broadcasting, the print sector is still widely owned by Lithuanian companies. Only the Norwegian company ORKLA holds the largest regional paper. The total number of 354 newspapers is rather high for this small market.



Source: World Association of Newspapers (2003) *World Press Trends 2003*.

Newspaper reach (%)

All Adults	50.5
Men	50.8
Women	50.2
MHS (Main Household Shopper)	49.9

Source: World Association of Newspapers (2003) World Press Trends 2003.

The two leading Lithuanian papers are privately owned Lithuanian economic enterprises. Both papers have a publisher who is at the same time the editor-in-chief. The leading daily, *Lietuvos Rytas* (50,000) is owned by G. Vainauskas, an entrepreneur with other different interests, *inter alia* printing plants, a TV magazine production, a basketball team and other different non-media related businesses. The paper emerged from the privatization of a former Soviet daily.

The second national daily is *Respublika* (30,000), founded in 1991 by Mr. Tomkus. The company also owns a printing house and TV magazines. The largest Lithuanian daily, in terms of circulation is the recently founded tabloid *Vakaro Zinios* (80,000) which also belongs to *Respublika*.

The Swedish media company Bonnier plays a small role in the Lithuanian print media owning the daily business paper *Ver-slo Zinios* (9,000)⁹⁶.

The Norwegian company ORKLA, that is also active in Poland, the Ukraine, and Denmark, owns the largest regional daily *Kauno diena* (40,000) in the Kaunas region. The regional market is very important for daily newspapers and there is quite a number of small regional and local papers. Although each of them has a small circulation, the total number of copies

⁹⁶ European Federation of Journalists, *Eastern Empires. Foreign Ownership in Central and Eastern European Media: Ownership, Policy Issues and Strategies* (EFI, Brussels, 2003) 40.

is quite remarkable. The national dailies, which for the time being are mainly read in Vilnius and the main cities, try to get into the regional and local markets by adding regional supplements to their national editions. In reaction, a couple of local and regional papers founded an association to better promote their aims.

A quite common phenomenon in Lithuanian print media seems to be the unclear separation between editorial content and paid advertisement. So called paid articles are written by journalists but, in fact, do not contain impartial information but a positive description of a certain issue, company or product. A mandatory by-line, indicating the sponsor, is often missing.

There is little cross-ownership between print and electronic or audio-visual media in Lithuania. Besides the Public Service Broadcasting Programme with its two channels, all commercial TV stations are owned by foreign media companies. Only regional TV channels are Lithuanian owned.

A general problem, not only regarding Lithuania, is the lack of reliable data on media ownership structures, the circulation and other statistical data. Although there is a law in Lithuania that the ownership shares are to be made public to the Ministry of Culture, only a few media outlets follow this rule and not much is done to enforce it.

5.6.2 Survey Results

It is remarkable that the survey results regarding the question of whether advertisement is influencing the editorial line of the paper, differs from the impression won by personal interviews with journalists, journalists associations and academia representatives. As mentioned above, it is reported that it is quite a common practice in Lithuania for journalists to write advertisement pieces and that “paid for information” is neither clearly marked as advertisement nor separated from editorial content.

An explanation for the 67 per cent that don't see an influence of advertisement on the editorial line might be that journalists themselves, differentiate between their own journalistic content and the articles delivered or paid for by others as just another means of financing their title. However, the danger is that this differentiation is not easy for the average reader to make.

The largest regional daily newspaper *Kauno Diena* is owned by the Norwegian media company ORKLA, which has established its “Publishing Principles” with the Lithuanian editorial staff as well. No other newspaper was reported to have guidelines like this.

However, two thirds of the journalists were in favour of having guidelines such as the ORKLA principles for their own newspaper. Senior journalists of *Kauno Diena* reaffirmed in interviews that ORKLA is giving them nearly complete editorial independence. While format, advertising and management was co-ordinated with the Norwegian mother company, it was explained that the journalists were free to write what they want and are only accountable to their editor-in-chief. It was also stated that the Norwegian money gave the journalists a higher degree of independence from Lithuanian political influence and economic pressure, thus enhancing the freedom to write.

Lithuania is a small country with a small, but competitive newspaper market. The situation of journalists was described as difficult due to financial pressure and decreasing advertisement revenue but, nevertheless, highly motivated. For example, the Institute for Journalism at Vilnius University is educating future journalists in order to increase the professionalism of Lithuanian journalism, not only in the print sector.

The financial situation of journalists in Lithuania, as in many other countries, is difficult, especially at regional and local daily newspapers. One trick to cut down costs for the writing staff is for the owner or editor to only guarantee the minimum wage of approximately 430 Euro per month. The rest of the income is then paid on honorarium basis. The problem for the journalist in this system is that all his social security deductions will only be calculated from the fixed minimum wage, leaving him in an unfavourable position if he were to become ill or unemployed, and with regards to pension schemes.

This practice of a “mixed” employment of journalists as fixed staff and at the same time freelance writers, might be a reason for the low number of journalists feeling threatened by genuine freelancers.

Particularities of Print Media and Daily Newspapers in Lithuania and the Role of Journalists

*by Danius Radzevicius, Chairman,
Lithuanian Journalist Association*

History and Development of Periodical Print Media in Lithuania

After the re-establishment of Lithuania's independence in 1990, periodical press underwent a cardinal transformation. There were new kinds of print media (more entertainment, erotic, religion etc.) as well as new forms of press, for example, regional or community editions. Especially the number

of advertisement magazines and magazines of special interest were increasing rapidly.

Because publishers had a great interest in satisfying society's needs, the variety of periodical press grew. This period of diversifying went on until 1995. Since 1996 the situation for certain publishing houses has become difficult, because a number of magazines have lost their audience. After five years of expansion self regulation led to a new period of evolution of periodicals. A number of factors influenced the decrease of circulation of newspapers, competition, of course, being one of them. But also, the citizens lost interest in periodicals.

In 1995 ten new districts were established in Lithuania, and since 1996 a new kind of newspaper has been published – district newspapers. Talking about national, regional and local press one can frankly say that the local press is playing an important role. National dailies are mostly read in the large cities, whereas the regional press is more popular in the countryside.

Competition is not only important for the number of titles and circulation of dailies, but is also influencing the content of the papers. Publishers wish to conquer the whole audience quickly and often choose the shortest way: they change the face, the structure of the newspaper. This mistake isn't only made by new publishers but also by those with long-standing tradition and experience. This is why the number and variety of titles is still increasing while at the same time, the circulation of each paper is going down. Publishers are working at a loss. This is the tendency today.

Another tendency that can be observed is the search by newspapers for their own face. Former advertisement leaflets begin to include not only ads but also some information and news from the regions. In this way, those newspapers get a structure that could be called a local newspaper.

In this period a lot of magazines of special interest (health, culture etc.) were published and also, daily newspapers started to include supplements (healthcare, youth, economics etc.) and some of these supplements even became separate.

Another tendency is that newspapers are increasingly trying to interact with the audience. This is the reason why there are more and more local dailies for communities and districts. Of course, the focus of these papers is on news from these communities or districts, but they also include a lot of information from other regions and nationwide news. The fight for a share of the readership is also bringing another tendency: newspapers are becoming flattering. The content of the newspapers shows this. Serious press has become more and more boulevard.

We know that quite a number of factors play a role in the popularity of a certain newspaper. For example, a population sticking to traditions is very much into reading regional papers. Or if a newspaper has a sense for what their readers deem important, thereby encouraging readers' trust in the paper, a title stays popular. But also the overall economic situation is influencing the circulation. If people hardly have money to buy food, they won't buy a newspaper.

In Lithuania there is no accountable institution that is collecting data on the circulation of newspapers. Advertising customers, politicians and employees of government institutions think that the results of market research show the actual circulation of print media. Unfortunately we know that this research does not always correctly reflect reality.

Legal Status of Journalists in Lithuania

Discussions on what qualifies one to be a journalist go on today not only in Lithuania, but also in foreign countries and there are quite a number of opinions on this. The variety of mass media and their differences are bringing up questions regarding the status of people working for journalistic media. In Lithuania it is at least legally defined what the information of the public and a journalist is. This is the reason why I do not only want to take a look at the traditional judgement and prevailing view on journalists but also at the legal provisions with regard to information of the public in Lithuania. The social changes that force journalists to change and also at the same time, call on society to alter the legal status of journalists will be considered.

Looking at modern mass media that often only strive for information and entertainment, some criteria seem to replace all other: as fast as possible, as much as possible and as funny as possible. Therefore, other important things are quite often forgotten.

The same standards that apply for other businesses can not be applied to mass media. In Lithuania there is no discussion on the topic of whether journalism is becoming just another cheap product. More and more examples can be found that show that it is becoming difficult to differentiate actual information from advertisement and from hidden advertisement, or to see the author's interest. Now, if the legal status of journalists in the information society is becoming unclear pseudo-journalism will emerge. If business interest takes the most important position, there won't be any room for independent and free journalism.

One of the most important guarantees for the independence and autonomy of journalists and other people from this sector is social and economic security. A liberal system of wage compensation would be an excellent instrument for owners of mass media to suppress journalists. Complete financial independence today is one of the biggest problems for the safeguarding of the status of independent journalists in Lithuania.

Professional groups' organizations of journalists are discordant and continue to split up further. Thus only the status of an independent journalist can be a real guarantee for a free press in a society. It is necessary to identify new professional standards to clearly define what a journalist is.

What has to be Changed

At the moment there are a lot of political and financial powers that carry influence in Lithuania that neither feel responsible, nor do they act in a responsible way. The system of self regulation of the press is weak. In many cases the owners of print media are editors-in-chief at the same time. This is to say that in Lithuania we have a free press but no free journalism. Until today we didn't have a single serious newspaper in Lithuania.

Only in 2003, the daily newspaper *Lietuvos Zinios* changed not only its face, but also its general direction into becoming a so called public service newspaper. This is a challenge not only for this paper but also for society.

On the level of government, the Ministry of Culture is in charge of the policy with regards to public information. In my opinion this Ministry, which has been totally passive up until now, should start to work effectively. For example, the system that mass media are obliged to give ownership information (which persons own how many shares) to this Ministry is still not functioning. Thus, the public cannot know the real owners of print publications and at the same time it is complicated to follow the concentration of the mass media.

5.7 Poland

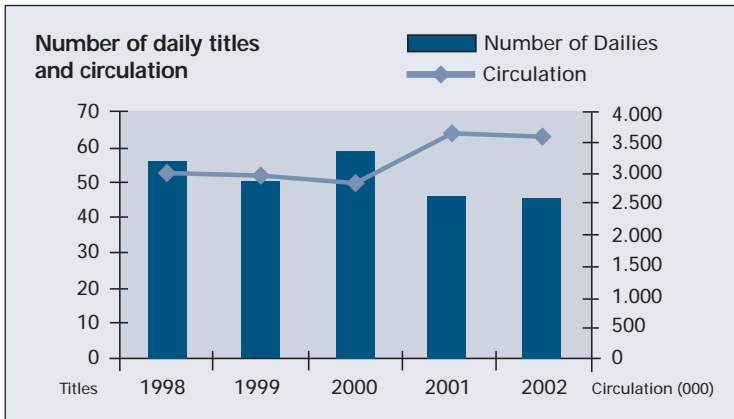
5.7.1 Country Report

Capital	Warsaw
Population 2003	(millions) 38.6
Average annual income 2001	(US\$) 4,230

Source: BBC Country Profiles

<http://news.bbc.co.uk/1/hi/country_profiles/default.stm>

In 1989, the development of independent media in Poland began. A new press law was passed and newspapers were privatized. As a consequence, foreign media companies began investing in Poland, resulting today in almost 80 per cent of the press being in the hands of foreign capital.⁹⁷



Source: World Association of Newspapers (2003) *World Press Trends 2003*.

⁹⁷ European Federation of Journalists, *Eastern Empires. Foreign Ownership in Central and Eastern European Media: Ownership, Policy Issues and Strategies* (EFJ, Brussels, 2003) 41.

Newspaper reach (%)

All Adults	31.7
Men	33.5
Women	27.0
MHS (Main Household Shopper)	16.8

Source: World Association of Newspapers (2003) World Press Trends 2003.

About 40 per cent of foreign investment in the Polish media goes to the press. The magazine market is dominated by German publishing houses like Axel Springer, Bauer and Gruner + Jahr that together hold almost 50 per cent of the colour magazine market. The daily newspaper sector is mostly divided between Orkla and Passauer Neue Presse (PNP).⁹⁸

The Norwegian conglomerate ORKLA SA embraces heavy industry, banking, chemicals, food products, brewing, investment, and chemicals. Orkla Media covers newspapers, magazines, new media, printing and distribution. It is the fifth largest media group in Northern Europe and the second largest newspaper group in Poland. Orkla also owns the Lithuanian daily *Kauno diena* (40,000). Orkla holds a 51 per cent stake of the Warsaw-based Presspublica which publishes the best-selling broadsheet national newspaper *Rzeczpospolita* (200,000). Orkla Press Polska owns full or a majority stakes in fourteen regional newspapers, including *Gazeta Pomorska* (105,000), *Gazeta Lubuska* (56,000), and *Nowa Trybuna Opolska* (105,000), the major daily of the Opole region.⁹⁹

PNP moved into Poland in 1994 when it acquired some regional dailies from the French Hersant group and founded Polskapresse. In 1996 the German group purchased 95 per cent of the shares in the Fibak Investment Group, publisher of two dailies. By now PNP owns 12 regional newspapers with sales of 1.3 million, printing plants and distribution services.

PNP owns 100 per cent of *Dziennik Zachodni* (95,000), *Express ilustrowany* (75,000), *Dziennik polski* (75,000), *Dziennik Bałtycki* (70,000), *Trybuna Śląska* (65,000), *Gazeta poznańska* (50,000), *Gazeta Krakowska* (40,000), *Gazeta Olsztyńska* (35,000), and *Gazeta Wroclawska* (30,000).¹⁰⁰

The Swedish company Bonnier is in a joint venture with Marieberg publishing the daily *Superexpress* and *Puls Biznesu* (20,700).¹⁰¹

The European Federation of Journalists sees a decline of quality and impartiality in Polish media due to the rapid growth in the last years. In order to cut down the costs, publishers often prefer to employ paid “amateurs” than experienced professionals. But lower standards go together with a widespread demand for sensational, entertainment-style journalism. EFJ reports that a big threat for independent journalism can be seen, although some observers think that foreign investors stabilize the Polish press and allow it to remain independent because the Western media companies are only interested in profit and revenue. Their owners are believed to rarely intervene in editorial content and political issues.¹⁰²

EFJ further reports that Poles regard the Orkla-owned newspaper *Rzeczpospolita* as very reliable, with high-quality information and analysis. In some cities, Orkla has invested in two dailies and has preserved the differences between them. PNP, on the other hand, aimed to unify the content and form of the titles it holds.¹⁰³

98 European Federation of Journalists, *Eastern Empires. Foreign Ownership in Central and Eastern European Media: Ownership, Policy Issues and Strategies* (EFJ, Brussels, 2003) 41.

99 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFJ, Brussels, 2002) 33.

100 Ibid. 43.

101 Ibid. 46.

102 Ibid. 48.

103 Ibid. 48.

October 22 2003 was an historic date for the Polish print media with the German Springer group launching the tabloid *Fakt* as the Polish equivalent to the most successful German *Bildzeitung*. Out went, according to one Springer representative, the dull and boring essayistic style of journalism remembering past days of communist one-party dictatorship, in came fast, hard hitting, sensational and entertainment style journalism.

It was the latest in a long series of attempts by Western and Northern European media giants to gain control at least over an important sector of the most interesting print media market in Central and Eastern Europe.

Rywingate

On 27 December 2002 Adam Michnik, editor-in-chief of the daily newspaper *Gazeta Wyborcza*, published a secretly taped conversation with film producer Lew Rywin from July 2002. In this conversation Rywin claimed to have support from “a group of people in power” and offered to lobby the government for a favourable media law that would allow Agora S.A., the publisher of *Gazeta Wyborcza*, to buy the private *Polsat* television. Rywin thereby tried to solicit a bribe of US\$ 17.5 million and said he was speaking on behalf of Prime Minister Leszek Miller, Michnik reported.

A parliamentary commission was established to examine this matter. In February 2003 the first person interrogated by that commission was Michnik, who said he believed Miller to be uninvolved and innocent. What is more, Michnik suggested during his interrogation that Polish Television chief Robert Kwiatkowski and member of the National Radio and Television Council, Włodzimierz Czarzasty (who were mentioned by Rywin as the people behind his bribe offer) had plans to privatize the second channel of the public *Polish Television* and might

have been interested in eliminating Agora as a potential buyer through embroiling it in a bribery scandal. On 10 February 2003 the parliamentary commission called for the suspension of Kwiatkowski and asked the prosecution for the right to look into Kwiatkowski's phone bills. However, the *Polish Television Supervisory Board*, which has the authority to suspend or sack Kwiatkowski, voted on 14 February to leave him in his post. Kwiatkowski himself stated that he could prove his innocence.

5.7.2 Survey Results

Since the end of communism no other CEE market has attracted so much attention from foreign media concerns as the Polish market has done. But differently to most other countries foreign companies have not limited their interest to national quality papers. The sector of regional and lately, even local daily newspapers has been targeted as well.

The reaction of Polish publishers to this cross-border threat has been to focus on securing their place in the market and to develop strategies for future domestic co-operations. This process has led to increased concentration of media ownership on all levels of the market.

When Polish media groups started to buy into the market segment of regional papers, foreign investors like the Bavarian group Passauer Neue Presse, focused its interest in the local daily newspaper sector, accelerating the process of media concentration even further.

Professional journalism has felt the brunt of this domestically and cross-border driven concentration process. Nevertheless, quite a number of the polled journalists think themselves to be considered rather as an asset by their publishers and editors-in-chief, not least of all out of marketing reasons: "Definitely an asset – the promotional path is that the paper is based upon well known publicists".

However, to stay within the narrowly defined borders of the editorial budget, publishers have started to use young and cheap "amateurs" as journalists rather than experienced professionals. Most of these newcomers have never had any professional training at all. The result has been that after the recent years of dramatic growth of the Polish print media market the traditionally high quality of journalism is in steep decline.

No wonder Polish journalists are beginning to take a more critical position towards the growing influence of foreign ownership over the national daily newspaper market. The introduction of internal statutes like the ORKLA principles or the Springer principles on guarantees for editorial independence is welcomed. At the same time Polish journalists experience the position of most foreign owners, who consider their presence on the national market just as an economic and totally non-political investment, as not enough to safeguard their essential liberties on editorial decisions and contents. The rising fear has been monitored among Polish journalists of ending up between the profit ambitions of their foreign owners and the direct or indirect political and/or industrial pressure from domestic sources. Many Polish journalists fear that their early impression of vital support for a free and independent national print media by foreign investors could in the long run turn out to be erroneous.

The Situation of Journalists in Poland

by Monica Wojcicka, Copyrights Manager, Polityka

In 1989 my adventure with journalism and media began. It has turned out to be a lifelong one, at least up until now. Those days, everybody was so excited by the mere thought that we were able to work for a free paper that we were not concerned with any limitations of this freedom that we might experience in the future. And little did we know!

After 14 years of untamed progress of the media business in Poland, the freedom of speech is just being taken for granted. If one looks closer at the media people, however, you can see that they face at least two major dilemmas in their everyday journalistic practice.

First, the question of loyalty. Fourteen years ago, journalists from the state run papers were closely identified with the paper they worked for. The new media were being created

by a mostly anonymous to the general public, yet intellectually challenging group of in spe journalists or those ones who only worked for underground publications. They lacked the experience of their, mostly older, colleagues or rivals, but they were enthusiastic.

Nowadays, the two groups are mixed together. As the ownerships of previously state run papers change and they become partly foreign owned publications and also, as the independently founded titles are being sold to the bigger media players, a journalist is supposed to be loyal to the current publishing management. That, in itself, may not mean that their personal journalistic ethics are being directly jeopardized. Alas, the times of wholehearted identification and the feeling of being a representation of “my” paper are being consequently blown with the wind of corporate movements. As it happens, the owners change and so does the managing staff.

A journalist has to be flexible with his or her writing, work-style and possibly business and political sympathies. My point is that, shouldn't a journalist be loyal to himself as a matter of principle? And, if so, how should he maintain this loyalty, if his current “owner” has different expectations towards his writing than the previous one?

The second issue is actually related to the former one and it's freelancing. In my current position, I communicate with journalists from countries all over the world on a daily basis. I deal with individual authors as well as with huge syndicates, selling various content. And from this I can see how far we, Polish journalists, are from the Western standards. It is unthinkable for a serious political commentator here to sell a column to two competing daily papers!

In spite of the loyalty crisis, the names are being still linked with the newspapers. However, it is common to drag a name from a competitor paper by paying him head over heels, but since then, the name may only appear under the new banner! What's more, it happens every so often, that one

may spot a name in an opinion weekly today, and in a month's time the very same name appears in a masthead of a tabloid daily.

Why is it not possible to publish in a weekly anymore? Given that the both do not belong to the same publisher, obviously. The answer lies in the contracts we're signing with the papers. The standard ones contain a special clause which bans an author from writing something that would run in a competitor's publication without a prior consent from the chief editors. The same applies to TV and radio station employees. Thus, it is up to the boss to declare who the competition is and whether you may or may not write for them.

Basically, there is nothing wrong in offering such a clause in the contract in exchange for something as important, for example, as a free selection of topics. In practice, it is not that simple. There may be materials never published or goals never achieved, there may be professional frustration. And a journalist can't take a moved-out text and publish it elsewhere. Does it deprive the mother-publication of any value? If a piece is unwanted in my paper, is it a sin to wish to publish it in another?

I am full of respect for those scarce ones who decided to go and start a one-person enterprise. They really took their career in their own hands. They are able to sell their "products" to anyone. The only trouble is that if one of those anyones discovered that the author sold his material to a competitor, there's a great possibility that the author would have to make a 0-1 choice in which publication to run his texts. It is one or the other, never both. Thus, there's no real freelancing in Poland. On a deeper level, I think it means that many of us are not able to follow our passions and interests, as they may not go along the current needs of our employer. It may also mean that many talents are still hidden underneath the news-of-the-day features, never to be revealed.

On a daily, practical basis there's no reasonable re-publications policy accepted among papers and magazines. Hence, there's no proper content syndication. Papers and magazines do not advise on the forthcoming materials. They fear their competitors. They do not try to re-distribute, resell or re-publish their content in other Polish publications.

A real freelancer who puts much effort and often painstaking research into his work wouldn't be able to survive in Poland. He wouldn't be able to earn his royalties for one feature published in several titles. Obviously, when there's a scoop, the glory goes to the original newspaper that had it. After that, however, there is no reason for other papers not to follow the track, re-publish the material and even start to investigate the matter on its own. Well, this is hardly imaginable here.

It may be that I am simply too naive and unsophisticated to comprehend it. It may be that the corporate, global policies are just above my level. But when I talk to a colleague who wants to make his inventive reportage and withdraws from the whole idea because the chief-editor wouldn't run it anyway, I just think it is unfair for such a potential to be wasted. Maybe some time, we will be able to write stories for foreign papers and make our own understand that there's nothing wrong in it.

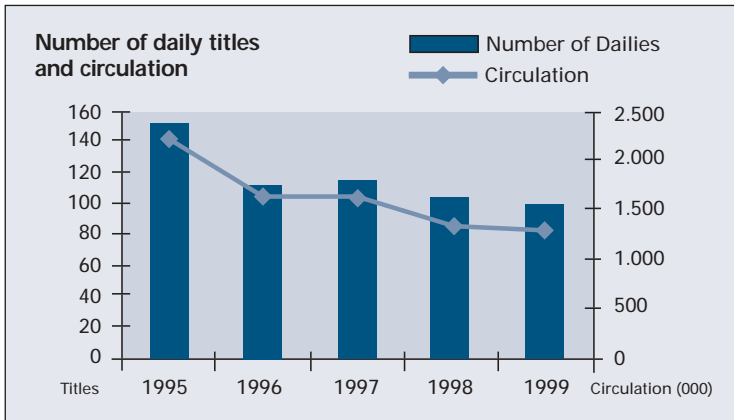
5.8 Romania

5.8.1 Country Report

Capital	Bucharest
Population 2003	(millions) 22.3
Average annual income 2001	(US\$) 1,720

Source: BBC Country Profiles
<http://news.bbc.co.uk/1/hi/country_profiles/default.stm>

The Romanian press reached a peak in terms of quantity in 1996 with 1887 published titles from which 106 were dailies and 1781 other periodicals. A small number of national dailies stand alongside a vital but financially difficult regional and local market.



Source: Romanian Mass Media – A short description.¹⁰⁴

104 The Romanian Embassy in London *Romanian Mass Media – A short description*
<<http://www.roemb.co.uk/MasterPages/news&media1.htm>>

Newspaper reach (%)

All Adults	15
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Source: World Association of Newspapers (2003) World Press Trends 2003.

There are over 20 daily newspapers published in Bucharest, most of them calling themselves national newspapers. However, only three or four can claim print runs and circulation over the 100,000 threshold. In the last several years local newspapers have increased their quality and readership. Their daily local or regional circulation varies between 2-3,000 and 30-40,000 copies. Romania has 40 counties with approximately 200 local titles of which 150 are daily and 50 weekly newspapers.

The market of national daily newspapers in Romania is now dominated by four companies, two Romanian and two foreign:

The number one national daily newspaper *Libertatea* (167,000) is owned by the Swiss media company Ringier. Ringier also publishes the financial weekly *Capital* and a number of women's and consumer magazines and TV guides. The second best selling national daily *Evenimentul Zilei* (110,000) was held by the German publishing house Gruner + Jahr, but it was sold to Ringier in October 2003.¹⁰⁵, decreasing the number of owners of national dailies from five to four.

The German WAZ holds only a 51 per cent interest in the daily *Trustul des Presa National* and a 50 per cent stake in *Romania Libera* through a joint venture with Trustul Mehrh.¹⁰⁶

Media Pro, a company owned by Adrian Sarbu, publishes the largest financial daily and owns besides the TV and radio station *Pro*, two printing houses, a distribution network and about 200 other media and non-media companies.

Jurnalul National (80,000) is the second national newspaper that is owned by a Romanian media house belonging to

Dan Voiculescu who is reported to be a former Securitate officer. He also owns the TV stations *Antena 1* and the radio station *Radio Romantic*.

The regional papers are especially suffering under pressure from local politicians and business. Advertisement revenue is low and regional dailies are dependent on adverts from State owned companies that are reported to often use their financial power to influence the editorial line of the paper. In the forefront of the 2004 elections 20 new regional dailies have already been founded.

“MOONING” THE ROMANIAN MEDIA

by Ioana Avadani, Director, Centre of Independent Journalism

Last week of October 2003: the workers in Brasov, protesting against the government, throw apples, milk bags and “moon” the journalists there to cover the rally. It’s the first time ever in the post-1989 history of the Romanian media that this has happened and it has a deeper meaning than a simple case of disrespect.

Ever since the toppling of communism, the media has enjoyed a high credibility and the glamour of the White Knight. They were perceived as the piercing eye, the loud voice, the scale of Justice and the last comfort of the afflicted. Year after year, media ranked high in the hierarchy of trusted institutions: coming third, right after the Church and the Army. The newscasters have been the indisputable leaders of the TV audience.

But something happened on the way to heaven. Less and less criticism appeared in the news, less and less investigative reporting, less and less opposition figures speaking their minds in the media. The hard news was replaced by the

105 *Der Spiegel* “Zeitungsgeschäft in Osteuropa an Ringier verkauft” (24 October 2003) <<http://www.spiegel.de/wirtschaft/0,1518,271343,00.html>>

106 European Federation of Journalists, *European Media Ownership: Threats on the Landscape. A Survey of who owns what in Europe* (EFI, Brussels, 2002) 21.

so-called “human interest” stories, selling well. The big issues of a nation in transition found themselves covered in an ever more schematic, one-sourced uninquisitive way. Sensationalism settled in to stay. News audiences started to shrink and in 2001, for the first time, entertainment programmes out-rated the newscasts. “People got tired of politics”, said the media professionals. Or did they?

What could have caused this change of heart of the Romanians? One should look for the answer in the economic environment, as well as in the journalists’ professional commitment.

With its over 22 million inhabitants, Romania is one of the biggest regional markets. Unfortunately, it is not one of the richest. Advertising amounts to some 7 USD per capita, a budget that could hardly feed the numerous media operations on the market. The print publications are in the vicinity of 1000, while broadcasts amount to 300. This creates a fierce competition which does not always observe the rules of fair play. It is not the fittest that survives, but the best connected.

As advertising money is not enough to go round, media operations should turn elsewhere for their survival funds. Most of them are kept alive by capital injections from their owners’ other businesses. Of course, this comes at a price – and this is called editorial protection for the owners’ profit-making business.

The situation is aggravated by the fact that the State is one of the important announcers on the advertising market. Public institutions and state owned companies have their own advertising budgets (in public money) that they distribute at their free will, despite there being such a thing as Public Procurement Law. Criteria such as circulation, penetration and readership profile are not observed, and in many cases public money advertising is a prize for obedience or friendly coverage. Recent research conducted by the Romanian Academic Society (an NGO) showed that the public institutions have no clear criteria on which they base

the allocation of their advertising money. In the same time, a media monitoring conducted by Media Monitoring Agency and the Center for Independent Journalism¹⁰⁷ showed that while the transportation sector is one of the most advertised sectors, it enjoys very little attention on the part of reporters¹⁰⁸. One can claim that the State is not that important a player in this game, as the official public money advertising expenses amount to only 1 per cent of the money on the market. The problem is that if the public authorities promote such a discretionary allocation of funds, they send out a strong message: lack of economic criteria is acceptable, advertising money is a reward, the media should “behave” in order to access it.

For the print operations, sales is the other legitimate but, alas, vulnerable source of funding. Sales are subject to authorizations from the public authorities when it comes to installing kiosks and allowing street vendors. All too often the authorities scrutinize the editorial content before issuing the authorizations. Focsani (Vrancea county) is a notorious case already. Here, the local council lifted the kiosks of the only critical newspaper, *Ziarul de Vrancea*, despite a judge order, leaving the newspaper with virtually no possibility to sell. This alone sounds outrageous. But what can be done when the mayor himself is a media owner in the same city, and owns also the local distribution network? Bacau and Constanta are two cities where this “worst case scenario” came to life.

The national distribution network is rather part of the problem than part of the solution. While there is no state owned print media, the distribution network, Rodipet, is still state controlled. Several reports from local publishers

107 As part of the Covering Corruption and Organized Crime programme, funded by the German Government under the Stability Pact.

108 Five national newspapers were monitored during July and August 2003. Out of the advertising run on public funds, 69% came from transportation companies running on public money. Meanwhile, only 6% of the articles revealing acts of corruption dealt with the transportation sector.

indicated that Rodipet applies a discriminatory policy, imposing tougher contractual provisions to “non-aligned” publications despite the competition law that prohibits such practices.

A couple of other facts add to the grim side of this picture: there is no legal incentive for the media industry, taxation is as high as for any other business. Of course, the “deserving ones” may receive tax re-scheduling, which creates – again – a misbalance on the market and benefits the obedient media.

Caught in this maze of restrictions, media do the best they can. Muting the criticism against the authorities is the first step. Eliminating any shadow of criticism is a step further – the extreme: singing praises to the ones in power.

There is still a bright point about all the mechanisms described earlier: they imply breaches of existing (even if imperfect) legislation. They can be spotted and eventually countered. With a tough civil reaction and duly blind Justice, the things can be corrected.

But what happened in Romania over the last years is part of a more worrying trend. Given their economic weakness, more and more media have been literally bought by people belonging or close to the political power. Wherever persuasion or pressure failed to silence the critical voices, buying did the trick. If you can't beat them, buy them – sounded like a general order all over the country. Buying businesses is a perfectly legal and legitimate operation. Buying media operations is no exception. Telling an owner what to do with their business is not part of the game. Media is no exception.

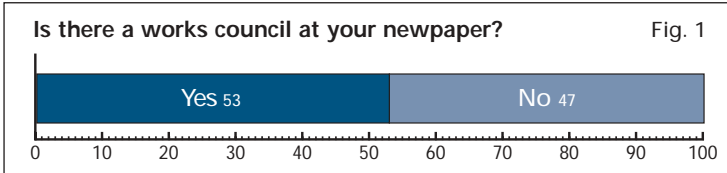
So, what is to be done when a vast majority of the local media (some voices say up to 80%) are owned by people belonging to the same interest group? What is to be done when they decided that obedience is the editorial policy? When the media agenda slides further and further away from the public agenda? When street protests get only a fraction of the coverage that a car crash gets?

These are the questions that the workers in Brasov answered in their own way. Their protest was aimed equally at the government and at the media which are no longer their witness, or their guarantee that their voices will be heard. “Mooning” the media may be spectacular enough to bring them 30 seconds of visibility, but it does not solve their problem.

In my humble opinion, the upcoming elections may be a bit more effective on this.

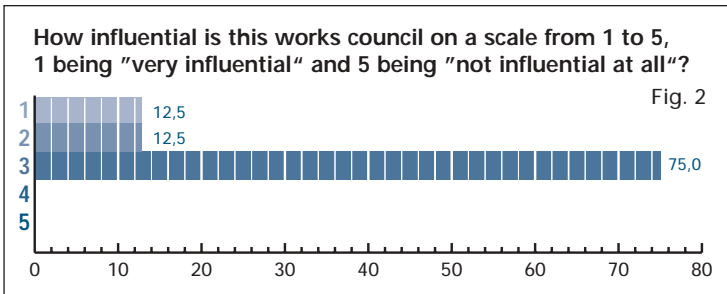
5.8.2 Survey Results

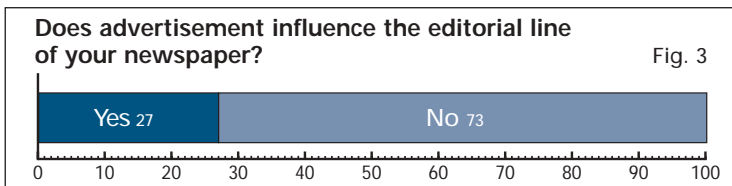
Although a small majority of the journalists asked have a works council at their paper the influence of these institutions is considered rather mediocre. (Fig. 1) However, there are no answers claiming that a works council would have “no influence at all”, as the following two graphs show. (Fig. 2)



In the next questions the answers from the survey sometimes vary considerably from the information gathered from face to face interviews with journalists, NGOs and other experts in Bucharest in September 2003. Two reasons for these different results seem most likely: either only journalists in a good position and with high ethical and professional standards have answered the survey in the first place, or many of the answers given do not display the actual situation but instead the situation as the journalists would like it to be.

In contrast to the face to face interviews the anonymous survey shows that nearly two-thirds of the asked journalists don't think that advertisement is influencing the editorial line of their paper. However, taking a look at the actual situation it



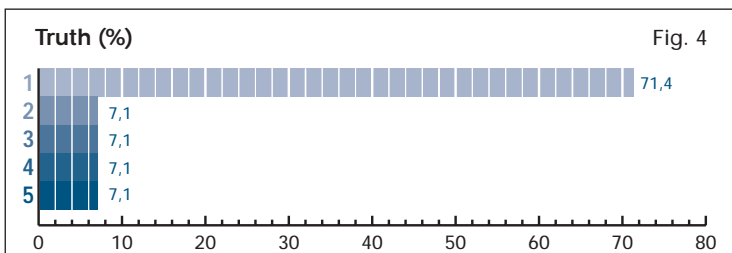


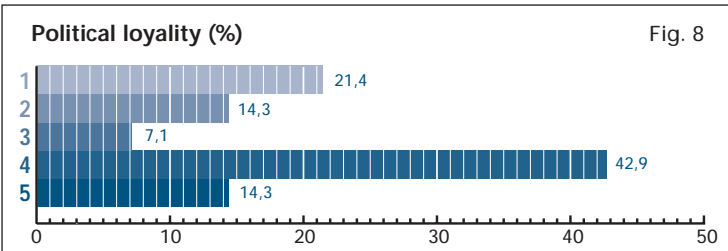
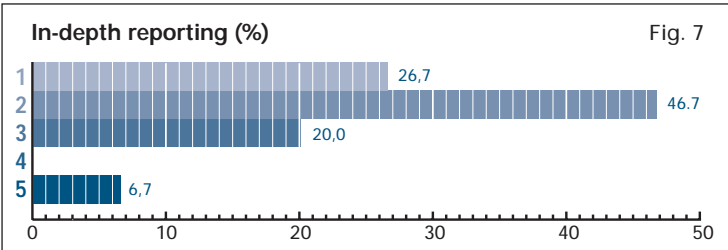
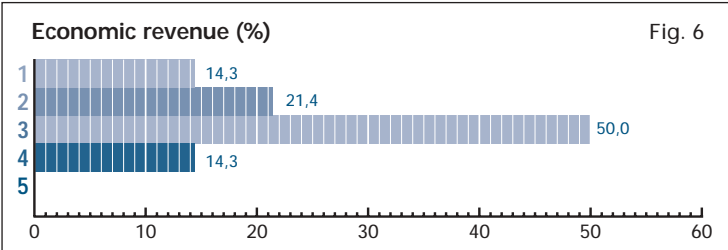
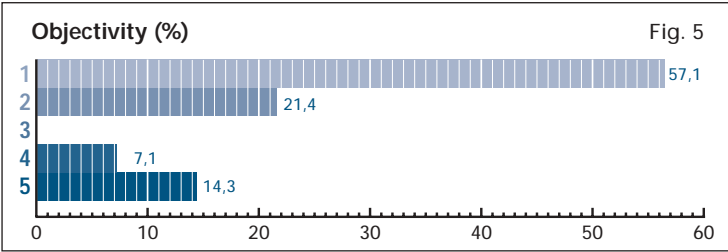
is reported that there seems to be quite some pressure by state owned and private companies regarding the allotment of advertisement budgets. Empirical evidence showing to what extent this allotment is dependent on the editorial line of the paper could not be clarified in this study, neither in the face to face interviews nor in the trend that the survey shows. (Fig. 3)

The next question, recalling nine different factors which might be of importance for the editorial line of the paper, again paints a picture of a media landscape in Romania with a high degree of professionalization and idealistic journalists.

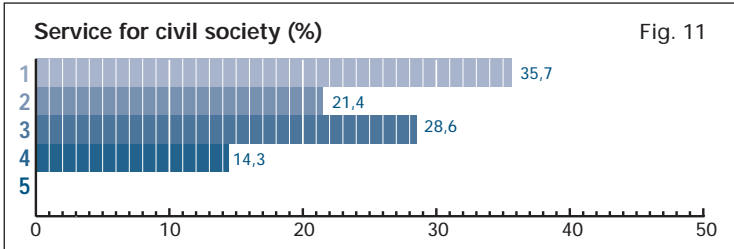
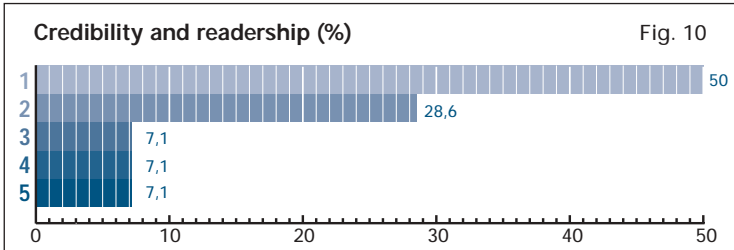
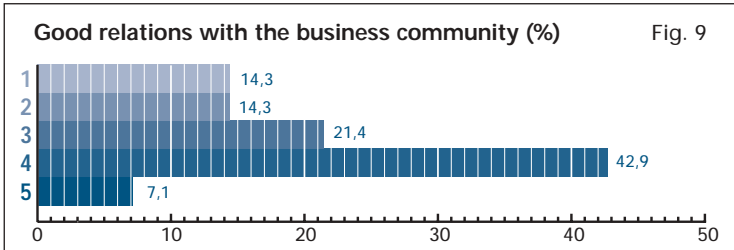
How important are the following criteria for the editorial line of your paper on a scale from 1 to 5, where 1 stands for “very important” and 5 stands for “not important at all”?

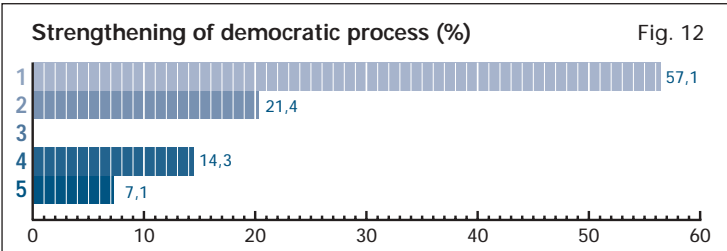
Both “Truth” (Fig. 4) and “Objectivity” (Fig. 5) were mostly considered “very important” by the Romanian journalists in our sample. However, while nobody thinks that the criteria “Truth” is “not important at all” this distinction is not as clear with the criteria “Objectivity”.



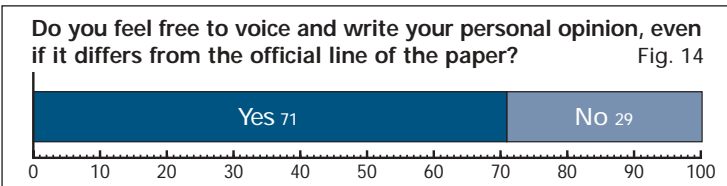
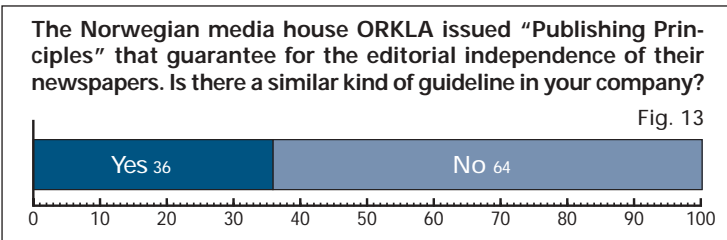


Although most journalists in the sample think “Political loyalty” is not important or “not important at all” there is a considerable contingent that even thinks that political loyalty is “very important” for the editorial line of their paper. (Fig. 8) Taking into account that some newspapers are owned by local politicians, mayors or founded in the forefront of elections, there is reason to believe, that loyalty is indeed a common criteria in the Romanian print media.

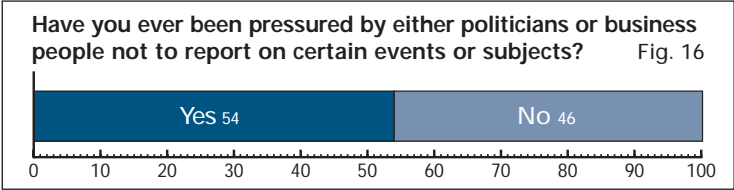
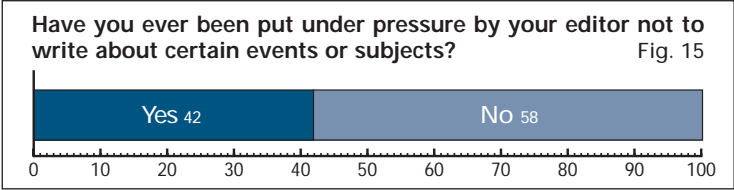




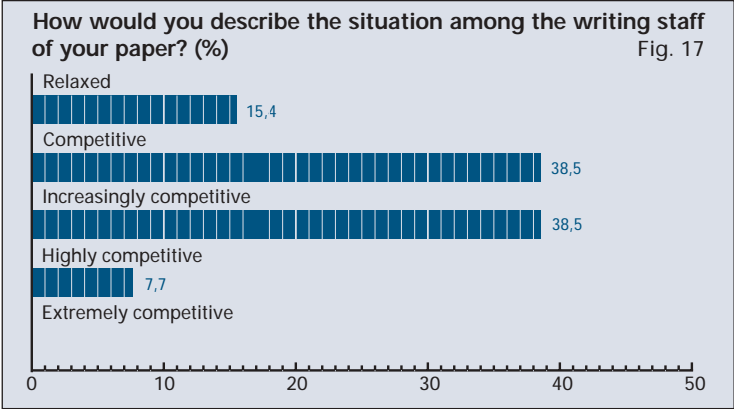
While only 36 per cent of the polled journalists have similar provisions as the ORKLA principles, (Fig. 13) the whole random sample (100%) would prefer to have guidelines that guarantee editorial independence. The number of journalists who have been put under pressure by editors might be a reason for this broad accordance.

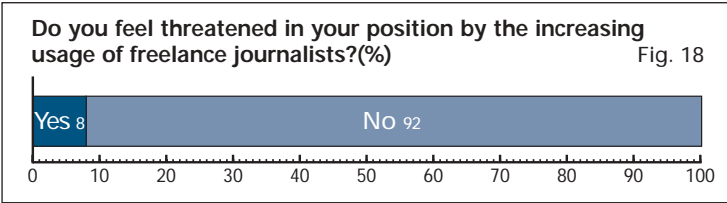


Although nearly two-thirds of the polled journalists feel free to voice and write their personal opinion, even if it differs from the official line of the paper, (Fig. 14) 42 per cent of the sample have been put under pressure by their editor not to write about certain events or subjects. (Fig. 15)

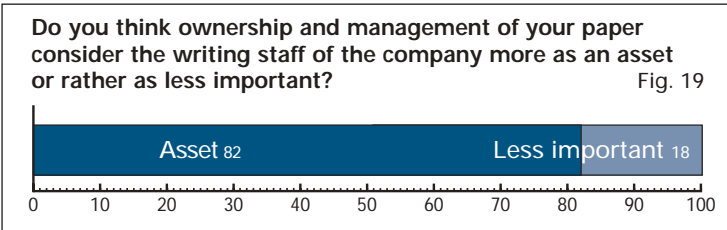


It is notable, and casts a significant light on the Romanian landscape, that while 42 per cent claim to be put under pressure by their editor, 54 per cent answer that they have been pressured by politicians or business people not to report on certain events or subjects. (Fig. 16) As face to face interviews confirm, there seems to be considerable influence from politicians, not only in the capital but also especially in the regional and local newspapers.





A particularity of the Romanian print media landscape is that there are next to no freelance journalists, which gives little reason to feel threatened by them. (Fig. 18) What is more, in some questionnaires a noteworthy concept of freelancers was expressed, as not being a danger for established contracted staff, but instead being high educated specialists, working wherever they are needed. Single questionnaires even stated that it is desirable to work as a freelancer.



Eighty-two per cent of the polled Romanian journalists think that ownership and management of their paper consider them more as an asset than as less important. (Fig. 19)

6. Conclusions

- Globalisation has not spared the European Media sector.
- Media concentration, as well as cross sector ownership and cross-border ownership are part of today's economic realities. Because of European integration and global reach of a small number of media concerns, these phenomena are bound to accelerate and will, consequently, become ever harder to control.
- Media law will never be ahead of technological developments and their economic consequences.
- There is no general pattern for how concentration, cross ownership and cross-border ownership occurs. Each market has its own specific developments.
- There is a clear distinction between market conditions in Western European countries and the emerging democracies in Central and Eastern Europe: While Western European societies since World War II had ample time to develop and strengthen free and independent media, CEE countries, after having experienced three generations of communist dictatorship are suffering from the dramatic absence of experienced and well-trained journalistic personnel, as well as the unavoidable structural difficulties resulting from socio-political transition processes.
- Regulatory, as well as political and ownership interventions meant to curb journalistic freedoms and independence, as can be observed in Italy, set bad examples for

emerging CEE countries with regard to the Freedom of the Media.

- The general situation of print media is becoming more difficult all over Europe due to economic recession and structural problems. Loss of advertisement revenue is one of the central problems of the print media.
- Especially in small and emerging markets it is becoming increasingly difficult to obtain sufficient financial means from domestic sources necessary for the continuing existence of privately owned and independent print media.
- Foreign investment in CEE print media markets can not be considered detrimental to Freedom of the Media and to journalistic freedoms in these countries per se. On the contrary, in many cases foreign capital has created the basic conditions for the print media to be free of domestic political influence and industrial pressure.
- Market concentration does not depend on the origin of capital. It can be equally domestically induced as well as caused by foreign investors.
- Concentration processes have to be, however, closely monitored. Horizontal concentration may cause dangers to media pluralism and diversity, while vertical concentration may result in entry barriers for new competitors.
- Professional journalism is bearing the brunt of the financial difficulties of media firms and consequently of media concentration.
- In order to safeguard free and independent print media and protect professional journalism as one of the cornerstones of constitutional democracy it would be recommendable to:
 - Develop instruments to help print media companies in creating a sound financial and economic base in order for

them to be protected against undue external influences. This could be done by reductions for taxes on paper or VAT as has been practised for a long time in many OSCE countries.

- Develop guiding principles for the editorial independence of editors and professional journalists from both pressure from the publisher and the political and/or industrial arena. Such principles should be developed in close cooperation with publishers and professional editorial staff and should, once introduced on a voluntary basis, be binding and therefore legally enforceable. The already existing principles established by the OSCE Representative on Freedom of the Media and signed by the German WAZ group and the Norwegian publishing house Orkla could be taken as valuable examples.
- Facilitate and offer counsel to media companies willing to introduce voluntary guidelines for editorial independence similar to principles established, for example, by Orkla, Springer and WAZ.
- Increase the “market value” of professional journalists by strengthening their intellectual property rights and notoriety, making it obligatory to identify individual authors of articles by publishing their full names.
- Strengthen the bargaining position of professional journalists and their right to choose their employer freely by making, in the case of changing jobs, the contributions to company pension schemes transferable to other media companies.
- Guarantee professional journalists sufficient salaries, social security and pensions in order to eliminate their economic dependency on additional income from other sources, thus safeguarding independent and impartial journalistic work.

- Create in all OSCE participating States independent institutions to monitor the implementation and observance of all laws and regulations regarding concentration processes, media pluralism, content diversity and journalistic freedoms. On the national level these institutions should have the right to legal enforcement and media market internal sanctions. They should report on progress once a year to the OSCE Representative on Freedom of the Media.
- Create an electronic database on the situation of Freedom of the Media in each OSCE participating State at the Representative's offices in order to enable governments, multinational and international institutions and non-governmental organizations to monitor progress.

Annex

Questionnaire

Principles for Guaranteeing Editorial Independence
Proposed by the OSCE Representative on
Freedom of the Media

Springer Principles

ORKLA Principles



**Organization for Security and Co-operation in Europe
The Representative on Freedom of the Media
Freimut Duve**

**Consequences of Media Concentration
on Professional Journalism**

Questionnaire

Over the past decade the European Media have experienced some fundamental changes.

Decisive for the historically unique chance to create a Europe wide network of free, independent and pluralistic media were the regime changes in Eastern and South-Eastern Europe.

At the same time, the opening of those markets has accelerated the sometimes disturbing trend of media concentration all over Europe. This has been particularly evident in the print media sector.

While the economic and social implications of concentration in the print media have been researched extensively, little or no attention has been paid to the impact of such trends on professional journalism itself.

Recognizing this gap, the OSCE's Representative on Freedom of the Media, Freimut Duve, has commissioned an in depth research study into the consequences of media concentration for professional journalists in the daily newspaper markets in selected OSCE participating States.

The list of countries includes Finland, Germany, Hungary, Italy, Lithuania, Poland, Romania and the United Kingdom.

We would, therefore, like to ask you to participate in this research by answering the questionnaire attached to this letter. Your answers will form part of the database for our investigation.

Naturally, all information provided will be treated confidentially and will be made anonymous. There will be no way to trace back a link to individual persons.

And, of course, if you don't feel comfortable answering this questionnaire in English, you may use your own language.

Thank you very much for your co-operation.

Johannes von Dohnanyi

Project Manager

1. In which country are you working?

Finland Germany Hungary

Italy Lithuania Poland

Romania United Kingdom

Other _____

2. Please give a short description of the newspaper you are working with. *Text max. 600 words*

3. The newspaper you are working with is published

Daily

Weekly

Periodical

4. The newspaper you are working with is published

Locally

Regionally

Nationwide

5. What is the circulation of your newspaper?

Text max. 100 words

6. Who are the owners of the newspaper?

Text max. 600 words

7. Is there a works council at your newspaper?

Yes No

8. How influential is this works council on a scale from 1 to 5, where 1 stands for “very influential” and 5 stands for “not influential at all”?

Very influential

1	2	3	4	5
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 Not influential at all

9. Does the newspaper have some kind of political or ideological affiliation? *Text max. 600 words*
10. What is your current position?
- Full time staff writer
 - Freelancing professional journalist
11. When did you receive your last pay rise?
Drop down: 1985-2003
12. How many jobs have you held over the past 10 years?
Drop down: 1-15
13. Are you holding an exclusive work contract with this publishing house?
- Yes
 - No
14. Does your employing company hold stakes in other media enterprises?
- Radio
 - Television
 - Other: _____
15. Do you have to work for other media owned by your employer? If yes, please give a detailed answer on the nature of the additional job, on extra payment and related benefits. *Text max 600 words*
16. Does advertisement influence the editorial line of your newspaper?
- Yes
 - No

Please specify _____

17. Who defines the editorial line of your newspaper?

Text max 100 words

18. How important are the following criteria for the editorial line of your paper on a scale from 1 to 5, where 1 stands for “very important” and 5 stands for “not important at all”.

1 very important - 5 not important at all	1	2	3	4	5
Truth					
Objectivity					
Economic revenue					
In-depth reporting					
Political loyalty					
Good relations with the business community					
Credibility and readership					
Service for civil society					
Strengthening of democratic process					

19. The Norwegian media house ORKLA issued “Publishing Principles” that guarantee for the editorial independence of their newspapers. Is there a similar kind of guideline in your company?

Yes No

20. Would you favour guidelines like this?

Yes No

21. Which qualities of professional journalism do you consider career enhancing at your paper? *Text max 600 words*

22. Which qualities of professional journalism are an obstacle to professional advancement at your paper?

Text max 600 words

23. Do you feel free to voice and write your personal opinion, even if it differs from the official line of the paper?

Yes No

24. Who decides on events and subjects for you to write about?

Drop down: Owner, Board of Directors, Editor-in-Chief, Desk Editor, Political Lobbies, Industrial Lobbies, Yourself

25. What happens if the results of your researches are not in line with the official line of the paper? *Text max 600 words*

26. Have you ever been put under pressure by your editor not to write about certain events or subjects?

No Yes

27. Have you been pressured by either politicians or business people not to report on certain events or subjects?

Please give details.

No Yes

28. How would you rate the support and protection by journalist unions in case of external pressure on a scale from 1 to 5, where 1 stands for “very supportive” and 5 stands for “not supportive at all”?

In case of external pressure

1	2	3	4	5
---	---	---	---	---

In case of internal pressure

1	2	3	4	5
---	---	---	---	---

29. How would you describe the situation among the writing staff of your paper?

- Relaxed
- Competitive
- Increasingly competitive
- Highly competitive
- Extremely competitive

30. Please explain the means by which owners/editors try to raise the level of competitiveness among journalists.

Text max 600 words

31. Do you feel threatened in your position by the increasing usage of freelance journalists?

- Yes No

32. What do you think makes freelance journalists so attractive for publishers? *Text max 600 words*

33. Do you think ownership and management of your paper consider the writing staff of the company more as an asset or rather as less important? Please give details.

Text max 600 words

34. Has the role of the writing staff within the company changed over the past 10 years? Please give details.

Text max 600 words

Principles for Guaranteeing Editorial Independence

Proposed by the OSCE Representative on Freedom of the Media

Over the past years, foreign companies have started investing in the media in the emerging democracies. In several countries, foreign ownership is generally high with control exercised over the majority of the print media. In the history of Europe's constitutional culture media play an important and indispensable role for the development of our democracies. The role and therefore the responsibility of the owners of journalistic media go far beyond other market oriented industrial products. In some Western democracies this difference is marked by special tax allowances. These are the reasons why the OSCE Representative on Freedom of the Media is monitoring the situation closely. In general he does not get involved in cases where foreign ownership of media is in line with domestic legislation. However, potential reasons for concern exist, especially regarding the editorial policies of the journalistic media in light of the often-fragile state of democracy and rule of law. On the other hand freedom of the media can be strengthened by investments in the media.

The OSCE Representative on Freedom of the Media has approached media companies with international business interests to agree to observe the following principles:

- The ownership structure of all journalistic media, including those that are partly or solely owned by foreign investors, must be known by the public.
- On the editorial independence of the journalistic media, a common code of conduct should be reached between the staff and the board of directors on basic journalistic principles.

- This common code of conduct shall at least contain the following principles:
 - standing up for human rights
 - standing up for the fundamental democratic rights, the parliamentary system and international understanding, as laid down in the United Nations Charter
 - fighting totalitarian activities of any political tendency
 - fighting any nationalist or racial discrimination
- Any institutional political affiliation of a journalistic media should be clearly and publicly stated.
- Should cases of the dismissal of editors-in-chief be controversial, they could be brought before the Representative on Freedom of the Media who would, upon request by one of the parties involved, act as arbitrator, which shall be limited to journalistic matters. He or she would speak out in favour or against the dismissal on the basis of the journalistic principles referred to in the mandate¹. This, however, shall not affect the right to dismiss the editor-in-chief for serious non-journalistic reasons. Furthermore, it shall not exclude the ordinary jurisdiction.
- Where a company holds more than one title, it commits itself to safeguarding journalistic independence and plurality as a contribution to democratisation and to strengthening freedom of the media.

1 "The OSCE Representative on Freedom of the Media may at all times collect and receive from participating States and other interested parties (e.g. from organizations or institutions, from media and their representatives, and from relevant NGOs) requests, suggestions and comments related to strengthening and further developing compliance with relevant OSCE principles and commitments, including alleged serious instances of intolerance by participating States which utilize media in violation of the principles referred to in the Budapest Document, Chapter VIII, paragraph 25, and in the Decisions of the Rome Council Meeting, Chapter X. He or she may forward requests, suggestions and comments to the Permanent Council recommending further action where appropriate".

Guidelines to Safeguard the Independence of Journalism at Axel Springer

Preamble

The editors of Axel Springer AG are aware of their responsibility for providing information and shaping public opinion in Germany. Independence is essential as a basis for their work. The guidelines are a concrete expression of Axel Springer's understanding of the journalistic principles set forth in the Press Code of the German Press Council. Adherence to these guidelines by all editors in their journalistic work safeguards the overall conditions that enable independent, critical journalism at Axel Springer. The chief editors are responsible for adherence to the guidelines and their implementation in day-to-day work.

Advertising

Point 7 of the Press Code requires publishers and editors to make a clear distinction between editorial text and advertising copy and points out the need to adhere to the regulations for paid advertising.

The journalists at Axel Springer

... shall ensure, together with the management of the publishing house, that a distinction is made between advertising and editorial material. Advertisements must not create the impression, through their overall design or major components, that they are part of the editorial material of the title. Special attention must be given to using different typography. If there is any doubt, the advertisement must be marked as such clearly and in sufficiently large type.

... shall resist attempts by advertisers or interested parties to influence content, and enter no agreements that might jeopardize their independence as journalists.

Merchandising campaigns and media partnerships must be identified as such where necessary.

Personal and business interests

It is part of the responsibility of the press towards the public that journalistic publications should not be influenced by the personal or business interests of third parties or the personal financial interests of the editors themselves.

This is the subject of Points 6 and 7 of the Press Code.

The journalists at Axel Springer

...shall not report on persons with whom they have a close relationship, especially family members, in the form of copy or photographs unless there is an objective reason for doing so that has been approved by the writer's superior.

... shall not use their reporting to obtain benefits for themselves or others.

...shall consult their superior if membership of or the holding of an office or a seat in a society, political party, association or other institution, investment in a company, permitted side-line employment or a relationship with persons or institutions might create the impression that the neutrality of their reporting on such societies, political parties, associations, persons or other institutions is thereby impaired.

...shall take special care to meet the legal and professional obligations of the press with regard to inside information as set forth in the German Press Council's publication "Journalistic ethics concerning inside and other information with a potential effect on security prices".

Invitations and gifts

Point 15 of the Press Code is concerned with personal benefit as a danger to independent journalism. Even the appearance that journalists' freedom of decision might be impaired by the acceptance of invitations or gifts should be avoided.

The journalists at Axel Springer

...shall ensure that all costs (travelling expenses, entertainment etc.) incurred in the course of their research are paid

by the editorial department. Any exceptions must be approved by the chief editor.

...shall not accept any gifts that constitute a personal benefit or, if it is impossible to refuse them, shall pass them on to the company, which will then give them to a charity.

Treatment of sources

The journalist's duty of care in the treatment of information sources is extremely important for journalistic work and the public's opinion of the press. Point 2 of the Press Code regulates the treatment of sources in addition to the existing legal provisions.

The journalists at Axel Springer

...shall in all cases make sure that interviews are authorized verbally or in writing by the person interviewed, even if time is very short.

22 August 2003

Orkla Media's "Publishing Principles":

"Orkla Media is dedicated to defending freedom of speech, freedom of information, freedom of the press 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".

Researchers

Johannes von Dohnanyi – a German-American journalist who, for more than 25 years, has been working as a foreign and war correspondent for various newspapers, magazines and TV broadcasters. Von Dohnanyi was born in 1952 in New Haven, Conn./USA. Upon finishing his university degrees in Economics and Political Sciences he was posted in Italy, South East Asia, the Balkans and Brussels.

Christian Möller M.A. – a project assistant in the Office of the OSCE Representative on Freedom of the Media. Before that he had worked from 1999 for the *Unabhängige Landesanstalt für das Rundfunkwesen* (ULR) in Kiel, one of Germany's federal media authorities. He holds an M.A. in Media Studies, German Language and Public Law from Christian Albrechts University, Kiel and is currently working on his doctoral thesis on the effects of technical innovation on freedom of expression on the Internet.



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