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Media privatization and democratization in Central-Eastern Europe

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Introduction

While the rebirth of civil society in Western Europe is typically related to the processes of informatization and global economic restructuring, the importance of civil society in Central and Eastern Europe is rooted in “radical” civil movements mobilized against the state-party system and its monopolistic economic and political power. In the West, the distinction between the state and civil society is normatively aimed at the restoration and revitalization of the already achieved level of democracy or, at least, against the erosion of an already existing civil society. In Central and Eastern Europe, however, it was and still is primarily aimed at legalization of democratic grassroots movements, i.e., at the (re)creation of civil society which has been largely abolished by omnipotent socialist states. These efforts go back to the fifties in Hungary, the sixties in Czechoslovakia, and the late seventies in Poland, as well as to a number of democratizing projects in Yugoslavia. In different ways, these efforts mobilized social actors, either by bypassing of institutionalized “public sphere” (Communist Parties and parliaments) or by reforming it “from above”.

The media played an important role in this historic battle in two senses. In a number of countries, particularly in Poland and Yugoslavia, there were agents of revolutionary political changes. At the same time, in all Central-Eastern European countries, revolutionary changes were aimed at transformation of the party- or state-owned media. Even more, in one way or another, all the central questions of transition of these societies pertain to the media: the role of the state and civil society, the question of democratic pluralism, problems of denationalization and privatization of the means of production, the quest for sovereignty and, of course, the liberalization of the media systems themselves.

Before the late 1980s, media policy throughout Eastern Europe was rather simple. State responsibility for broadcasting had been legitimized in terms of political, educational and cultural importance of radio and TV to society (and, of course, the state). Broadcasting was severely limited by state restrictions and control, justified as being necessary because of technical standardization, scarcity of frequencies, and special national priorities (army, police, etc.). With very rare exceptions, as those in Yugoslavia from the 1970s onwards, national, regional and local broadcasting were directly controlled by the state and/or the Communist Party, financed by licence fees and partly by advertising and direct state subsidies.

All forms of control have been aimed at maximizing the role of the media in popularizing the ruling ideology and state policy. Although state control of newspapers was not so rigorous, "alternative newspapers" (i.e., those opposing the existing power structures) were marginalized. Opinions dissenting from the official attitude were repressed by preventive censorship and repressive penal legislation. The legislation in most socialist countries provided for a system whereby the author could be punished for publication of opinions criticizing constitutional order, political institutions and leaders, or stimulating public disorder. No genuine public opinion in the sense of "the public expression of agreement or dissent concerning institutions" (Bobbio 1989, p. 26) existed; the sphere of civil society was almost entirely absorbed by the state. Nevertheless, strong public political dissent, generated within a rising civil society, progressively spread from the "oppositional public sphere" and its semi-public communication channels to the "national" (official) media.

During the late 1980s, the endeavours aimed at social liberalization have succeeded. Peaceful revolutions in the region introduced radical political, and partly economic, changes. One of the most interesting theoretical and practical clues they provide is the importance of autonomous social spaces devoted to communication as generators of democratization. The media became of vital importance in the wake of popular movements which may not have succeeded without them. As in all modern democratic revolutions, the call for freedom of the press was vital. Democratic elections and legalized freedom of the press which locates it in the individual citizen rather than in the nebulous "society", mark impressive political changes in these countries.

Apparently, these changes mean a break with the former media policy based on party/state subsidies as the main economic strategy and party/state control (and censorship) of the media as the main issue-oriented strategy.

The two strategies are not necessarily interrelated; for example, a move away from subsidy may even increase state control of the media. Both the political and economic changes and challenges to democratization in Central-Eastern Europe have contradictory consequences; what final shape the political and economic reforms will take is still controversial. Two years after the overthrow of non-democratic governments many obstacles to a genuine democracy still exist, partly due to the persistence of the remains of a previous non-democratic environment, and partly because of the reproduction of old patterns of behaviour in the new political and economic environment. The rapid changes in which new systems emerge in East-Central Europe are extremely dynamic and contradictory, but they certainly have some central features in common.

New power actors and the media

Most of the current debates in Central-Eastern Europe about the reorganization of the communication sphere, particularly broadcasting, are inspired and guided by similar debates in the West. While the last forty years have been characterized by intensive endeavours of socialist countries to find their “own way”, even if they have not been very successful, including the idea of a “socialist civil society” (e.g., in Poland and Yugoslavia), the newest developments go in the direction of a mere imitation of industrialized countries. The policy of liberalization and privatization has already affected the press, but broadcasting is still largely state-controlled. Government control of television and economic problems faced by the print press remain major obstacles to media freedom in Central-Eastern Europe. These contradictory efforts toward defining a new role of the print and electronic media are also reflected in parliamentary controversies on de- and re-regulation of the media, and the definition of the nature of democracy. Although freedom of the press is everywhere declared as the legal foundation of the new democratic system, there are a number of difficulties in this principle in practice. But, as Williams put it, “all proposals for new systems appear abstract, and at times unconvincing, because *it is only when they are put into practice that they can be felt to be real*” (Williams 1976, p. 133; italics added).

The “civil society paradox” (Giner 1985) in Western Europe exists in the *parallel restructuring* of the state and civil society, where the state, although it wants to dominate civil society, cannot avoid protecting its autonomy. On the one hand, the state pervades civil society by the

“publicization of the private”, mainly through the regulation of economic relations. But on the other hand, civil society pervades the state as well, thus “privatizing the public”, through the growing political power of large economic actors.

In post-socialist Central-Eastern Europe, however, the revitalization of civil society is (again) blocked because of *the absence of corresponding reforms of the state*. It is paradoxical that civil society, after having overthrown the old undemocratic regimes, lost its own autonomy in this historical battle. Decisions of public consequence are, as they were in the former system, removed from the public, and the citizens lose their ability to participate in political processes. The access of both oppositional parties and, particularly, autonomous groups from civil society to national broadcast media is being limited. Non-political issues are politicized, and the parliamentary mechanisms of party pluralism and formal democracy are considered the only legitimate way to articulate the interests and opinions in “society”, while non-institutional arrangements of civil society are ignored.

The abolishment of direct forms of state intervention into the economy makes the rebirth of civil society possible, but a partial disengagement of the state is not a sufficient condition for this. The new power actors (governments and political parties in power) in the former socialist countries still tend to reproduce the old form of hegemony based on the new, but still exclusive (anti-Communist and nationalistic) ideology, not readily admitting adversary power actors and civil society to participate in decision making and to control the activities of the state. The access of both oppositional parties and, particularly, autonomous groups from civil society to national broadcasting media is being limited. Similarly to the old power structures, new authorities are not willing to surrender any part of broadcasting, particularly television, to groups they consider as “oppositional”, “leftist” or “communist”.

Introduction of market mechanisms, new forms of management, and the inflow of foreign capital are considered the conditions of both the economic restructuring and modernization, and political pluralization and democratization. The Communist Parties in Central and Eastern Europe failed to reform their systems which denied “any difference between political and social power, public and private law, and state-sanctioned (dis)information and propaganda and freely circulated public opinion” (Keane 1988, p. 2). The merger of economic and political power in the hands of the state produced a totalitarian, self-obstructing system. In short, the autonomy of civil society had been “replaced” by an all-in state. At the same time, the ineffectiveness

of socialist economies led to the decay of these countries as typical *peripheral* entities unable to collaborate (let alone to compete) with the core of the developed countries.

New political elites in Central-Eastern Europe generally rejected state socialism and tried to introduce capitalism; consequently, we may expect a total reorganization of society around the logic of capital and market place. A few years ago, the entry of private capital in the arena was politically and ideologically unviable. When discussing “informatization and restructuring of Soviet society”, Chereskin and Tsalenko (1989) still pointed to “possibilities and specific features of socialist economy” and rejected capitalist market economy. Now, however, it is believed that these tasks may be assumed only by private companies which may be prepared to supply telecommunications services and to satisfy the demand which far exceeds the supply.

Although the new Eastern European governments are not seeking full-scale privatization at once, *privatization* is considered the necessary and essential condition to increase the level of productivity and the amount of surplus; to help governments to spend less money on public welfare and services; to achieve disengagement of the state in the economy; to attract foreign capital; and to decentralize and diversify the economy. Private property is considered as “the most important factor of production” (Bajt 1991, p. 454).

Contemporary attempts of privatization in former socialist countries can be challenged from three main perspectives:

- (1) The nature of privatization with the dominant role of the state contradicts the proclaimed quest for democratization of society and the state;
- (2) Privatization forced by the state is primarily aimed at redistribution of the wealth rather than at a more effective economy;
- (3) The succeeding of transplantation of Western capitalism and private ownership in post-socialist countries is limited by indigenous social structure (and “super-structure”) of these societies.

In contrast to capitalism, political and economic activities in former socialist countries are still largely monopolized by the state. Contrary to the new dominant liberal philosophy of privatization, both economic and political activities are in practice still largely controlled by the state, due to

the absence of any indigenous commercial class. The policy of liberalization and privatization in communications mainly applies to the press and local broadcasting. Some newly established newspapers and magazines are strictly private business; some are in a limbo-like condition between state ownership and privatization; others remain firmly in state hands (Dennis and Heuvel 1990, p. 7). At the same time, national broadcasting organizations were largely renationalized and put under the direct governmental control. The same applies to printing facilities and distribution systems for both the press (e.g., the post) and broadcasting (transmitting facilities are state-owned everywhere in Eastern Europe). The reason for such a contradiction is quite evident: "Privatization" is often used as a *metaphor* to indicate (or to conceal) some dimensions of much more complex socio-political realities. As, for example, Sparks argues, "privatization" does *explain* only a small part of contemporary restructuring of media systems in Western Europe:

The most substantial changes in the electronic media have nothing to do with a shift from the public to the private. Rather they are the result of a series of *policy decisions* which cut across the structure of privately and publicly owned broadcasting institutions alike. In the case of the press, the search for privatization leads us to ignore the real changes going on (Sparks 1991b, p. 24; italics added).

Privatization is not only a question of a more effective economy, due to the fact that private ownership of means of production is certainly not the most important factor of production (Bajt 1991). Neither it is only a question of ideological legitimation, as Garnham (1985, p. 13) argued in the case of the governmental decision to sell a majority shareholding in the British Telecom to the private sector, which had, according to Garnham, "everything to do with the *ideology* of the Conservative government but nothing to do with its *telecommunication policy*". This does not imply that the ideological dimension of the question is irrelevant. On the contrary! The ideological dimension of privatization can be proven by the French case where, contrary to the United Kingdom, the public service model has a long tradition (e.g., centralized education, France Telecom) and "this involvement is a central issue in public policy: *ideological* and *political* faith in the efficiency, both political and economic, of the public sector is so strong that it is very difficult to imagine the next move toward deregulation in France" (Colas 1991, p. 87).

Nevertheless, in addition to ideological legitimation, it is even much more important that contemporary privatization policies in Eastern Europe

are mainly related to the question of the *redistribution of political power and control* over economy and aimed against the “red managers” (Mencinger 1991, p. 23). They are – once again, and similar to nationalization performed by the former socialist state – aimed at establishing a new social structure by political force in the hands of the state. The new state is trying to “reform civil society” from above without institutional reforms of the state and without autonomous restructuring of civil society. While in Western countries private ownership is – together with the market – the most prominent characteristic of civil society, privatization of property in post-socialist countries is a *political feature*, the question of revolutionary changes toward a future “ideal society” designed by the political will of the revolutionary avantgarde in order to materialize its “historical project”.

In this respect, no fundamental difference exists between the former socialist and the new post-socialist ruling elites. This may help us to understand why the new political elites everywhere in the (former) socialist countries are so eager to regulate the transition from the former (socialist) into the new (post-socialist) systems “mechanically” rather than “organically” (Rus 1991, p. 510). As formerly the (socialist) state was planning in a very “exact” way the periods of time needed for transition from one stage of the socialist development to another, now the (post-socialist) state would like to break with the old system overnight, regardless of the consequences this shock therapy may have for society.

Contrary to the West, new Eastern European governments still operate in the same way as the former Communist governments – as the dominant, both political and economic actors, because no indigenous commercial class exists, neither does a genuine process of privatization within civil society. Political and economic activities are still largely monopolized by the state. Consequently, no clear borderline is established between political (power) and economic aims (profit), and this is typically the case with the process of privatization. The process of privatization conducted by the state may be considered as a kind of “*social engineering*” that is compatible neither with the legal state nor with civil society.

Although privatization is firmly against the former authoritarian or paternalistic (state) control, it cannot genuinely democratize communication processes because it retains the control in the hands of a minority rather than the “people”, and reduces the “public interest” to the interest in the maximization of profit. Whatever the role of “invisible hand” of privatization and market forces, many more factors producing contradictions and inequalities have to be “controlled” to establish more effective economic

systems, or to explain the role of civil society in recent political upheavals in Eastern Europe. The ideas of reformability of socialism into “market socialism” (Przeworski, 1991), the traditional role of the absolutist state in Eastern Europe which – in contrast to Western Europe – developed earlier, lasted much longer and “nationalized” society (Szucs 1988, pp. 316–318), significant cultural differences, rising contemporary nationalisms and chauvinisms are certainly such factors. As Rus points out,

A mechanical inauguration of a new ownership structure has no chance to produce positive results unless it is accompanied by the emergence of a new culture – as we cannot imagine the emergence of capitalism without a simultaneous, or even previous birth of the spirit of Protestantism and liberal culture (Rus 1991, 510).

Even more, as Bajt (1991, p. 454) argues, “private property is the *only factor* whose absence still makes production possible”, while it is not possible without labour, or land, or management in commodity-based economy, or without inventing. In particular, the form of property cannot be the most important economic factor under conditions of a forced transformation of state and “social” property into private property, where private ownership is primarily a political rather than economic aim.

The expansion of the state preserves traditional domination of the state over civil society in Central-Eastern Europe, although the forms of authoritative penetration changed, mainly due to its capitalism-oriented politics. The market-place is becoming a common denominator of pluralism and democratic restructuring. However, turning to the market economy challenges the powerfulness of the states. They are increasingly becoming concerned about *national sovereignty* and their own peripheral position within the international community, and try to strengthen the state power – certainly not to the advantage of civil society and the autonomy of the media. The growing concern of the states about the “*state vulnerability*” and, as in the case of nations living in the multinational states, *national sovereignty* are major reasons for neglecting or even suppressing the questions of “plurality of social identities” within civil society by national governments. As a consequence of state – and market economy-centered logic of the social and media restructuring – inspiring a recent analyst to name these pervasive processes “privatization of democracy” (Maloča 1991) – a kind of paternal-commercial media systems are emerging, with a tendency of progressive privatization and commercialization of the media (particularly the press) on the one hand, and of exercising and maximizing political power of the state over broadcast media on the other.

Privatization of the press

The change of media policy remains a highly politicized question; political debates about legal changes in the media sphere attract as much attention as the questions of constitutional changes. The authorities in power seem to be resolute to maintain a firm control over (particularly television) broadcasting and national news agencies. In Serbia, for example, student demonstrations in March 1991 against the authoritarian national government concentrated on bias in media reporting and state censorship, and forced the resignation of several high officials in the *Politika* publishing house and national broadcasting organization, although reporting remained government-controlled. In fact, media debates reflect key controversies within the general project of democratization which will be discussed elsewhere. Furthermore, these debates are paralleled (and to a certain degree even initiated) by increasing pressures toward liberalization and the abolition of public service broadcasting monopoly in Western Europe motivated by the increasing belief in market driven individualism and decreasing confidence in public (state) regulation.

Current discussions about the reorganization of the communication sphere in Eastern Europe “endorse the libertarian principle that private rights to property and choice are the most effective and efficient engines of economic and social progress” (Rowland and Tracey 1990, p. 13). They see market competition as “the key condition of press and broadcasting freedom, understood as freedom from state interference, as the right of individuals to communicate their opinions without external restrictions” (Keane 1991, p. 53). Indeed, political arguments prevailing in the contemporary debates in Central-Eastern European countries are often little more than a reproduction of what has been already said and seen in Western Europe before and after the take-off phase of private television networks. Political control and state interference, ideological monopoly, bureaucratic rigidity, and the economic inefficiency of the state or party-owned media under the old regimes are the most commonplace allegations made by the new governments.

While the last forty years have been characterized by at least some endeavours of socialist countries to find their “own way” even if they have not been very successful, the newest developments in the East go in the opposite direction of a mere (though only partial) *imitation* of mainly Western European “models”. Although there are some significant differences between the printing and broadcasting media, the newest legal and

practical developments are generally of little theoretical relevance because of the lack of any indigenous approach to the restructuring of the media sphere. Nevertheless, they certainly may be considered as important changes in practical (political, economic, cultural) terms if compared with the previous system.

Under the old regimes, newspapers were mainly owned by the ruling parties rather than the state, but they often received state subsidies. Their position changed radically after the revolutionary political changes in 1989 and 1990. At least in some Central and Eastern European countries (particularly in Hungary and Poland), the press was left to its own resources and to the market-place almost overnight. Generally, commercialization of the press (based on the principle of profit-maximization, and advertising as an essential source of income) and the suppression of governmental subsidies for newspapers and magazines caused painful consequences for large sectors of the press. Many formerly subsidized newspapers could not survive without external financial assistance. Although a large number of new publications were established during the early period of democratization, it is likely that *oligopolistic* tendencies similar to those in Western Europe will prevail in the future. The processes of privatization and “colonization” of the East by the West could lead to “a stratified press in which the majority of the population will be effectively denied access to information about matters of public importance” (Sparks 1991a, p. 20).

Although nowadays the press generally represents the cornerstone of emerging democratic media systems in Central-Eastern Europe, it is under huge economic and partly political pressures. The majority of newspapers are denationalized or privatized, but printing plants and distribution systems are still largely owned or controlled by the state. Generally, there is a shortage of printing capacities, and printing is expensive, though of low quality. Distribution systems are ineffective and slow. Desktop publishing technology that could ease some of the problems of small publishers is hardly available. To avoid all these obstacles, some publishers try to attract foreign capital and technology. Although some – though limited – non-commercial loans from governmental agencies are still available, they are politically not attractive, at least not for publications that want to demonstrate an independent editorial policy.

The extreme example of selling-off the wealth of national newspapers to foreign capital is represented by Hungary. The former leading socialist Workers’ Party “solved” the financial problems by selling its newspapers to Western companies, often for a very low price. Another reason for seeking

external financial support and, thus, independence from the state was the tendency of the new leading Hungarian Democratic Party (MDF) to intimidate the critical newspapers into a more favourable assessment of governmental activities. The West German publishing corporation Axel Spring Verlag AG has taken control of seven Hungarian provincial dailies and 90 percent of the profits even without having to buy them, but only by assuring salaries for the employees and paying the rent for the buildings, the printing costs and the services of national press agency. After the "Springer Affair", the governing party became involved in acquiring foreign investors in order to control foreign ownership of the media and to make sure "that investor will have political views in accord with those of MDF. Presumably the investor will then use its influence within the paper on MDF's behalf" (Dennis and Heuvel 1991, p. 52). In 1990, the large majority of 31 Hungarian dailies became partly owned by foreign multinationals (Bertelsmann, Hersant, Maxwell, Murdoch, Springer).

In Poland, major obstacles to the development of independent press are related to the long tradition of party-affiliated press, the precarious economic climate and the state-owned printing facilities, which makes it possible that "the former Communist-controlled press will not become an independent press at all, but rather a press controlled by two new political parties", i.e. ROAD and the Center Alliance (Dennis and Heuvel 1990, p. 16). Despite pluralization of the press, newspapers are not truly independent but largely serve as political organs of new political parties and their factions. There is a tacit agreement that the big newspapers should remain in Polish hands. Consequently, the penetration of foreign capital is far more limited than in Hungary, and six out of eight dailies in Warsaw were reported to be in financial difficulty. The largest Polish press trust in the former system, RSW Prasa-Ksiazka-Ruch owned by the former Polish United Workers' Party, was not as "successful" as the Hungarian Party.

In March 1990, the Polish Parliament passed a law liquidating this huge publishing and distribution conglomerate that published and distributed virtually all newspapers under the previous regime. A special governmental liquidation commission was created to sell major newspapers and magazines to private bidders. The newspapers owned by the conglomerate were partly sold and partly handed over to cooperatives formed by their staffs, while several hundreds of publications were closed down, particularly those which wrote critically about the growing social problems (unemployment, the fall in production) under the new government, and 2,000 journalists and newspaper employees lost their jobs (Sawisz 1990, p.

394). At the same time, however, a large number of new (mainly) local papers appeared, mostly on a non-professional basis. The main reason for their limitation to local or regional markets is the absence of an appropriate distribution system, because privatized kiosks – formerly owned by the Party distribution network – now increasingly sell other, more profitable goods than newspapers (with the exception of pornography). Some newspapers (like *Gazeta Wyborcza*, the pro-ROAD newspaper established by Solidarity in 1989 and now having the largest circulation in Poland) are trying to establish their own distribution system, while others (including some foreign newspapers) prefer a new, independent distribution system.

A similar trend can be seen in the Czech and Slovak Federal Republic (CSFR) where in less than twelve months after the “velvet revolution” the number of periodicals increased from 1,200 to around 2,000, although the selling prices of newspapers doubled during this period because of price liberalization and high taxation. Newspapers and magazines pay a 20 percent tax on newsprint, an 11 percent “turnover tax” and a 55 percent tax on profits (Stone and Marks 1991, p. 21). It seems that for both economic and political reasons only state- and party-subsidized newspapers will be able to survive the period of transition. As in Poland, the newspapers criticizing the government are exposed to discriminative economic conditions.

At least in some Central-Eastern European countries, the extension of the market is combined with increased government intervention which led some journalists even to strike for independence from the government. On the other hand, there is as yet no evidence of a willingness of new governments to provide public support to minorities and groups not capable to exercise their rights, e.g. in the forms of reduced taxes and postal and/or telephone charges, redistribution of advertising revenues or spectrum usage fees, subsidies and specific aids to newspapers to maintain a sufficient diversity and quality of newspapers known in a number of West European countries. In Western Europe, “there is no country in which no State favours are conferred on newspapers, if only reduced postal charges or alleviations of VAT” (Ardwick 1982, p. 21).

Deep economic crisis in former socialist countries makes the questions of legal and financial encouragement of independent media even more urgent. Because of the lack of capital, entry costs for new media organizations in Eastern Europe are prohibitively high even to commercial investors. However, governments are not yet reacting to alarmed voices, as in Hungary, that “the government should find a way of subsidizing those

newspapers and press products which cannot be profitable, but nevertheless cultivate important cultural values” (Terestyeni 1990, p. 415). Governments are not considering different regulatory strategies to protect the media from state and market censorship. On the contrary, some governments (e.g., in Romania, Serbia, Bulgaria) are still more willing to control and supervise them. However, in order to safeguard the democratic principle of plurality, the Polish print journalists decided to set up their own “Free Press Fund” to support the foundation of newspapers and to assist those in danger of closing down. But this is a rare exception in the development of new press systems in Central and Eastern Europe which are likely to be dominated by “free market” rather than become genuinely plural.

Re-nationalization of broadcasting

Contrary to the press, the re-regulation of broadcasting has not yet generated significant practical changes in terms of democratization. Again, there are important differences between different countries, and the situation is rapidly changing everywhere. Nevertheless, at least some common tendencies are easily recognizable. In all post-socialist countries, new broadcast laws are at some stage of a generally slow legislative process. The traditional Western European public service television is the most attractive model to be imitated. But contrary to the West where the questions about how well extreme market-place models work, the cultural function of the public media, and “the slower-than-expected pace of new media development” at least partly reverse the processes of deregulation (Rowland and Tracey 1990, p. 9), commercialized “public service” broadcasting in Central-Eastern Europe is unanimously advocated by new political elites for very pragmatic political and economic reasons – to maximize their power and make the “public service” profitable. At the same time, there is an immense increase in foreign and entertainment programming, despite the shortage of foreign currency. National networks are trying to attract foreign investors and program suppliers. To a limited degree, private radio and TV stations are emerging on a purely commercial basis.

Although the new media laws are apparently more liberal than the old ones, they still have “loopholes that offer governments the opportunity to influence the media or define what constitutes ‘responsible’ journalism or determine who is a professional journalist and therefore eligible for accreditation” (Stone and Marks 1991, p. 5). In some countries, as for

example in Yugoslavia, the existing broadcasting acts have been changed to (re)establish the control of the state over radio and television organizations. While in the former self-management system, the right to participate in appointments to managing and editorial positions in the media was granted to media workers, the amended broadcasting acts in all Yugoslav republics have abolished this workers' right and made it a privilege of either the government (e.g., in Serbia, Vojvodina, Kosovo, Croatia) or the parliament (as in Slovenia and Bosnia & Herzegovina). Similar changes were adopted in Poland and Hungary. Before the parliamentary elections in Poland, Solidarity demanded national radio and television to be controlled by society and "our fundamental right be respected to express our views and opinions in our newspapers and in independent radio and television broadcasts" (Goban-Klas 1990, p. 51), but it changed the attitude after having won the elections and insisted on a direct control by the government (Sawisz 1990, p. 399). In Hungary, the presidents of the national television and national radio are appointed by the President of the State on the proposal of the prime minister; there is no board or similar kind of pluralistic managing institution in these companies. This re-regulation violates the basic principle of independence and responsibility for content of program sources which protected "traditional" public service systems from state and party-political interference (Blumler 1991, p. 12). While in the "BBC model", the Board of Governors "functions as a buffer between government and the broadcasters, appointing the Director General, the chief executive of the BBC, and the Deputy Director General, and has a responsibility for overall policy" (Meech 1990, p. 233), re-regulation of broadcasting in Central and Eastern Europe brought broadcasting companies again under direct state control.

Nevertheless, new broadcasting policies differ from the former ones in at least one important respect. After the democratic changes in 1989 and 1990, Central-Eastern European countries have increasingly become influenced by Western radio and TV broadcasting not only "theoretically", but also practically. Three types of Western broadcasting penetration into Eastern Europe can be distinguished:

- (1) Direct Broadcasting Satellites facilitate a direct penetration into Central and Eastern Europe by Western television programming;
- (2) International media corporations and other private companies are trying to gain market share by supplying capital and broadcasting technologies;

- (3) Some Western governments (e.g., France) came to an arrangement with new political authorities in Central and Eastern Europe that national broadcasting organizations which are still state-controlled, broadcast Western radio or television programs.

Contrary to contemporary de-regulation tendencies in Western Europe, the current restructuring of broadcasting systems in Central-Eastern Europe is still mainly aimed at establishing a national, politicized and quasi-commercial “*public* broadcasting”, similar to those in Western Europe during the last decades before the successful break-through of satellite and cable television. Although the public service model is advocated for broadcasting, broadcast organizations are in practice neither non-commercial nor independent from the state. In fact, “public broadcasters” heavily depend on advertising income which became an important source of financing after the reduction of state subsidies.

Nevertheless, broadcasting is still largely *subordinated to state authorities* rather than to public accountability. Parliaments or even governments usually act as the only representative of the public, thus having the right, for example, to appoint both the board and directors and editors of broadcasting companies. Although the new system differs from the “socialist” one in that these functions were transferred from the Communist Party to the democratically elected state organs, this does not change the fundamental relation of the dependence of the media on external political authorities, and the reduction of the public to the masses of passive consumers. This *deja vu* approach is hardly infected by the newest developments toward liberal de-regulation of the media taking place in Western Europe.

The current restructuring of broadcasting systems is aimed at establishing a *national, politicized and quasi-commercial public broadcasting* subordinated to the state authorities rather than to public accountability. A number of economic, political, cultural and ideological factors tend to support an increasing penetration of the state into the media sphere:

the lack of modern communication technology, a highly ideologized political scene, nationalistic policy of new governments in multinational states, economic underdevelopment and the absence of a true market economy, the need to ‘protect’ national culture, legal vacuum in economy and communications, and the activities of ideological actors opposing ‘wild’ privatization (Splichal, forthcoming).

No one of these factors could be considered as the dominant one in all of

Central-Eastern Europe. Even from a western perspective, as Dennis and Heuvel (1990, p. 3) observed, "in this crazy-quilt media system it is important to recognize that there are differences and variations between and among the several countries". For example, there are significant differences between Poland and Hungary, and other countries. Poland and Hungary had comparatively long democratic traditions before the second world war; the process of post-war democratization started in the fifties in Hungary and in the eighties in Poland, though not successfully. Both countries are nation states similar to those in Western Europe and not burdened by nationalistic conflicts; as a consequence, they are considered relatively safe for foreign investments. They are both opening the door for commercial newspapers, radio and TV stations, which are not under the control of state authorities. It is not surprising, then, that precisely Hungary and Poland are attracting the greatest interest among foreign investors. As in Western Europe, large transnational media companies (e.g., Murdoch, Maxwell, Berlusconi, Springer, Bertelsmann) make efforts to enter the field with "de-nationalized" contents, programming and advertising.

In several Central-Eastern European countries, the pace of broadcasting reforms is much slower than in Poland or Hungary either because of slower political changes (as in Romania and Bulgaria) or because of nationalistic tensions which support a paternalistic or even authoritarian media system (e.g., Serbia, the Soviet Union). The Czech and Slovak Federal Republic, which was one of the last Central European countries re-initiating political liberalization in the eighties and Yugoslavia with the longest post-war tradition of democratic restructuring of society, are two multinational states still have to find new democratic forms of integration (or disintegration, as in the case of Yugoslavia or the Soviet Union) in order to prevent violent nationalistic reactions.

Generally, broadcast companies in Eastern Europe are still under strong governmental control. The effects of primarily legal, and limited endeavours to democratize national media systems are burdened by severe political, technological and financial restrictions. Nevertheless, all these countries are experiencing another form of *externally driven de-regulation*. Foreign television programs broadcast by DBS can be received either with individual satellite dishes or community antennas distributing these programs by cable. Although the availability of DBS TV programs in Eastern Europe is still low, it is constantly increasing. In addition, some national television systems like *Television Slovenia* decided to transmit foreign DBS's (almost exclusively entertainment) programs on its own

channels. The members of the Yugoslav Radio and Television Association (JRT) have concluded agreements with some European satellite TV services – *CNN*, *BBC TV Europe*, *Sky News*, *Euro Sport*, *TV 5*, *Super Channel*, and *MTV* – for free experimental broadcasting. Similarly, Bulgaria broadcasts free of charge the program of the French station *TV 5-Europe* eight hours a day. In the Czech and Slovak Federal Republic, the former Soviet TV program on the third channel was transformed into an “open channel” *OK 3*, transmitting a selection of West European satellite programs (*TV 5-Europe*, *La Sept*, *Worldnet*, *CNN*, *Screensport*, *RTL Plus*) and the *Vremya* news program of the Soviet TV, mainly without dubbing or subtitling. This program covers about 27 per cent of the national territory (*Mass Media* 1990, p. 12). In all these “new” channels, English is the most widely broadcast language. As Baker put it rightly, the central question is therefore:

When will channels be introduced in the national languages? This is the real test of overseas interest. It is a commercial question because the West-European public service broadcasters on satellite, notably the French and German, are unlikely to launch services in another language (Baker 1991, p. 18).

Direct foreign investments do not yet affect the broadcast media in this part of Eastern Europe, but one may expect that the proclaimed commercialization and privatization of the media sphere will open the door for the import of capital in the future. However, because of the general economic decay and low effective demand, it is unlikely that new media companies could attract the number of subscribers and/or advertisers necessary to make their operation in national languages profitable. Since foreign entrepreneurs are not likely to be interested in investments with unsafe returns, it is more realistic to expect that in the near future East European countries will be much more exposed to a direct inflow of foreign media products (via DBSs, mostly in English language, including subscription television) than to a direct inflow of foreign capital.

Conclusions

Deregulation and privatization of national economy and the media are considered by the new power elites in Central-Eastern Europe not only as fundamental prerequisites for a higher level of productivity and profit, but also as necessary conditions of both general democratization and media

pluralization. Arguments for such changes are similar to those prevailing in Western Europe (cf. Keane, 1991). Although the criticism of the East European “New Deal” is partly emotive – again, similar to that of “Americanization” of the media in Western Europe – and does not result (yet) in a viable policy to solve enormous economic problems in the media sphere and elsewhere, it brings into the arena some evidence that contradicts the liberal fetish of “superiority” of private ownership and market forces in the media sphere, and “strictly economic goals” to be achieved by state regulated privatization.

One of the fundamental contradictions in the democratization of communications in Central-Eastern Europe exists between obvious tendencies of political and economic elites toward privatization and commercialization as means of power – and profit-maximizing, and the neglected development of public services as one of the cornerstones of more democratic communication possibilities. The lack of money and demand, weak economy, and general economic decline caused by structural reforms make this contradiction almost unsolvable although both East European governments and Western observers largely believe that there exists a ‘magic key’: liberalization and privatization. In addition, turning to the market economy challenges the powerfulness of the states which are increasingly becoming concerned about national sovereignty and their own peripheral position within the international community, and try to strengthen the state power – certainly not to the advantage of civil society and the autonomy of the media.

The fetish of market competition among private individuals (the new dominant ideology in Eastern Europe) and uncritical trust in the administrative state (the former dominant ideology) are in fact *complementary* perspectives. Both encourage the fragmentation of the social bonds of civil society (Keane 1988, p. 11; Rosanvallon 1988, p. 199). Changes in ownership of production means in general and of the media in particular cannot radically transform former socialist economies and democratize societies without other important structural changes which can be initiated and supported by the state and, particularly, civil society itself.

On the other hand, the new power actors in the former socialist countries tend to reproduce the old form of hegemony which is supported by the absence of indigenous economic elites and based on the new, but still exclusive ideology not readily admitting adversary power actors and civil society to participate in decision making and to control the activities of the state. Contrary to the new liberal philosophy, in practice both economic and

political activities are still largely controlled by the state. While the former restrictions on plurality of interests and opinions, and freedom of the press were aimed at class-ideological homogenization, the new ones are justified in terms of sovereignty, independence, and “national interest”. As a result of state- and market economy-centred logic of the social and media restructuring a kind of paternal-commercial media system is developing, with a tendency of progressive privatization and commercialization of the media (particularly the press) on the one hand, and of exercising and maximizing political power of the state over broadcast media on the other.

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