

THE ROLE OF MASS MEDIA IN CENTRAL AND EASTERN EUROPEAN COUNTRIES IN THE POST COLD WAR PERIOD: MEDIA MOGULS, CORRUPTION AND TABLOIDIZATION

Mihai Coman

*Dean of School of Journalism and Mass Communication Studies,
University of Bucharest*

ABSTRACT

In these 20 years from the fall of communism, the journalism professional field became more and more sliced by press' barons on one hand and the majority of common journalist, on the other hand. The euphoric attitude and the solidarity that marked the very beginnings moments of a free press slowly faded away. They were in the end replaced by the fights for getting and maintaining the control over the resources offered by mass media: economical status, political power and social prestige. In fact, one group has monopolized the economic resources, the access to centres of political decision and the channels of distribution of the professionally legitimating discourse. The study brings forward the mechanisms used by a group of journalists to get economical and professional control. In other words, the study shows how the star journalist becomes the media moguls.

KEY WORDS

Media moguls, post-communist media, professional field, economic control, journalists-compradores

During the communism the one and only press owner was the communist party. Firstly, in order to gain total control over mass media, the totalitarian party obtained the "in amonte" power by nationalising mass communication means. Therefore the state-party started to use his monopol over press's material and financial basis. From this point the party ruled over all the resources that were important for audiovisual programs and publications production. This ownership guaranteed the "in aval" control, in other words the exercise of censorship (the control of media messages before the distribution. Another characteristic of communist period is the resources's centralised distribution. A small group of people (the "aparatchniks") takes over the control of different categories of resources and fix distribution criterium according to its own interes. This way the paper quotas, established by the anual plan, limit the newspapers and magazines production only to the number decided by the Party. Therefore the possibility of an alternative publication is canceled. Following the same mechanism, the number of radio and television frequencies and the program hours were strictly limited. Furthermore taking over the transportation, telecommunication and production means (paper factories, tipografii, energy sources, radio and television studios) assured rapid broadcasting their own mass media products and elimination of the products considered unacceptable.

After the communism fall, when the euphorical period related to the discovery of the freedom of speech delights passed, the economical press realities slowly start to come out. Different social actors interested in access to Power, discovered the fact that press's power means the control of resources (legislative, production, information access) and of the « free speech » promoter's ideology. Achieving all this gives one the real sense of power. Even if at the beginning of democracy period, this control had forms associated to authoritarianism, fast enough the accent moved towards indirect forms based on hegemonical control. In this context, two convergent processes happens: 1. the politicians try to obtain favorable positions through buying media outlets and using them for promoting their political career (process known as press "berlusconisation"); 2. mass media owners enter in collusion relations with different political groups in order to get economical advantages. This collusions system needs social actors with a clear identity (politicians are a category that quickly set up, but media owners were formed harder and their recruitment field is heterogeneous). That's why I will outline, in this paper, a new media owners tipology.

Owners as Owners

Post-Communism brought a spontaneous privatization of the communist mass media and a rapid creation of new media enterprises. Control over almost all of the former communist print media – including the ownership of publication titles, facilities and equipment, and staffs – was quickly transferred from the state to private media companies, including domestic or international business groups, professional journalist associations, individual investors, banks and other entities. New print media enterprises were also created. Small local and regional private radio stations also sprouted up all over Romania in the immediate aftermath of communism's demise, operating illegally because the legal mechanisms for licensing them were not yet established. The state maintained its monopoly in the television field until the late 1990s when private, commercial television was, finally, given legal blessings (Coman 2003; Gross 1996). Foreign capital was late in entering the Romanian media field, particularly when compared to Hungary, the Czech Republic and Poland, and was marginal at best when it finally arrived, being most visible in economic press (Ringier), women's press (Burda, Hachette, Ringier, Axel Springer and Sanoma-Hearst), and the entertainment press (Gruner & Jahr, Playboy and Hustler).

Advertising expenditures rose from \$26.6 million in 1993 to \$105.4 million in 1996, \$287 million in 1999, \$1,064 million in 2002, €1,499 million in 2004, to €4,460 millions in 2007 (first decade estimations were in USD, latter only in EUROS). Television is the major beneficiary of these advertising expenditures and receives a much greater portion of advertising money than its counterparts in Western European countries. In 1999, television received 61 per cent of the advertising expenditures, compared to the printed press which received 23 per cent, radio 5 per cent, movie theatres 1 per cent, and outdoor advertising 10 per cent. These disparities continued to grow. In 2000, television received 73 per cent of total advertising expenditures, daily newspapers 16 per cent, magazines 8 per cent and radio 3 per cent. From

2004 to present days, television garnered 87 per cent of advertising expenditures, the print media 11 per cent and radio held steady at 3 per cent (Simion, Gheorghe, Comanescu, 2007 pp 21-27).

Some media owners names pop up: the most important is Adrian Sârbu, who controls PubliMedia (journals, magazines, press agency), Pro Cinema and, with Central Media Entreprises, Media Pro International (with radio and TV divisions). Sorin Ovidiu Vântu recently created a media empire, which includes radio and TV stations, one press agency, and journals and magazines. At the same time, Dinu Patriciu (owner of rich Rompetrol group) is beginning to construct a similar trust, including dailies and magazines. Dan Voiculescu, who controls televisions and radio stations and publications press through the Intact group, is involved in both economical and political life (he is the leader of The Conservative Party and member of Parliament). His media group has developed slowly since 1995 (unlike the rapid acquisition made by Vântu and Dinu Patriciu). Officially, he isn't involved in media activities any more, because he has yielded the management of the group to his daughter.

Journalists as Media Moguls

"The moguls", that is, the new owners of the new post-communist media, are only the tip of the iceberg. Behind them, are the journalist-managers, courtiers who remind one of the servitude of feudal times, who own shares in the media enterprises. Their main objective is to retain their dominant position and to this end they are willing to accept or promote nefarious coalitions with economic pressure groups or with the political establishment. And so it is that, "In all Eastern/Central European countries, the dividing line between the business office and the editorial office frequently became blurred" (Hiebert, 1999 p 117). These vassals of the owners also attempt to limit the access of other colleagues to decision-making processes by refusing to support any form of institutionalization of the mass media system and by promoting an ideology of "openness," which sustains the situation that there are no pre-conditions for entering journalism. Ultimately, in a take off from the "capitalism without capitalists – capitalists without capitalism" description of how capitalism was formed from the ruins of communism, we can say that these 10 years have led to a system in which the corps of journalist, and especially the leaders, control journalism without respecting the standards and operation of the modern mass media. This has led journalists who do not practice journalism, to their refusal to accept certain Western journalistic models and techniques, because these would undermine the control which this profession exercised over its own system (Coman, 2004; Gross, 2002).

Most successful broadcast and newspaper directors use their medium as personal platforms. On the eve of elections, directors and editors-in-chief of print media monopolize the political debates (see the cases of Ion Cristoiu, Octavian Paler, Cornel Nistorescu, Sorin Rosca Stanescu, Cristian Tudor Popescu, Horia Alexandrescu, Bogdan Chireac etc) More specifically, they are on the front pages of morning newspapers editions and then, as commentators and panelists, pontificate on the merits of political

candidates on evening television shows. Some may appear on two or three shows on the same night. They assume the status of "specialists in everything", eclipsing bona fide political analysts such as political scientists, sociologists, diplomats, economists and others with a specialization in a field pertinent to an ongoing debate. They have made it their "official" right to express opinions on each and every issue, thus becoming the filter through which any political initiative, politician, party or societal group has to pass in order to be known and recognized. They have power but through this form of engagement with the political class they also give it a considerable amount of influence and, consequently, contribute to the lack of real media freedom and journalistic influence.

The battle for the control of the profession was the salient element in the post-communist media evolution; a large group that fought to enter and stay in the system, and a small group that wished to create and legitimize instruments of control waged the battle, which continues to date. Both groups promote a missionary ideology and support the open, non-institutionalized character of the profession. One group exercises discretionary control over the system, and the other discovered that after 20 years of "transition" it was dispossessed of the instruments of control and also of any measure of auto-protection. The latter group failed to negotiate access to the system, staying in it, the salaries, work conditions, all aspects related to daily journalism, ethical problems, and issues related to professional conscience. In addition, this group also found itself dispossessed of its self-identifying discourse, which the other group articulated. Under these conditions the vast majority of journalists lost rights, control over the profession, and over the self-legitimizing discourse, generating an acute crisis of identity (Coman 1998, 2004).

These often slow and underground evolutions come forward during conflict moments. A perfect example would be the so called "the 3 scandals". These scandals are related to the conflicts between written mass media's employers and journalists-managers (Petre Mihai Bacanu la Romania Liberă, Cornel Nistorescu la Evenimentul zilei, Cristian Tudor Popescu la Adevărul), on one side, and owners (foreigns or Romanians) on another side. More important are the discreet ways used by these compradores-journalists in order to control the important press companies (Sorin Rosca Stanescu at Alpha and Fulcrum or Mircea Toma at Academia Cașavencu).

Their managerial position allowed them several actions:

- a. The accumulation of capital, without the risks (that were leaved upon employers, stockholders or state's shoulders)
- b. The construction of a "grey" market around those mass media products by creating their own companies with favourable contracts and draining important amount of money from the publication funds.
- c. The realisation of alliances with several economical and political circles.
- d. The control of the eventes's public image construction – in this way every time the governors or employers try a mass media economical

regulation the businessmen-journalists counter-attack with political commentaries in newspapers, TV or radio shows. In order to maintain legitimacy they play the role of "civil society" voices, expressions of the craft's indignation (hiding their own economical interests) and the one of freedom's defenders that accuse politicians of obscure interests (again hiding the commercial stake and their own agendas).

This professional group was slicely inquired (in a scientific or journalistic way). In order to identify amplitude of their economical power, I will bring up two investigations made by The Romanian Center for Investigation Journalism (www.crji.org/arhivă/050906.html - 12-03-2006) and the magazine Financial Week (2/2008). Both of them cast a light upon this new moguls social status. The two documentaries devoted to "Romanian journalists wealth" mix up some media owners financial positions with no journalistic activities: television stars, talk-show hosts, managers, famous writers, independent analysts - all highly promoted by the media. If we focus on the journalistic group, formed by the manager-journalists (peoples involved in both Editorial Board and Administration Council), we will find that:

a) most of them own consulting firms with activities in political communication, mass media production and distribution, advertising; some even own firms in other domains (Sorin Rosca Stanescu has firms in agriculture, turism, wood industry, alchool production and Mihai Tatulici's firms cover the food industry). This situation lays doubts upon some press campaigns started by these journalist's newspapers (without defending public interest but promoting personal comercial interests). The most famous case is Bogdan Chireac's, that started a press campaign against a rival firm in order to get a state contract.

b) concerning their belongins at one extremity we have the ones that display a franciscan poverty (they either cheated the state, or created firms on their family members or colegues names) and at the other extremity the ones that show off a segniorial lux.

Thus:

- Horia Alexandrescu has an enourmous residence in downtown and one in Breaza, a a very selective mountain resort, a class C Mercedes, Wrangler jeep and a VW Golf

- Cristian Tudor Popescu declares an apartament in Bucharest (100,000 euros), a villa in Breaza (150,000 euros) and deposits of 450,000 euros (from seling his shares from Adevarul si Gandul dailies)

- Bogdan Chireac owns an apartament in Bucharest (300,000 euros), a residence in Mogosoia (700,000 euros), a Toyota Rawa and 200,000 euros deposits

- Sorin Rosca Stanescu has an apartament in Bucharest, 3 holiday villas in different areas and 2,000,000 euros lands

- Cornel Nistorescu owns 3 villas with lands (1000 sqm each) in Bucharest, 1,000,000 euros paintings, 4,000,000 euros from seling his shares at Evenimentul Zilei daily and he drives a S80 Volvo and a BMW X5

- Dan Diaconescu has a 1,000,000 euros house, a 2,000,000 euros residence and a car collection that includes Bentley Flying Spur, Rolls Royce,

Infinity, Porsche, Alpha Romeo and Mercedes SLK.

The last thing I want to do is an apology of poverty as onesty proof or to blame capital gathering in a market based media system! But these journalists have important fortunes judging not only in a less developed country terms, but also in the ones of a wealthy capitalist country. Moreover, these journalists did not invest money in a press business launching, but obtained money without risks, only by taking advantage and manipulating their high position in mass media system (they cumulated manager, VIP, and opinion leader status). The data confirms the underground process that I discovered and described in my previous studies (Coman, 1998, 2003, 2004, Coman, Gross, 2006): a top mass media institution's management group used its power in order to obtain political and economical priviledges. These journalists only very late accepted to exclusively form a patronal group, because editorial control assured them the control over the political life and this last one was a source of economical priviledges. On the other hand, the media owners position entailed risks and obligations – so for avoiding them they crossed over their manager status and succeeded to be members or leaders in Administration Councils, orienting the press institution's investements toward their own firms and getting substantial comisions from the directly negociated advertising contracts. By putting their "claws" over these resources, they bought stock becoming main stakeholders in other firms or in firms that had contracts with media enterprises; and they protected or promoted their own firms by media campaigns against competitors.

References

- COMAN, MIHAI (1998) "Les Journalistes roumains et leur idéologie professionnelle", Ken Feigelson, Nicolas Pelissier (eds), *Télé-révolutions culturelles: Chine, Europe Centrale, Russie*, Paris:L'Harmattan: pp. 183-200
- COMAN, MIHAI (2003), *Mass media in Romania post-comunista*, Iasi:Polirom.
- COMAN, MIHAI (2004), *Media Bourgeoisie and Media Proletariat in Post-Communist Romania*, *Journalism Studies*, (5)1 pp. 45–58.
- COMAN, MIHAI, GROSS, PETER (2006), *Media and Journalism in Romania*, Berlin: Vistas.
- COMANESCU, IULIAN (2007), *Tendințe despre reflectarea presei în presă III: Concentrarea proprietății de media*, Bucharest: CJI.
- GROSS, PETER (1996), *Mass Media in Revolution and National Development: The Romanian Laboratory*, Ames: Iowa State University Press.
- GROSS, PETER (2002), *Entangled Evolutions: Media and Democratization in Eastern Europe*, Washington DC: Woodrow Wilson Center Press.
- GHINEA, CRISTIAN, FOTIADE, NICOLETA (2006), *Tendințe în reflectarea presei în presă II: Corupția în presă*, Bucuresti: CJI.
- HIEBERT, RAY (1999) "Transition: From the End of the Old Regime to 1996", Jerome Aumente, Peter Gross, Ray Hiebert, Owen Johnson, Dean Mills (eds.), *Eastern European Journalism: Before, During, and After Communism*, Cresskill, New Jersey: Hampton pp 79-122

PREOTEASA, MANUELA (2004), "Romania", Brankica Petkovic (ed.), *Media Ownership and its Impact on Media Independence and Pluralism*, Ljubljana: Peace Institute and Institute for Contemporary Social and Political Studies

SPARKS, COLIN, READING, ANNA (1998), *Communism, Capitalism and the Mass Media*, London; Thousand Oaks and New Delhi: Sage Publications.

SIMION, CRISTINA, GHEORGHE, ANCA, COMANESCU, IULIAN (2007) *Cartea alba a presei: probleme economice ale presei*, Bucuresti:AMP