ABSTRACT In this article we map some of the key developments on the Czech print media market following the fall of communism in 1989. We focus on ownership changes and their impact on the conduct of professional journalism. In the 1990s foreign media companies (dominantly German and Swiss) entered the Czech media market and brought with them a profit-oriented model of journalism. Our research in the mid-2000s explored these changes and their impact on journalists’ professional conduct. At the time journalists stressed commercial pressures, however, in the mid-2010s with the departure of foreign print media owners (except for one) and the emergence of local ones, journalists voiced concerns about interference in content for political purposes. We also note that the journalists we interviewed did not reflect on the influence of government on the conduct of their profession, for example, through media regulation.

KEY WORDS
CZECH REPUBLIC, PRINT MEDIA, OWNERSHIP, JOURNALISM, JOURNALISTIC VALUES

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INTRODUCTION

The 25th anniversary of the so-called Velvet Revolution that marked the fall of communism in Czechoslovakia prompted us to reconsider factors that Czech and Slovak journalists (the country split up in 1993) have identified as key influences on the conduct of their professional practice. Recent literature on changes in journalism and the broader media industries in post-communist countries is not extensive. The initial interest in these societies and their media in the 1990s and early 2000s somewhat subsided by the time the Czech Republic and Slovakia joined the European Union in 2004 (see Coman, 2000; de Smaele, 1999; Downing, 1996; Gulyas, 1998; Hankiss, 1994; Jakubowicz, 1999; Molnár, 1999; O’Neil, 1997; Petković, 2004; Sparks, 1998, 1999, 2000) and attempts have also been made to integrate developments in the so-called new European Union member states within a broader framework of media systems theory (see Dobek-Ostrowska et al., 2010, cf. Rantanen, 2013; Örnebring, 2009). However, most recent developments have received scant attention in English language media and journalism studies scholarship. This is despite significant shifts in political communication (see Szabó and Kiss, 2012; Bajomi Lázár and Horváth, 2013 on the revival of propaganda in Hungarian political communication under Prime Minister Viktor Orbán), government interventions in media independence (Shnier, 2014; Centre for Media and Communication Studies, 2012) and concerns over ownership and editorial independence following the departure of some foreign owners from the region and the entry of local oligarchs on the media markets (see Štětka, 2012, cf. Hanretty, 2014).

We build our arguments in this article on our ongoing empirical research on media ownership and regulation in the Czech Republic and Slovakia1. We do not intend to provide a comprehensive account of the most recent developments in the Czech Republic, rather, we offer an initial exploratory case study here. In the mid-2000s our research on Czech and Slovak journalism mapped key components of the ‘new’ professional journalistic culture and important influences that shaped it within a broader project on European journalistic cultures2 (Metykova and Waschkova Cisarova, 2009; Metykova, 2008; Metykova and Preston, 2009). Here we compare some of our findings from 2007 particularly on expectations related to foreign media owners and their influence with more recent developments on the Czech media market with the entry of domestic media owners and the subsequent departure of some journalists and the founding of new media outlets.

THE CONTEXT OF TRANSITION – THE ENTRY OF FOREIGN OWNERS

The fall of communism in 1989 brought significant changes to the media landscape of then Czechoslovakia and also to the journalistic profession. A dual media market was established and state broadcasters were transformed into public service ones, these processes, however, were not straightforward or necessarily transparent. The independence of public service broadcasting has been the subject of much scrutiny

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1 We focus on the Czech Republic here as the scope of this article is not sufficient to discuss the case of Slovakia as well.
2 EMEDIATE: Media and Ethics of a European Public Sphere from the Treaty of Rome to the War on Terror’, project no. CIT2-CT-2004-506027.
as well as popular protest (see Metykova, 2004; Šmíd, 2003 on the so-called Czech Television crisis of 2000) and the so-called privatization of newspaper outlets in some cases constituted more of a takeover by existing employees. Milan Šmíd (2004) links these aspects of privatization to the lack of political and economic reform prior to 1989 and a new focus on market economy with little state intervention. He also stresses the lack of a new legal framework for media, a 1966 press law was updated as late as March 1990.

The journalists – some of them newly media owners – however, lacked financial resources and this paved the way for the entry of foreign investors into Czechoslovak media (see also Giorgi, 1995). We are concerned with developments on the Czech print market here – at the beginning of the 1990s German, French (Socpresse, Hersant group in Mafra or the French-German-American consortium Eurexpansion in Economia) and Swiss publishing houses invested in Czech print media, with the Swiss Ringier (which later became the Swiss-German company Ringier Axel Springer) most active on the national press market (Šmíd, 2004). The German publishing houses that invested in the Czech Republic were considered to be regional ones in Germany as

the major German publishers were hesitant to enter the Czech media market during the initial period of privatization. They were looking primarily for national media, which in those days either were unprofitable, or already had an owner. Therefore, they were ready to enter only into alliances with the Ringier company, which was fast enough to establish itself as a national publisher. The small regional German publishers were ready to invest in regional press and in small markets. (Šmíd, 2004: 150)

The German publishing houses from Passau (Verlagsgruppe Passau, its Czech subsidiary Vltava-Labe-Press) and Düsseldorf (Rheinish-Bergische Verlagsgesellschaft, its Czech subsidiary Mafra) also had a direct cross-border connection with Czech media, which they used when expanding on the Czech regional market (see Waschková Císařová, 2013).

By the mid-1990s the Czech newspaper market was consolidated (see Sovová, 2001), national dailies – with a single exception – were all owned by Swiss and German companies and by the late 1990s the thus far competitors consolidated their spheres of influence. For example, the German publishing houses Verlagsgruppe Passau and Rheinisich Bergische Verlagsgesellschaft made an agreement according to which the former specialized in Czech regional and local print titles and the latter in national ones (see Waschková Císařová, 2013).

As already mentioned the reform of the regulatory framework was also a drawn-out process. Here we only focus on the main developments related to print media. In 1990 policy makers planned a comprehensive all-encompassing new media law and hence the press law was merely updated. It took until 2000 to pass a new press law and a law on radio and television broadcasting and the idea of a single law regulating all media was finally abandoned. It is important to note that neither the updated press law nor the newly constituted one introduced any restrictions on ownership although the issue was raised by a variety of stakeholders including The Syndicate of Czech Journalists, the Czech Parliament’s media committee and the Ministry of Culture (for more see Waschková Císařová, 2013). Indeed the only law that restricts cross-media ownership is
that on Radio and Television Broadcasting (Act no. 231/2001 Coll. on Radio and Television Broadcasting). It should also be noted that the ownership of media companies – similarly to other companies – is regulated by competition law and that both at national and European Union levels. The Czech Office for the Protection of Competition has repeatedly investigated concentration on the Czech print media market (for example, in years 1993 and 2001) and found no evidence of it (see Waschková Císařová, 2013). Apart from legal stipulations, it is also important to mention taxation rates, particularly of value added tax (VAT), that are set by the government and that impact on profit margins. In the Czech Republic print media pay a lower rate of VAT, however, this has grown threefold between 2004 and 2015 to the current rate of 15%.

CZECH JOURNALISM IN THE EARLY 2000s

By the mid-2000s when we conducted research on Czech and Slovak journalistic cultures, foreign media owners were well established on the countries’ print as well as broadcast media markets (see European Federation of Journalists, 2003, Smid, 2004). Also, after an initial ‘revolutionary’ phase of journalism, the professional values of objectivity, truth and impartiality became established as part of professional codes and practices (it is not our purpose to discuss the degree to which these complied with the Anglo American/liberal/professional model, on that see Glowacki et al., 2014). The gradual adoption of these values was reflected upon in interviews that we conducted with 14 Czech and Slovak journalists, one of whom said the following:

*That was revolutionary journalism, it was frequently waving a flag belonging to this or that, often, and this lasted quite a few years, the journalists were like in the stadium watching matches, not just being objective observers but they [journalists] were wearing the colours of this team or that one. With time this changed, most of the journalists emancipated themselves […] and often, since everything is so new here, often they overdid it in the other direction.* (a journalist working for the public service Czech Radio as quoted in Waschková Císařová, 2007)

The editor-in-chief of a Slovak national daily offered a similar reflection – in the immediate aftermath of the 1989 Velvet Revolution Czech journalists were citizens to a greater degree and journalists to a lesser degree, they expressed political stances, they supported the transformation. This, however, changed gradually and journalists became professionals covering events objectively.

Factors that influenced the independence of media and journalists were of particular interest to us in the course of the project and we asked journalists about pressures – political as well as commercial – that they experienced in the course of their work. As already mentioned above, in the field of print media the entry of foreign owners (above all German and Swiss) was perhaps the single most important development. In the Czech Republic concerns were expressed about concentration on the local and regional press market, aggressive competitive strategies (for example, denying competitors access to local print and distribution facilities which resulted in significant additional costs, see Klukan and Pilařová, 2002), content convergence (Waschková Císařová, 2013) as well
as owners’ interference in contents and some went as far as arguing that the entry of foreign owners on the Czech press market heralded the end of Czech press (Čelovský, 2001, 2002). Some of the Czech journalists we interviewed made a general distinction between political pressures in public service media (in our brief description of the context we already mentioned the crisis of Czech Television in 2000 which was perhaps the most known case but allegations of political interference in journalists’ work have been ongoing) and financial pressures in privately owned media. As the interviews unfolded a more complex picture began to emerge, however. Journalists across the various media acknowledged either having experienced or having heard about politicians trying to ‘buy’ more favourable coverage, understood as something not surprising. One journalist in particular offered his views on owners’ interference in contents, the interference was not direct but rather through the editor and a consultant on the newspaper who demanded changes in content in order to prevent a drop in circulation.3

FROM FOREIGN OWNERS TO DOMESTIC ONES

We can thus argue that in terms of influences on the journalistic profession and the conduct of journalistic practices by the mid-2000s the ‘new’ foreign print media owners introduced tabloid journalism in the Czech Republic (with a distinct agenda and – according to our interviewees – a distinct set of professional values) and an overall profit oriented approach to journalism which was also manifest in contents. This does not necessarily equate to an owner’s direct intervention but it is certainly manifested in cost effective measures, including the centralized production of local and regional contents and the convergence of such contents. This contrasts with interference in the impartiality of Czech public service news and current affairs where allegations of political interference have been ongoing. For example, as recently as October 2013 twenty three news and current affairs staff at the public service Czech Television formally complained to the television’s board about bias in news and current affairs, they argued that certain political currents benefited from coverage and this was due to internal interference in news and current affairs.4 Interestingly, the role of the Czech government in setting a legal framework in which media and journalists operate did not figure in our interviews at all and neither did the role of professional journalistic bodies. This is striking, as the presumption that privately owned print media are regulated by the market rather than by government is false, as Robert McChesney argues “all media systems are the result of explicit government policies, subsidies, grants of rights and regulations. [...] Indeed, to have anything close to competitive markets in media requires extensive government regulation in the form of ownership limits and myriad other policies” (2003: 126).

Although Czech press titles have until recently been mainly owned by foreign media groups, some local owners started appearing in the second half of the 2000s, particularly the Czech businessman Zdeněk Bakala who bought a majority stake in the publishing house Respekt Publishing (the quality current affairs weekly Respekt is among its titles) in

3 Circulation numbers were particularly mentioned in the case of tabloid journalism which was introduced to the country in the form of the Swiss owned daily Blesk (which remains the best-selling Czech newspaper).
2006, the publishing house Economia in 2008 (with the business daily Hospodářské noviny and the business weekly Ekonom in its portfolio) and Centrum Holdings in 2013 (with the online daily Aktuálně.cz). At the end of 2011 a new publisher appeared on the market – AGF Media – which introduced a free regional weekly 5+2 dny. Four months after its first issue (published in March 2012), the weekly existed in 77 mutations in all districts of the Czech Republic. It is important to note here that its publisher AGF Media is part of the Agrofert Group owned by Andrej Babiš. It has been alleged that Babiš founded AGF Media as the German owners (Verlagsgruppe Passau) refused to sell him the regional publishing house Vltava-Labe-Press.5

A major shake-up of the Czech print media market, however, occurred in 2013 with two major sales: of the commercially most successful publishing house Ringier Axel Springer CZ (the publisher of the already mentioned tabloid daily Blesk) to Czech businessmen Daniel Křetínský and Patrik Tkáč and of the Mafra publishing house to the already mentioned Agrofert Group owner Andrej Babiš. Mafra is the country’s largest publisher (its portfolio includes the quality dailies Mladá Fronta Dnes and Lidové noviny; online news servers idnes.cz, lidovky.cz; the free daily Metro; radio station Radio Classic FM and the music television station Óčko). It is the latter case that we turn to in the next section of the article. We should, however, conclude this section by pointing out that in 2014 there remained only one foreign print media owner on the Czech market – the above mentioned German Verlagsgruppe Passau – whose Czech subsidiary Vltava-Labe-Press has been suffering losses for years and speculations about its imminent sale have been circulating for a long time.

THE MAFRA CASE

In order to understand the unfolding of the events following Babiš’s purchase of the Mafra publishing house from the German owners Rheinisch-Bergische Verlagsgesellschaft, we need to provide at least a brief background here. Andrej Babiš is the owner of the Agrofert Group and Forbes lists him as number 719 among the world’s billionaires, his net worth is estimated at 2.6 billion USD (€ 2.39 billion).6 It is not unusual for a businessman to diversify his portfolio, however, Babiš’s purchase of the publishing house needs to be seen in the light of his entry into Czech national politics in 2011. In May 2012 – not long after his AGF Media started publishing – he registered his own funded political movement ANO (translates as YES) and three months later he was elected its leader. In the 2013 national elections ANO received 18.65 % of the vote and finished second. Following coalition talks it joined the Czech government and at the end of January 2014 Babiš was named the government’s First Deputy Prime Minister for Economics and Minister of Finance. Hence, arguably Babiš – the billionaire businessman – transformed himself into a powerful media owning leading politician which has become a concern in terms of the democratic roles of media and journalists’ professional ideology (Deuze, 2005).

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Journalists’ concerns became clear very quickly. Following the purchase of Mafra by Babiš’s group, the editors-in-chief of the two quality dailies in its portfolio Mladá Fronta Dnes – Robert Čásenský – and Lidové noviny – Dalibor Balšínek – left the newspapers and founded their own media outlets. Čásenský’s successor as editor-in-chief Sabina Slonková left her post six months into the job in September 2014, saying that it was impossible to work for a newspaper owned by a politician.7 Interestingly enough, in October 2014 Babiš told the Czech News Agency that “looking back I see it [the purchase of the Mafra publishing house] as a mistake. My intentions were due to the experience I had, that they wrote lies about me”. However, he was satisfied with the purchase in terms of profits, in 2013 the publishing house made a profit of 15 million Czech crowns (cca. €545,000).8

In the following we explore the departure of the two editors-in-chief from the titles published by Mafra following its sale and their reflections on factors that influence Czech journalism.9 Robert Čásenský resigned from his post as editor-in-chief of Mladá fronta Dnes in November 2013, six months later he founded his own company which publishes the monthly magazine Reportér (its first issue appeared in mid-September 2014). Dalibor Balšínek left Lidové noviny and the publishing house’s board of directors at the same time. His company Echo Media was founded in January 2014 and since March of the same year it publishes the online news portal Echo24.cz, since July 2014 also the online weekly Týdeník Echo and since November 2014 also its print version. It is difficult to assess the readership of these media as they have not yet been part of the official circulation statistics. According to data made public by the two editors-in-chief the first issue of the monthly Reportér sold 32,000 issues (of these 9,000 were sold at newsagents, the rest were bought by strategic partners)10 and the weekly Týdeník Echo sells about 5,000 copies a week.11 In comparison, at the time of their departure from the two dailies, Mladá fronta Dnes sold an average 190,000 copies a day and Lidové noviny 35,000.12

When we asked Balšínek and Čásenský about the influence of the German owners of the Mafra publishing house they both came up with overall benefits of the arrangement. Not only were the German managers somewhere in Düsseldorf and difficult to reach, their only interest in the Czech media companies was monetary. According to Čásenský the foreign owners were actually a guarantee of impartiality and they “in my opinion, introduced here [in the Czech Republic] a really good publishing and journalistic culture and really if it had not been for them, the papers or the media would have been in a much worse state”. Both interviewees thought that the German owners pulled out of the Czech market because of financial losses. We should, however, note that our interviewees did not deny having been exposed to pressures (economic as well as political) in their role of editors-in-chief but both insisted on not succumbing to those and being (eventually) backed up by the owners at crucial moments. In Balšínek’s words: “That somebody called [...] or something like that, that never influenced me in any way. For me the criterion was

9 We interviewed Robert Čásenský in person on 22 October 2014, the interview lasted almost an hour and Dalibor Balšínek also in person on 6 November 2014, the interview lasted half an hour. All the quotes in this text are from these interviews. We should also clarify that these two interviewees were not interviewed for our project in the mid-2000s.
whether the paper made a mistake. [...] If we made a mistake, we corrected it.” Čásenský recalled an exceptional situation when he clashed with two other members of Mafra’s board of directors over their request that he fire an editor who wrote negatively about a company which wanted to pull their financial backing. When he challenged them to fire the editor and then face his resignation, they promptly relented. Čásenský also offered an observation on economic and political pressures – economic pressures grew in time (with advertisers becoming more powerful) while political ones were always linked to the actual personality of a politician.

The reasons for both editors-in-chief’s departure following the acquisition of Mafra by Babiš’s Agrofert group have been aired in Czech media at the time. Perhaps the best overall description for these is a conflict of interest, Balšínek was very vocal about why the mix of economic, political and media power is toxic when it comes to impartial media.

It is due partly to the fact that I know that in his case there is a conflict of interests in the business, investment area, because he receives European Union funding through the [Czech state] budget. His grip on business is huge because he is one of the biggest employers in the country. And, well, it multiplies at an unbelievable rate when he owns a political party, which oscillates between the first and second place in popularity polls. And I could not at all imagine that under the circumstances I could work for them, for this publishing house, because what actually occurs then is if not outright censorship then quite significant self-censorship. And it can actually be detected since Andrej Babiš owns Lidové noviny or Mladá fronta [...] For me the ideal ownership of media is such that the given person or owners work solely in publishing, the way it used to be. [...] Somebody gains an extraordinary competitive advantage here [with business interests across various industries].13 (interview with Dalibor Balšínek)

We were also curious to explore how these particular journalists understand the role of the government in enabling the conduct of their work, i.e. in setting a legal framework that promotes impartial journalism. As already noted we were struck in the mid-2000s that the Czech journalists in our sample ignored the role of government completely. This time around our interviewees were in full support of minimum regulation of press in the Czech Republic. They were not concerned about a lack of ownership regulation or regulation preventing media concentration as such, however, this lack of concern was not due to an ignorance of the role of regulation, rather – as Čásenský explains – it had to do with scepticism about the efficiency of such regulation: “I think that these types of regulation can be easily circumvented, if somebody really wants to do that so I think that there is no point in them.”

There is, however, one area in which both journalists turned media owners see a strong role for the government and would like to see some change – value added tax. As we already mentioned the tax grew threefold in the past eleven years and this could have been one of the underlying reasons for the departure of foreign owners from the Czech print media market. According to Čásenský for the Mafra publishing house the gradual increases in VAT translated to roughly 40 million CZK (cca. € 1.5 million) annually.

13 Although Balšínek did not provide actual examples in the interview, he could have referred to a pre-election advert that sparked complaints (see http://www.mediar.cz/rada-pro-reklamu-babisova-reklama-na-kure-s-jagrem-etiiku-neporuye/) or a remark by the Minister of Finance Babiš at a government press conference in which he accused an Echo24.cz journalist interviewing a member of his party ANO of being tendentious and provocative, more details available at http://www.medi-aguru.cz/2014/03/babis-zautocil-na-echo24-cz-denik-odpovida/#.VO4JdfmsXz5 (09.02.2015).
For Balšínek the issue is not only the rate of value added tax but also the fact that rates differ for the print version (15 %) and the electronic version (21 %) of the same contents. Although Čásenský and Balšínek have professional disagreements with Babiš, the Minister of Finance shares their views on VAT. In 2015 the Czech government introduced a new low VAT rate of 10 % for a special group of goods such as nappies, books or medicines and although the Minister of Finance (and owner of the Mafra publishing house) advocated the inclusion of press in this group, it did not happen.14

CONCLUSION

The Czecho/slovak media market and professional journalism underwent significant developments in the years following the Velvet Revolution of 1989. The larger ownership picture – particularly on the print media market – can be sketched out roughly as developing from the privatization of existing media outlets (in some cases a takeover by former employees is a more precise description) and the entry of foreign owners (who dominated the print media market) to the replacement of foreign owners by domestic ones and the founding of new media outlets. It is impossible to do justice to the various layers that these developments involved in an article of this length and that is why we aimed to discuss some of the more subtle changes. We focussed on two points in time: the mid-2000s and the mid-2010s. Our research conducted in the Czech Republic and Slovakia 15 years after the fall of communism explored the ownership structure but perhaps even more importantly it gave us insights into how practising journalists perceived these changes. Our interviewees – as well as available research – reflected on the establishment of post-revolutionary professional journalism, which was in line with the widely accepted values and practices of the so-called professional or Anglo/American model of journalism.

The foreign owners, however, introduced market competition and a form of journalism that some of our interviewees were uncomfortable with – the tabloid. Economic pressures and the competitive strategies of print media owners resulted in changes in contents (perhaps most notably the centralization of content production in local dailies manifested itself in content convergence) although these changes were not perceived as resulting from the direct interference of the foreign (German and Swiss) media owners but rather as a result of competitive pressure. Political pressures on journalists have been nothing new to those we talked to, this could either be due to having experience of a system with state owned media or even more likely to this simply being the nature of a journalist’s job – there will always be those who try to influence how journalists write about them. Also, political pressures were perceived to be greater in public service media. What, however, somewhat surprised us at the time was the lack of a reflection on the role of the national government in setting the various regulatory frameworks that impacted on journalists’ professional conduct. This could be explained by a prevalent free market orientation that followed the fall of communism.

Not long after we completed our research, the first domestic owner appeared on the Czech print media market, however, a significant shake-up followed in the 2010s. Some of the foreign owners of Czech media have been making losses even before the 2008 global financial crisis but the crisis may have been decisive in convincing them to sell and move on. When the largest Czech publishing house – the Mafra group – was sold to the billionaire politician Andrej Babiš, we expected a reaction from (some) journalists working for the titles in Mafra’s portfolio. After all, similar developments were unravelling in other former communist countries earlier, particularly in Hungary. However, when the editors-in-chief of two prestigious dailies decided to found their own media we decided to revisit our earlier research and explore in more depth. We are aware of the limitations of a small number of cases but we believe that Robert Čásenský and Dalibor Balšínek offer unique insights as journalists turned owners who left prestigious positions in order to avoid working for an owner with (potentially) conflicting interests in business and politics. For them foreign owners who were concerned about financial profits only were a better guarantee of editorial independence. We plan to follow the cases of these two journalists turned media owners to see how the change in their professional position impacts on their professional journalistic ideology. We should also note that interestingly and similarly to the journalists we interviewed in the mid-2000s, they do not regard government regulation as of importance to impartial press – apart from one area – the regulation of the levels of value added tax.

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BOLJE DA NE ZNATE VRAGA: NOVINARSTVO NAKON BARŠUNASTE REVOLUCIJE I MEDIJSKO VLASNIŠTVO U ĆEŠKOJ

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KLJUČNE RIJEČI
ČEŠKA, TISKANI MEDIJI, VLASNIŠTVO, NOVINARSTVO, NOVINARSKE VRIJEDNOSTI

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