

Transnational Media Capital in Central and Eastern Europe: 3 phases of development

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Westernization? Europeanization? Americanization? Italianization? Germanization? Russification?

- Why is the nation-state or region the unit of analysis and the cause?
- Better to examine developments at the level of the firm because different firms employ different strategies but only as one cause amongst a number
- Neo-institutional analysis
- Heterogeneity in Central and Eastern Europe
- 3 case studies of firms

Neo-institutional Analysis

- A way of explaining institutional change and in particular process of homogenization
- Isomorphism
- Competitive
- Coercive
- Mimetic
- Normative

3 periods of Transnational Media Investment

- 1989-early 2000s
- Early 2000s -2008
- 2008-present

Conditions of Transnational Investment

- Relative size and affluence of market
- Structural conditions of media industries
- Regulation: more restrictive or more permissive operating environment, formal and informal
- Competition: absent or fierce

Central European Media Enterprises

- Founded 1994 Ronald Lauder and Leonard Fertig
- TV Nova in Czech Republic
- No experience of TV industry
- Capital and political capital (links with elites)
- Struggled in 1990s (immaturity of market, strategy, competition)
- 2000s increased local production
- Sought to disentangle from local elites
- Temporarily affected by financial crisis but blip not a trend

CME

- Times Warner 2014 owns about 75% of CME having invested in 2009 and then again in 2011
- Owns 36 channels across 6 CEE countries reaching 50 million audience: dominant player but small in revenue by international standards (\$129m in Q1 2016 revenues)
- Bulgaria 2016 Q1 average 42.8% of prime-time audience share in 18-49 age groups
- Croatia 2016 33.9% (18-54)
- Czech Republic 2016 36.9% (15-54)
- Romania 2016 27.9% (18-49)
- Slovak Republic 2016 32.9% (12-54)
- Slovenia 2016 42% (18-54)

Ringier Axel Springer

- Axel Springer and Ringier had pursued different strategies prior to 2010
- Established 2010 joint venture between Ringier and Axel Springer
- 160 digital and print products in Poland, Hungary, Slovakia, and Serbia
- Tabloid papers Fakt, Blikk etc
- Financial crisis
- Challenging press market: circulation and advertising
- ‘Oligarchisation’ of media
- Rise of illiberal democracy, various measures to limit independent media, and restriction of foreign ownership

Westdeutsche Allgemeine Zeitung

- Regional newspaper group in Germany traditional supporter of SPD
- Investment in South-East Europe
- Quasi-monopoly position
- Behaviour of WAZ newspapers
- Financial crisis and structural change
- Collusion between state and oligarchs
- Divestment from Bulgaria and Romania

Media and Democratization...

- Heterogeneity in terms of firms, states, media industries in CEE...
- Rule of thumb: greater GDP and GDP per capita leads to more independent media
- 2000s situation looked promising – GDP growth, media investment growth...
- Brakes on democratization 2008 onwards
- Financial crisis
- Structural crisis in print – ‘oligarchisation’
- Rise of illiberal democracy and instrumentalization of media

Thank you!

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