

Third Edition

The Media in Europe

The Euromedia Handbook

CENTRAL AND EASTERN EUROPEAN

Central & Eastern European

analysis

socio-economic

<aspect ratio> 4:3 // 14:9 // 16:9 // beyond </aspect ratio>

analysis

media policy

politics

Edited by

Mary Kelly

Gianpietro Mazzoleni

Denis McQuail

The **Media** in **Europe**

Third Edition

The **Media** in **Europe**

The Euromedia Research Group

Edited by

Mary Kelly

Gianpietro Mazzoleni

Denis McQuail

SAGE Publications
London • Thousand Oaks • New Delhi



© The Euromedia Research Group 2004

First published 2004

Apart from any fair dealing for the purposes of research or private study, or criticism or review, as permitted under the Copyright, Designs and Patents Act, 1988, this publication may be reproduced, stored or transmitted in any form, or by any means, only with the prior permission in writing of the publishers, or in the case of reprographic reproduction, in accordance with the terms of licences issued by the Copyright Licensing Agency. Inquiries concerning reproduction outside those terms should be sent to the publishers.



SAGE Publications Ltd
6 Bonhill Street
London EC2A 4PU

SAGE Publications Inc.
2455 Teller Road
Thousand Oaks, California 91320

SAGE Publications India Pvt Ltd
B-42, Panchsheel Enclave
Post Box 4109
New Delhi 100 017

British Library Cataloguing in Publication data

A catalogue record for this book is available from the British Library

ISBN 0 7619 4131 2
ISBN 0 7619 4132 0 (pbk)

Library of Congress Control Number: 2003101546

Typeset by C&M Digital (P) Ltd., Chennai, India
Printed in Great Britain by The Cromwell Press Ltd, Trowbridge, Wiltshire

Contents

Notes on contributors	vi
Acknowledgements	viii
How to use this book	ix
Introduction <i>Denis McQuail</i>	1
1 Austria <i>Josef Trappel</i>	4
2 Belgium <i>Els De Bens</i>	16
3 The Czech Republic <i>Jan Čulík</i>	31
4 Denmark <i>Frands Mortensen</i>	43
5 Finland <i>Marina Österlund-Karinkanta</i>	54
6 France <i>Jean-Marie Charon</i>	65
7 Germany <i>Hans J. Kleinsteuber</i>	78
8 Greece <i>Stylianos Papathanossopoulos</i>	91
9 Hungary <i>Bálazs Kiss</i>	103
10 Ireland <i>Wolfgang Truetzschler</i>	115
11 Italy <i>Gianpietro Mazzoleni</i>	126
12 Luxembourg <i>Mario Hirsch</i>	139
13 The Netherlands <i>Kees Brants</i>	145
14 Norway <i>Helge Østbye</i>	157
15 Poland <i>Karol Jakubowicz</i>	169
16 Portugal <i>Manuel Pinto and Helena Sousa</i>	180
17 Russia <i>Elena Vartanova</i>	191
18 Slovakia <i>Andrej Školkaý</i>	204
19 Slovenia <i>Vida Zei</i>	214
20 Spain <i>Rosario de Mateo</i>	224
21 Sweden <i>Olof Hultén</i>	236
22 Switzerland <i>Werner A. Meier</i>	248
23 The United Kingdom <i>Jeremy Tunstall</i>	261

Notes on contributors

Els De Bens is Professor in the Department of Communication Science, University of Ghent, Belgium.

Kees Brants is Director of the M.A. in European Communication Studies at the University of Amsterdam and holds a Special Chair in Political Communication at the University of Leiden, the Netherlands.

Jean-Marie Charon is a sociologist and media specialist at the Centre national de la recherche scientifique (CNRS) and teaches at the Institut d'étude politique de Reunes.

Jan Čulík, Ph.D., is Lecturer in Czech studies at the University of Glasgow and editor of the Internet cultural and political daily *Britské*.

Mario Hirsch is a journalist, teacher and researcher on economic and policy aspects of the mass media, Luxembourg.

Olof Hultén is Head of Strategic Analysis, Corporate Development, Sveriges Television, Stockholm, Sweden.

Karol Jakubowicz, Ph.D., works for the National Broadcasting Council, Poland's regulatory authority.

Mary Kelly is Lecturer in the Department of Sociology, University College, Dublin.

Bálazs Kiss is Deputy Director of the Institute of Political Science of the Hungarian Academy of Sciences.

Hans Kleinsteuber is professor at the Institute of Political Science, University of Hamburg, Germany.

Denis McQuil is professor emeritus at the School of Communication Research, University of Amsterdam, and visiting professor at the University of Southampton, United Kingdom.

Rosario de Mateo is professor in the faculty of Communication Sciences at the Autonomous University of Barcelona, Spain.

Gianpietro Mazzoleni is Professor of the Sociology of Mass Communication and Political Communication, University of Milan, Italy.

Werner A. Meier is a media consultant and lecturer in the Department of Mass Communication, University of Zurich, Switzerland.

Frands Mortensen is Professor of Media Studies in the Department of Information and Media Studies, University of Aarhus, Denmark.

Helge Østbye is Professor of Mass Communication at the University of Bergen, Norway.

Marina Österlund-Karinkanta is Senior Media Analyst at the European Union and Media Unit of the Finnish Broadcasting Company (YLE), Helsinki, Finland.

Stylianos Papathanassopoulos is Associate Professor of Media Organization and Policy in the Department of Communication and Media Studies, National University of Athens, Greece.

Manuel Pinto teaches in the Department of Communication Science, University of Minho, Portugal.

Andrej Školkay is lecturer in the Faculty of Mass Communication at the University of SS Cyril and Methodius in Trnava, Slovakia.

Helena Sousa teaches in the Department of Communication Science, University of Minho, Portugal.

Josef Trappel is head of media and communication research with Prognos, European Centre for Economic Research and Strategy Consulting, Basel, Switzerland.

Wolfgang Truetzschler is Senior Lecturer in Communication at the Dublin Institute of Technology, Ireland.

Jeremy Tunstall is Research Professor of Sociology, City University, London, United Kingdom.

Elena Vartanova teaches in the Faculty of Journalism at Moscow State University, Russia.

Vida Zei teaches communication studies at the University of Iowa and the University of Ljubljana, Slovenia.

Acknowledgements

The Euromedia Research Group, primarily responsible for this book, belongs to a network of European researchers that began life in 1982 as a workshop on media policy, convened by Dr Karen Siune of Aarhus University, within the framework of the European Consortium for Political Research (ECPR). Since then it has continued on its own initiative, changing in membership over time, but with the same working methods and purposes. It aims to collect and exchange information and to develop and apply frameworks that help to describe and analyse developments in media structure and policy in the European region. The core activity of the group has been to meet regularly in each others' countries and to produce a sequence of books. One series (as in this case) is essentially informative, another analytical and devoted to the current media issues of the day. The most recent title in the latter series is *Media Policy: Convergence, Concentration, Commercialisation*. In the present case, the work of group members has been supplemented by a set of contributions from new colleagues and we are extremely grateful for this generous collaboration. We thank our very helpful publishers for encouragement and practical help and as editors we thank each other for our hard work and good co-operation in bringing disparate elements together successfully in the last few months.

Denis McQuail
Mary Kelly
Gianpietro Mazzoleni

How to use this book

This book provides an accessible and informative account of European media systems.

Each chapter dealing with a single country follows the same structure and covers the same topics so that the reader should be able to find relevant information quickly and also make comparisons between countries on particular issues without difficulty. In place of an Index, we provide in advance a list of the section headings to be found in each chapter, as follows:

NATIONAL PROFILE

History, Structure and Ownership of the Media

Print media:

- The newspaper press
- The magazine press
- Book publishing

Electronic (audio-visual) media

- Television
- Radio
- Film and video

Internal and related on-line media

Politics, Policy, Law and Regulation

Statistics

References

Introduction

DENIS McQUAIL

THE BOOK

This is the fourth version of a handbook of European media systems produced by the Euromedia Research Group. It began in 1986 (as *Electronic Media Policy in Europe*, Berlin, Campus Verlag) and has since been published in two editions by Sage (1992 and 1997). On each occasion there has been extensive revision and updating and also a development of purpose. In the second edition, our scope was enlarged to cover the newspaper press as well as broadcasting and electronic media. For this new version we have enlarged the scope yet further to deal with all forms of a mass media, including the Internet. We have also, accordingly, devised a new common structure for each 'national chapter'. Most importantly, this is no longer a book about 'Western Europe' (as in the title of the second edition), since we include chapters about Central and Eastern European countries, including Russia. Unfortunately, limitations of space (and even some uncertainties about what constitutes 'Europe') have prevented us from representing the whole European region, but we cover 85 per cent of its inhabitants, leaving Russia and the Ukraine aside. This enlargement has reflected the significant changes of the 1990s and also enriched the content for those who might use the book for comparative study of media systems.

The main aims of the book are to provide clear and informative accounts about the media system of each country, with reference to: media structure and audiences; ownership; new economic and technological

developments; major policy issues and initiatives. The Euromedia Group began as a network for the study of media policy and media politics, with particular reference to changes caused by computerization, satellites and economic changes in the 1980s. As a result, the descriptions offered are informed by a deep understanding of the underlying social and political forces at work, and are not simply compilations of facts. Each chapter is also a chapter in the overall story of the national society concerned, told by an expert observer. In addition to description and analysis, a set of basic statistics about the media system of each country is appended, plus sources for further reading. The statistics are taken for the most part from secondary sources and are intended to support and illustrate the preceding analysis rather than to be used as primary sources in themselves for cross-national comparison.

THE EUROPEAN CONTEXT

This book will be used for reference and is unlikely to be read as a whole, but anyone who does read it all, as the editors have done, is bound to be struck by the paradox of unity and dissimilarity of this set of national 'stories'. On the one hand, it supports the view that European media have much in common with each other and are quite distinct from those of the United States, Japan, Latin America, China, etc. A reading of the accounts from former communist countries also leaves the impression

that these countries have rapidly rejoined the mainstream of European cultural and social traditions. On the other hand, the more one learns about each country the more different each story appears. For the most part, the homogeneity stems from economic and technological and political factors that are inevitably of much the same kind across a relatively small continent. The differences stem more from social, cultural and geographical factors. An intertwined history of the nations concerned makes a contribution to both similarity and difference.

Some of the more common features of the different systems include the: shared basic principles of law, human rights and democracy that have gradually been established since World War II; the existence of a mixed public and private broadcasting system in all countries; a tradition that permits (even if it discourages) some intervention in the media on grounds of public interest; competitive party political systems that still give shape to the outlook of the media and to their opinion-forming role; the role played by institutions of the European Union and the Council of Europe in regulating for access, diversity, harmonization of regulation and the pursuit of some cultural goals; the similar forces that everywhere make for linguistic and cultural identification, even if they then make for differentiation.

There are some evident dimensions of difference, with varying origins. One such is the variable grip of the mass newspaper on public attention and even of newspaper reading in general, some countries being avid readers, others not. A similar but not clearly related variable is the relative appeal of television and other audio-visual media, as measured by time spent. Another difference is the obvious one of size, with certain countries having a population or language hegemony and many small countries struggling somewhat with the consequences of this and the difficulties of viability and self-sufficiency in a global media environment. Thirdly, there are countries where public broadcasting is still well funded, secure and holding its own and others where it is none of those things. Fourthly there are differences in the extent to which party politics has a grip on the media in one way or

another and others where the media keep more of a distance or devote themselves to non-political activities. Fifthly, there are still quite a few differences in the manner of distribution of electronic media, which change very slowly for reasons not easy to account for. This mainly concerns the varying rates at which cable television and satellite television have made inroads into terrestrial broadcasting. Finally we can note that the phenomenon of a 'digital divide' shows up very clearly in unequal rates of access and use, only partly explicable in economic terms.

THE MAIN ISSUES

The different national cases reflect in different ways the response to a number of unresolved issues facing different media in different ways. At the most general level, four or five issues dominate the European media scene and have done so for some time. One of these relates to the long struggle for and against the deregulation and 'commercialization' of the electronic media in particular. For obvious reasons, this affected the former communist countries most intensively in the last few years, but it was already being experienced elsewhere. In most countries a new order has gradually emerged, without any public monopoly and with steadily increasing scope for commercial enterprise and private ownership. In some respects this might now seem to be an 'end-game' in which a cornered public broadcast sector fights a rearguard action against ultimate marginalization or worse. There is certainly a struggle over the alleged privileges and uncertain role of public service broadcasting but it is premature to forecast the conclusion.

The second main issue has to do with the development and application of new technologies that, over the course of the last two decades, have upset the reigning regulatory arrangements and ignited a smouldering conflict between public and private forces. The current phase of instability and uncertainty from this cause is linked with the digitalization of transmission and reception and also the growing role of the Internet in the overall media landscape. Thirdly, there is a

long-running issue over the structure of ownership, affecting all media. There are commercial pressures towards long-term increases in the scale of media enterprises, involving transnational and cross-media developments of ownership. These trends are supported to some extent by the European Union, although they challenge principles of diversity and openness that are also valued at European level. Some countries have an interest in promoting the growth of dominant media firms, while others see it as threatening.

A fourth issue, with several dimensions, has to do with the whole process of Europeanization or integration at the level of Europe, in terms of media economic activity and policy. There are now a number of integrative elements in place and the idea of considering the wider context of Europe in making national policy has long been accepted. The debates about these matters used to focus on threats to national and European cultural identity and integrity arising from the globalization of media and the 'threat' of American cultural 'invasion'. This is no longer such an active issue, although in fact not fully resolved. The scope for cultural 'protectionism' is still under threat, although it is no longer open to a simple black-and-white formulation of options.

Finally, there are questions of overall control and accountability that have been raised by the expansion and (commercial)

liberalization of media systems. There has been a reduction of supervisory capacity at the national level, without much compensation at the European level (although there is some capacity there). There are a number of media problems that have been diagnosed as increasing in the changed circumstances. These include the alleged declining cultural and informational standards of media across the board, under the influence of competitive pressures, lack of insulation from outside and weakening control. The arrival of the Internet promotes fears of accentuated 'old' problems of content harmful to the young and generally undesirable, or new problems in the form of cyber-crime and challenges to intellectual property relations. Essentially, the overall media scene is open to characterization as entering a state of 'ungovernability' or at best 'normlessness'. In practice there is little chance (or wish) of returning to stricter control, except where 'terrorism' or crime is at issue (and developments here offer little comfort). In many countries there is no practical means to combat the excesses of the media in respect of privacy, human rights or standards of decency. The goal of effective self-regulation is often emphasized but is largely still beyond reach.

These broad issues are only part of the story in each country and many of the following chapters give fascinating insights into local debates and conflicts, especially where competition between different media is involved and where politics gets involved, as it inevitably does.

1: Austria

JOSEF TRAPPEL

NATIONAL PROFILE

Austria is located in the heart of Europe and is considered one of the 'bridges' between East and West because of its permanently neutral status since independence after the World War II. With its small home market of around 8 million inhabitants living in a surface area of 84,000 km², Austria is not one of the powerful economic forces in Europe. Its once important role in international diplomacy has declined over the years but, still, Austria hosts several departments of the United Nations in the International Centre in the capital, Vienna.

Austria shares borders with Germany, the Czech Republic and the Slovak Republic, Hungary, Slovenia, Italy, Switzerland and Liechtenstein. Deriving from the time when Vienna was the capital of the Austro-Hungarian monarchy, there are still some language minorities today living mainly in the southern and eastern parts of the country, but the large majority share the German language with its northern and western neighbours. Austria is an almost entirely Catholic country, with a small but growing Muslim community in and around the capital.

Since 1 January 1995 Austria has been a full member of the European Union and party to the Schengen agreement. In 2002 Austria replaced its former currency, the Schilling, with the euro.

Austria is a parliamentary democracy with a federal constitution. The President is head of state, with a primarily representative function. In parliament there are four parties, of whom the Social Democrats are the largest. In the general election of November 2002 the People's Party (ÖVP) gained a relative

majority of 42 per cent over the Social Democrats (SPÖ), with 37 per cent, the right-wing nationalist Freedom Party (formerly the National Liberal Party, FPÖ), with 10 per cent, and the Green Party, with 9 per cent. After several months of talks, in March 2003 the ÖVP and the FPÖ formed a coalition government again. In 2000 the same coalition had provoked a harsh reaction from EU member states and the international diplomatic isolation of Austria for several months.

The new government concentrated its efforts on the critical issues of public deficits and implemented strict cost-cutting initiatives, with severe implications not only for the media sector.

STRUCTURE AND OWNERSHIP

Austria's media landscape is characterized by high concentration, strong national media conglomerates and growing influence by international media actors. Since World War II the print media and electronic media have developed in a symbiotic relation, with a strong public service broadcaster on the one hand and equally strong local press barons on the other. The party-affiliated press declined over the 1980s and 1990s, leaving Austria with just three minor-party newspapers with diminishing public meaning. In contrast, press conglomerates became the driving economic forces of the 1990s with high ambitions in the newly opened area of private radio and television broadcasting. Public service broadcasting responded successfully with highly popular programming strategies.

The print media

The newspaper press

Austria's daily newspaper press restarted business after World War II and the full sovereignty of the republic (1955) with just thirty five newspapers. The following years were characterized by the rapid growth of the 'boulevard' press on the one hand and a first round of press concentration on the other. The circulation share of the party press declined from 50 per cent (1953) to 20 per cent (1971) (cf. Pürer, 1990) and reached a negligible share of 2.5 per cent in 2001.

The former flagships of the Social Democrat Party (*Arbeiter-Zeitung*) and the communist party (*Volksstimme*) were both shut down in 1991. The several newspapers of the Christian Democratic Party were dwarfed over the decades, only the *Neues Volksblatt* surviving with a minor circulation. In 2002 three partisan papers still existed.

This decline was paralleled by the unprecedented and spectacular growth of the *Neue Kronen-Zeitung*. This daily newspaper was founded in 1959, became the market leader in 1971 with a market share of 29 per cent and kept growing for thirty years thereafter. In 2001 the *Neue Kronen-Zeitung* represented some 43 per cent of the overall circulation of newspapers and is – in relative terms – considered one of the largest newspapers worldwide.

Market success as well as internal rivalry have driven the *Neue Kronen-Zeitung* into structural changes in the late 1980s. In 1988 the then two owners of the highly profitable *Neue Kronen-Zeitung* decided to dissolve their agreement and one of them took over the shares of the other. The remaining single owner had to pay for the shares of his former partner but was not able to find sufficient financial backing in Austria. Eventually, he sold 45 per cent of the company to the German *Westdeutsche Allgemeine Zeitung* (WAZ; 1 January 1988). Six months later, in June 1988, the WAZ landed its second *coup*. It acquired 45 per cent of the second largest newspaper, the *Kurier*. Subsequently, the two newspapers together formed the powerful company Mediaprint for joint operations in printing, advertising acquisition and distribution. In the following years the WAZ increased its stake to 50 per cent in the *Neue Kronen-Zeitung* and to 49 per cent in the *Kurier*. In 1996 Mediaprint controlled some 54 per cent of all newspaper printing and some 51 per cent of newspaper

distribution in Austria (Melischek and Seethaler, 1999: 133). This interlinked conglomerate expanded its operations to the magazine sector, holding shares in all relevant weekly magazines.

The economic and editorial dominance of the *Neue Kronen-Zeitung* is to some extent balanced by the regional press. Most of the regional press barons face little or no regional competition in their home market, providing them with a quasi-monopolistic position. However, the *Neue Kronen-Zeitung* started to run regional editions, successfully challenging the regional press. This market configuration leaves little room for additional secondary newspapers. In April 2001 one such newspaper in Styria (the *Neue Zeit*) had to shut down its presses as a consequence of continued losses in the regional readership and advertising market. Just one such secondary newspaper each remains in Upper Austria, Salzburg, Vorarlberg and Carinthia; no such paper exists in Styria or Tyrol. There is no regional daily newspaper at all in Lower Austria or in Burgenland.

International media investment is less important in the regional press, although the German Axel Springer Verlag (which in Germany publishes among others the *Bild-Zeitung*) holds the majority share (65 per cent) of the regional daily *Tiroler Tageszeitung*, published in Innsbruck.

Only in the capital, Vienna, do newspaper owners provide the 1.6 million population with more diversity. Readers can choose between six daily local newspapers, with one being state-controlled (*Wiener Zeitung*). This highly competitive market is divided into a boulevard segment and a quality segment.

The monopolistic boulevard segment is dominated by the *Neue Kronen-Zeitung*, unchallenged since its rival newspaper *Täglich Alles* had to shut down its printed version in August 2000. Since then, *Täglich Alles* has been published only as a purely online newspaper. In March 2002 the *Neue Kronen-Zeitung* itself launched the free sheet *U-Express*, distributed in Underground (subway) stations in Vienna. By this step the management successfully thwarted the market entry of a competitor from abroad.

The quality segment is more competitive, with three main and two marginal newspapers. The *Kurier* is the second largest newspaper in circulation terms and is part of the WAZ/Mediaprint conglomerate. Even more quality-oriented, *Die Presse* competes with *Der Standard*. The former newspaper

was controlled for decades by Austrian industrialists who first sold the majority of the shares (51 per cent in 1991) and later (December 1999) the remaining shares to Styria, the company publishing the largest daily in southern Austria (*Kleine Zeitung*) with strong affiliations to the conservative party.

In contrast, *Der Standard* is a 1988-launched liberal newspaper, financed with the initial support of the German Axel Springer Verlag, which pulled out its 50 per cent share in 1995. Since December 1998 the German Verlag *Sueddeutsche Zeitung* controls some 49 per cent of *Der Standard*. This newspaper has grown rapidly and reached a circulation level of some 120,000 copies daily (2000), about the same as its rival *Die Presse*.

Moreover, two smaller daily quality newspapers are published in Vienna. The *Wiener Zeitung* is state-owned and has the longest tradition of all newspapers in Austria. The *Wirtschaftsblatt* was launched with the assistance of the Swedish Bonnier group in October 1995, which still holds a 50 per cent stake in this slowly growing newspaper.

In general, the Austrian market for daily newspapers has reached an unprecedented degree of concentration. Of sixty six newspapers that have ever existed since World War II, fifty three have been shut down (Steinmaurer, 2002b). Among the remaining papers, some five are not economically viable. The size of the *Neue Kronen-Zeitung* with more than 1 million copies daily is out of all economic proportion and leaves very little room for the development of stimulating competition underneath.

The periodical and magazine press

The rather limited diversity of the daily newspaper press is counteracted by a large number of weekly newspapers, magazines and other periodicals. All over Austria, weekly and monthly newspapers reflect regional and local events, some of them with remarkable economic success. Some 160 such newspapers are periodically published, with the *Niederösterreichische Nachrichten* (NÖN) and the *Oberösterreichische Rundschau* (OÖR) being the largest. Both publications are weekly newspapers with a strong local bias.

At the national level, the 1990s experienced a fierce competition between news and general interest magazines, ending with the conclusion of a co-operation agreement

that unites the competitors under a shared entrepreneurial umbrella. In the 1970s the news and current affairs magazine *Profil* was launched. After several successful years the magazine was acquired by *Kurier* and integrated into the Mediaprint publishing group.

In 1992 the start-up company Verlagsgruppe *News* founded *News* as a popular weekly news, entertainment and lifestyle magazine. The German Axel Springer Verlag provided some 50 per cent of the funding, reduced its share later to 25 per cent and pulled out completely in 1998. This publication complemented *Profil* on the one hand and the existing weekly boulevard magazine *Die ganze Woche*, which was launched in 1985, on the other.

The overwhelming market success of *News* inspired the publishers to launch more entertainment-oriented magazines. In 1995 they launched *TV media*, an exhaustive television programme guide, in October 1998 *Format*, another news and current affairs magazine to compete with *Profil*, in 2000 *E-media*, a magazine addressing the Internet generation, and in November 2001 *Woman*, a fashion and lifestyle magazine for women. This rapid expansion was partly financed by the German Gruner & Jahr Verlag, part of the Bertelsmann group. Gruner & Jahr replaced the Axel Springer Verlag and took over 75 per cent of the Verlagsgruppe *News* in March 1998.

With the launch of *Format*, the Verlagsgruppe *News* attacked explicitly the market leader *Profil*. From the outset all actors were aware that the Austrian market was too small to support two news magazines addressing the same readership. It took less than two years of aggressive marketing before *Profil* had to capitulate and agree to far-reaching economic co-operation. Since September 2000 all magazines of the Verlagsgruppe *News* and *Profil* with its affiliated publications have been united under one editorial umbrella. The Austrian Federal Competition Court criticised this merger but finally accepted it on condition that *Profil* was guaranteed editorial independence for at least another four years (until 2006).

This merger of parts of the Verlagsgruppe *News* with parts of Mediaprint accelerated further the trend towards print media ownership concentration in Austria. In fact, there remain just two groups. The few small and medium-size regional newspapers are confronted with a highly integrated

conglomerate comprising not only the first and second largest daily newspaper, all relevant news and entertainment magazines but also the financial power of the German Bertelsmann and WAZ groups.

Book publishing

The latest survey (2001) counted 1,002 book publishers in Austria, of which the vast majority are not large enough to employ anyone else but the publisher. More than 800 of these publishers have a backlist of fewer than fifty titles. At the other end of the scale, only sixteen publishers have more than 500 titles to offer (source: Buchmarketing, 2001).

During the 1970s and 1980s some 3,000 new titles were released annually by Austrian publishers, a number that increased during the 1990s to some 5,000 on average. Compared with the 90,000 titles published in the German language every year, Austria contributes a fair share. However, a closer look reveals that the large majority of these newly published books have little or no market success. Measured by the percentage of titles that are reprinted at least once, only 10 per cent of all new books published in Austria are successful.

There are several reasons for this phenomenon. First, the German-language area appears as a quite homogeneous book market, much more so than the newspaper, television or radio markets. German-language books are equally available in Germany, Austria and Switzerland, with a strongly unbalanced trade structure. In 1998 Austria exported books to the value of €30.6 million to Germany, but imported books for €221.6 million, creating a substantial trade deficit. The much larger German market attracts young authors, who often leave their Austrian publisher after their successful first book and choose a German publisher thereafter. Second, the small size of the Austrian market does not allow for large structures as in Germany. Scheipl concludes that this disadvantage precludes economies of scale and prevents smaller actors from being profitable. Smaller publishers are confronted with much higher distribution costs and therefore lower profits. This mechanism disadvantages not only Austrian publishers but all publishers in the German language market below a critical sales volume (cf. Scheipl, 2002: 113).

In general, internationalization characterized the book publishing industry in Austria

during the 1990s. In particular, larger and economically viable non-fiction publishers were acquired by international players. In 1995, Wolter Kluwers took over the Bohmann Verlag and acquired a 40 per cent stake in Manz two years later. Reed Elsevier entered the Austrian market in 1998 by acquiring the Orac Verlag, a publisher concentrating on legal and economic books. In 2000 the Sueddeutsche Verlag in Munich took over the majority of shares both in the Wirtschaftsverlag and in the Wirtschaftsverlag Ueberreuter. The conservative government announced furthermore its intention to sell the state-owned but economically successful Österreichischer Bundesverlag and its literary publishing companies (among them Residenz, Deuticke, Brandstätter) to private – possibly foreign – investors.

The state supports the publishing industry basically with three measures. First, the VAT rate for books amounts to 10 per cent, half the regular VAT rate. Second, direct subsidies are granted to publishers. In 2001 some €2.9 million was made available for this ‘support for literature’. Third, Austria retained its system of fixed book prices. According to the respective law that entered into force in July 2000, publishers are entitled to fix the selling price of every book, and bookshops have to respect this price for at least twenty four months. A similar legal basis in Germany and Switzerland allows harmonized book prices in the entire German-language area.

The electronic (audio-visual) media

Austria's broadcasting system is strongly dominated by the public service broadcaster, the ORF (Österreichischer Rundfunk), by any measure the largest media company in Austria. Until 1995 the ORF was the only legal broadcasting operator in Austria. Private broadcasters started operations after a long and painful process, repeatedly troubled by legal and administrative pitfalls.

By 2002 broadcasting in Austria was governed by the Federal Constitutional Law to safeguard the Independence of Broadcasting of 1974. The constitutional law defines broadcasting as a ‘public service’ to include both terrestrial and cable operations and prescribes the passing of legislation which will guarantee objectivity and impartiality of coverage, a range of viewpoints and the independence of the institutions and individuals concerned with broadcasting.

Furthermore, the legislation provides for separate laws for public and private broadcasting. The Federal Act on the Austrian Broadcasting Corporation of 1974, last amended in 2001, enables the ORF to broadcast public service-oriented programmes for radio, television and the Internet. The private sector is regulated by two federal laws, one on private radio broadcasters (Act on private radio broadcasting of 1993) and one on private television broadcasters (Act on private television of 2001).

Compared with most European countries, Austria has introduced a dual system of public and private operators with a considerable delay. While Austrian business and policy actors were unable to agree on a suitable agenda regarding how to proceed in broadcasting legislation during the 1990s, the level of international competition confronted the new private broadcasters in Austria with rather unfavourable economic starting conditions.

Television

By 2002 more than 80 per cent of all Austrian households were either equipped with satellite receivers or linked to a broadband cable network. These households receive around forty television channels in the German language, one of which is an encrypted pay channel (Premiere World). Among these forty channels, only two are of Austrian origin, ORF-1 and ORF-2. Private local television programming is available on cable networks only in selected regions of Austria.

Despite this high number of available television programmes in the German language, the public service broadcaster ORF has managed to retain its leading position in the audience ratings. In 2001 the two public television channels reached a combined market share of 56 per cent, leaving 43 per cent to foreign competitors. Behind ORF-1 (23 per cent) and ORF-2 (32 per cent) followed the German channels RTL (6 per cent), Sat1 and ProSieben (5 per cent each). Even in cable and satellite households ORF held a stable 48 per cent of the viewing market between 1996 and 2001 (all data from Teletest 2001). This considerable market success of ORF is best explained as a consequence of its programme policy, which is oriented towards a mass audience.

The two channels are well received by the Austrian audience for different reasons. While ORF-1 is focused on entertainment – some 58 per cent of programming time is dedicated to

entertainment genres and just 6 per cent to information – ORF-2 is highly successful with local content. In contrast, 64 per cent of the programming time is devoted to information and 35 per cent to entertainment. Between 18.00 hrs and 19.30 hrs from Monday to Friday, each regional studio presents local and regional news and current affairs programmes. These programme formats reach on average by far the highest audience, outpacing even the main news at 19.30 hrs. However, these local programming formats are the most expensive programme genres of the ORF.

This programming strategy reflects to some extent the economics of the Austrian public service broadcaster. Advertising and licence fee revenue contribute about the same amount to the global budget of the ORF. In the year 2000, 43 per cent of the total revenue of €853 million came from licence fees and 42 per cent from advertising sales (15 per cent comes from miscellaneous sources, among which the sale of broadcasting rights is the most important). Given this balanced revenue mix, programming has to satisfy the requirements of the advertising industry by attracting the fourteen to forty-nine age group and at the same time respect the public service remit that basically requires programming to cater for all citizens. ORF's response to this twofold challenge is the clear distinction between the entertainment-oriented concept of ORF-1 and the public service orientation of ORF-2.

Both channels are distributed by terrestrial means all over Austria as well as via digital satellite in encrypted format. Reception of ORF digital via satellite requires a smart card and the proprietary set-top box or D-box, which was designed for reception of the German digital pay-TV Premiere World. Moreover, the ORF contributes programmes to the German offering of ZDF digital as well as BR alpha from the Bavarian public service broadcaster.

ORF's television activities are complemented by its participation in the pan-European German-language channel 3SAT, which is managed by the four public service broadcasters ARD, ZDF (Germany), SRG SSR *idée suisse* (Switzerland) and the ORF. Furthermore, ORF runs together with a private partner TW1, a tourism and weather channel distributed free-to-air via digital satellite.

In early 2002 private television broadcasting virtually did not exist. The policy quagmire

following the first law on private radio broadcasting in 1993 delayed the process of establishing a sound legal basis for private television until 2001. Only at the regional level, and then restricted to cable and satellite distribution, did some private broadcasters experiment. None of the private channels thus established any importance in terms of audience market share (all below 2 per cent).

However, after finally adopting the Law on Private Television in July 2001, the licensing process was completed by February 2002 and ATV was selected as operator for the one and only nationwide terrestrial frequency. Operations are expected to start in autumn 2002. ATV Privatfernseh-GmbH is owned by a mixed consortium of Austrian banks (Bawag, Erste), the pan-European holding company SBS, the cable operator UPC (which owns Austria's largest cable network, in Vienna) and, as largest shareholder, by the German Concorde Media, a Munich-based film rights company and television operator of Tele München, both controlled by Herbert Kloiber.

This first national private television operator is financed entirely by advertising revenue, limited only by the European restrictions as provided in the 'Television without frontiers' directive. Television advertising in Austria, which represented some 23 per cent of the whole national advertising market in 2001, is shared not only between the two channels ORF-1 and ORF-2 but also with so called 'advertising windows' used by the major private television channels originating in Germany and available on Austria's cable networks. By 2002 seven such 'advertising windows' were operational, selling advertising time on channels such as RTL, Sat1, ProSieben, RTL-2, etc. Technically, German advertising blocks are replaced by Austrian advertising spots mainly during prime time by Austrian cable operators. The Austrian advertising industry welcomed these additional slots as the former monopoly of television advertising held by the ORF vanished. Together these 'advertising windows' reached revenue totalling €87 million in 2001.

Radio

Despite all policy efforts to encourage the development of a strong and vital private radio broadcasting industry in Austria, the ORF dominated the market in 2002. ORF's radio division produces four radio channels

serving distinct audiences. The local and regional channel Ö2 has the largest audience and reached an audience market share of some 39 per cent in 2001. Second is the rock and pop channel Ö3, which is distributed nationwide, reaching a market share of 38 per cent. The advertising-free classical music and information oriented channel Ö1 came third with some 5 per cent of the market and FM4, a new internationally oriented channel, came last with just 2 per cent.

This market success leaves little room for the private sector. Since the early 1980s the Publishers' Association (Verband österreichischer Zeitungen) intended to develop private radio as a new business field but failed to propose a viable legal model to the government. In 1995, finally, the first private regional radio channels started operations in Salzburg and Styria, followed by a slew of forty three new channels all over Austria by April 1998. In each of the nine regions (*Länder*) one regional operator and a number of local operators were licensed, with the local press publishers running in almost all cases the largest radio station. The most successful of these channels reached some 15 per cent of the regional market, but the large majority was unable to survive despite a generous allowance of 172 minutes' advertising per day (since 2001).

Economic constraints and political pressure resulted in a revision of the private radio law in 2001, allowing private national radio chains on the one hand and more involvement of press publishers on the other. Consequently, the private radio landscape followed the well known Austrian pattern of media concentration. Two groups managed to integrate radio operators at a national level. First, the Antenne group operates the leading private radio stations in six *Länder*. These stations are each partly owned by the respective regional press baron but operate under the same brand heading. Second, Mediaprint started to build up a national chain branded as Krone Hitradio, referring to the dominant newspaper *Neue Kronen-Zeitung*. All these channels broadcast a rather similar mix of adult contemporary music formats and some information.

Besides these concentrated radio stations, a variety of smallish radio stations mainly at the local level complement Austria's radio landscape. Some of them consider themselves as 'third sector', non-commercial and not-for-profit radio operators.

Film and video

Watching movies in cinemas is enjoying increasing popularity in Austria. After a slow but steady loss of interest in cinemagoing from the late 1950s until the late 1980s, the number of visits has grown strongly since 1992. That year marked the all-time low, with just 9.3 million visits. The figure doubled within a decade and in 2001 some 18.9 million cinema tickets were sold (source: AKM).

The resurgence of interest is paralleled by a fundamental structural change. The first multiplex cinema was opened in 1994 in Vienna and initiated a veritable boom. By the end of 2001 no fewer than twenty two multiplex cinemas were in operation all over Austria, eleven of them located in Vienna. Together these cinemas offered 225 screens and 49,000 seats (source: Fachverband der Lichtspieltheater der Wirtschaftskammer Österreich). Simultaneously most of the traditional cinemas had to close down. One of the last remaining cinema chains owned by Austrian investors (City Cinemas) went bankrupt in February 2002.

The growing number of cinema visits provides growing revenue. In 1999 an annual turnover of some €100 million was generated by Austrian cinemas, and in 2001 the turnover increased to €127 million (estimate; source: Fachverband).

The structural change triggered by the arrival of the multiplex cinemas influenced the market success of movies launched on the Austrian market. During the 1990s, each year some 250 new movies were released in Austria, some 120 of which were of US origin. While this relation is rather stable, the market share of US movies increased. In the year 2000 all top ten movies in Austria were of US origin, in 2001 nine out of ten. US movies held a box-office market share of 69.8 per cent in 1999 (source: *European Statistical Yearbook* 2001). The general trend suggests that a smaller and smaller number of movies capture a higher and higher market share (cf. Ungerböck, 2002: 102).

Austria's film output employs some 700 to 1,400 on a regular basis and generates some €135 million per year. Around one-third is contributed by the production of television advertising spots, 10 per cent by the production of cinema movies. The remaining shares come from television production, mainly commissioned by the ORF.

The number of cinema movies produced annually in Austria or in co-production with other countries varied between ten and

twenty during the 1990s, reaching a peak in 1999 with twenty three movies. Around half of them managed to be released in Austrian cinemas. In 2001 some 2.5 per cent of box-office receipts were generated by Austrian films. The most successful genre of Austrian movies is light entertainment and local comedy with strong regional affiliations and having little prospect of international cinema release.

A second category of successful Austrian films during the late 1990s was linked with the Austrian director Michael Haneke, who co-produced several highly reputed movies, recognized at the European level (Prize of the Jury in Cannes, 2001).

The small national market and the sober export perspectives mean that public funds are needed to keep movie production up and running in Austria. In 2002 the national fund of the Österreichisches Film Institut provided some €7.5 million in subsidies for movies of Austrian origin. Severe cuts in the federal budget for culture in general have diminished this lifeline for Austrian film drastically since 2000. In 1998 the respective amount was almost twice the 2002 level at €12.9 million.

Besides the federal fund, several regional funds make subsidies available for movie production with regional affiliations (location, subject, etc.). The city of Vienna provided some €8 million in 2002, some other *Länder* such as Tyrol, Lower Austria and Salzburg offered some €1 million that year. Finally, the ORF committed itself in a mutual agreement with the Austrian film industry to invest a minimum of €4.5 million annually in Austrian film production. In turn, the ORF holds the national broadcasting rights after eighteen months of cinema release. In fact the ORF is the most important source of financing for the Austrian film industry as a whole.

The Austrian video market is characterized by the replacement of video by digital versatile disc (DVD). In 2001, some 80 per cent of the Austrian households were equipped with a video-cassette recorder (VCR) and 5.8 per cent with a DVD player. Revenue from the sale and hire of video-cassettes stagnated at the level of some €90 million, while sales of DVD software grew rapidly. In 1999 some €2.7 million was spent, ten times more than the year before.

In conclusion, film and video in Austria attract a growing audience. Cinema visits have returned as an attractive alternative

to competing leisure activities. However, structural changes favour non-European consumption and force Austrian movies into a small and uneconomic market niche.

The Internet and related on-line media

As in most other European countries, Internet access developed rapidly during the late 1990s and the beginning of the new decade. By the end of 2001 some 53 per cent of the Austrian population had access to the Internet, and 42 per cent of them had their homes connected. Over just four years, the Internet access rate had quadrupled.

Austria's media realized quickly that the Internet might develop as a fourth medium along with press, radio and television, and during the euphoric years of the 'new economy' most of the existing media launched their own Web site. In July 1997, the ORF launched its own Web portal, ORF ON, which was a separate business unit from the beginning, operating from its own location, with no intrinsic link with ORF's radio or television programming. Almost immediately, the Web site www.orf.at became the most successful Austrian Web site measured in hits and visits.

The latest revision of the television legislation in 2001 ruled for the first time on the activities of the ORF on the Internet. Against the former status of unregulated complementary activity, the new law restricts Internet activities by the ORF to 'programme related' services.

Even before the ORF's Web initiative, the daily newspaper *Der Standard* developed a distinct Web site, with the newspaper content being just one element among a number of different special interest channels. Subsequently, all major publishers launched Web sites with a clear reference to the respective print media, like www.krone.at or www.news.at. No successful Web-only media have been founded so far. However, one daily newspaper, *Täglich Alles*, shut down its presses in August 2000 but the Internet edition survived as a Web-only offering.

POLITICS, POLICY, LAW AND REGULATION

Austria's media policy does not have a strong track record of effective intervention.

It took until April 1998 before a sizeable number of private radio operators started business and it took until autumn 2002 for the first private television operator to launch its programme. While the government was concentrating on the single issue of how to provide a sound legal basis for private broadcasters, other important and urgent issues escaped the attention of media policy.

The late 1990s saw another wave of media concentration, first and foremost affecting the press sector. After the arrival of the large German publisher *Westdeutsche Allgemeine Zeitung*, which took control of the two largest newspapers in the late 1980s, the arrival of the Bertelsmann group in 2000 linked those dominant daily newspapers with the dominant magazine publisher at the business level. No government action whatsoever has been taken to prevent such media conglomerates forming.

The two ruling parties – one conservative and one nationalist – took over government in February 2000 and added another issue to the media policy agenda. The overarching goal of budgetary discipline affected all media, but the press had to pay the highest price. First, the press subsidy scheme was drastically cut back. From its peak in 1990, when some €15 million was spent as a 'specific subsidy for the diversity of the press', the scheme was reduced to less than €7 million in 2001. Until early 2002 no support model to replace the old subsidy regime had been adopted, leaving the majority of Austrian newspapers in an unclear position. Indeed, one of them had to shut down its presses (*Neue Zeit*).

Second, the government decided without prior notice to suspend its financial support for postal delivery of newspapers in 2001, with severe consequences for smaller newspapers without access to any other home delivery service. Following loud protests by publishers the government eventually agreed a more appropriate step-by-step approach.

Reforms in the broadcasting sector yielded mixed results. The first private radio law was passed in 1993 and enabled the licensing of one radio broadcaster in each of the Austrian *Länder* (two in Vienna) to transmit radio programmes to a regional audience. The law distinguished between regional and local radio, the difference being that regional radio had the right to cover the entirety of a *Land*, while local stations were restricted to their local transmission area.

The legal quagmire began when unsuccessful contenders questioned the legality of the Regional Radio Law and the Austrian Constitutional Court upheld their complaint in 1995. It took another two years to adopt a new radio law which finally enabled more than forty private radio operators to start operations in April 1998.

In parallel, a new administrative structure to govern the new private broadcasting sector was prepared (KommAustria). The new government accelerated the process considerably and prepared in addition a private television Bill. In 2001, finally, KommAustria was launched as an administrative body to grant licences and frequencies to private radio and television operators. Furthermore, the Law on Private Television passed parliament together with a renewed law on the public service broadcaster ORF.

The Austrian Communications Authority KommAustria operates as administrative office for radio and television under the control of the Federal Chancellor (Prime Minister). The intended legal independence had not been achieved. Equally KommAustria administers the telecommunication sector under the supervision of the respective Minister and enables this body to profit from administrative synergies. However, KommAustria has no competence in the press, film and book sectors.

In 2001 parliament put an end to the frequent revision of the Regional Radio Law and adopted a new Law on Private Radio, replacing the former law. Whereas the former law took cognisance of the high level of media concentration in Austria and restricted press publishers and other media owners to a maximum holding of 26 per cent of the shares in any private radio operator, the new law lifted this restriction together with the strict regionalization. As of 2001, media owners may acquire up to 100 per cent of the shares of a private radio operator, as long as they hold less than 30 per cent of their own regional or national market. Moreover, private radio channels may combine their transmission area to establish a nationwide radio chain. These amendments enhance further cross-media ownership, resulting in a strong economic and entrepreneurial interest by the press in private radio. None of the leading private radio stations is fully independent of publishing companies.

The law on Private Television, adopted in July 2001, provides for one terrestrial nation

wide frequency to be used by one private television operator. Remaining television frequencies are either used for local television or reserved for digital multiplexes that were intended to start operations in 2003. While the substance of the law was not disputed, many observers questioned whether the remaining national frequency should be granted to an analogue private television channel with mediocre economic prospects or be used rather to enhance digitalization, offering up to six competing channels to be distributed all over Austria by one multiplex. The government finally opted for the analogue channel, with little concern for the economic viability of the suggested business plan. In February 2002 the national licence was granted to ATV, which aimed to start operations in autumn 2002.

The law does not restrict private television further than the provisions of the EU directive 'Television without Frontiers'. There are no obligations as to content or the schedule. As regards ownership, the same rules apply as to private radio operators, excluding those media owners who control more than 30 per cent of their own market.

The guiding policy outcome regarding public service broadcasting is to retain the ORF as a strong national broadcaster with a clearly defined public service remit. During the public debate preceding the Public Service Broadcasting Law's revision, the question was raised whether the entire ORF or at least one of the two channels should be transferred to private ownership. The audience success of the ORF and the strong resistance by its management finally prevented the government from splitting the ORF into pieces. As a result, the ORF was transformed into a public foundation, the former board of trustees was renamed the Foundation Council (thirty five members) and the former General Superintendent became the Director General.

The public service remit is described in much detail, but none of the principles is clearly operational. For example, the law stipulates that 'the well balanced total programme must contain an equivalent proportion of sophisticated substantive elements. The annual and monthly programme schedules of television must be designed in such a way that, as a rule, there is a choice of high-quality programmes at prime time' (Broadcasting Law 2001, para. 4, art. 3). Such open wording is unlikely to have much impact on the ORF's attitude to programming.

Another intention of the government was to limit the influence of political parties and politicians on the ORF. The law therefore prohibits any politician at the national, regional or local level from becoming a member of the Foundation Council. Nonetheless, the modality of seconding these non-politicians remained the same as under the old law. Consequently, so-called 'independent experts', nominated by the political parties, became council members. The first major act of the council was the election of the new Director General in December 2001, and the political bargaining between 'experts' was no different from that between 'politicians' before.

The third innovation concerned the Audience Council, an institution with limited powers to advise on programming issues. Six out of the thirty five members were elected by fax and by the ORF's audience. Every licence fee payer was entitled to vote for the candidates. Because of the limited relevance of the Audience Council,

the interest of the public in voting was disappointing. Less than 10 per cent of the electorate participated in the election.

Austria's media policy has been strongly focused on the attempt to encourage private broadcasting despite media trends that suggest the importance of concentrating on the development of such issues as digitalization and its various implications for the entire media system. Nor did the anachronistic attempt to implement a dual system of analogue public and private broadcasters take the specificities of a small state, sharing a language with a giant neighbour at the edge of the digital media revolution, sufficiently into account. The new Austrian government had a fair chance to redefine media policy as an enabling support to promote new media genres and innovative digital media services. The option chosen by the government is likely to enhance the virulent tendency to media concentration and does not offer an innovative way forward.

STATISTICS

National population, 2001	8,075,000
Number of households, 2001	3,234,000
Movie admissions (ticket sales)	18,980,000
Books published, 2001 (titles)	approx. 5,000

Print media	Circulation of daily newspapers, 2000	
	<i>Neue Kronen-Zeitung</i>	1,133,000
	<i>Kurier</i>	307,000
	<i>Kleine Zeitung</i>	294,000
	<i>Oberösterreichische Nachrichten</i>	127,000
	<i>Die Presse</i>	123,000
	<i>Der Standard</i>	119,000
	<i>Tiroler Tageszeitung</i>	118,000
	<i>Salzburger Nachrichten</i>	105,000
	<i>Vorarlberger Nachrichten</i>	73,000
	<i>Wirtschaftsblatt</i>	59,000

Broadcast media	Audience share of television channels originating in Austria, 2001 (% all television households)	
	Public service	
	ORF-1	23
	ORF-2	32

Private television broadcasters	1
Foreign channels	43
Audience share of main radio channels, 2001 (%)	
Public service	
OE-1	5
OE-2	39
OE-3	38
FM-4	2
All public service radio channels (ORF)	85
Private	
Antenne radio Private	5
Krone Hit Radio Private	3
All private radio channels	15
Percentage of households with:	
Satellite (2000)	45.1
Cable (2001)	39.5
Terrestrial pay-television	n.a.
Video-cassette recorder (2001)	78.2
Satellite receiver (2000)	45.1
DVD player (2000)	1.8

Electronic media	Percentage of households with:	
	Digital television reception	4
	Internet access (2001)	42
	Personal computer (2001)	61
	Mobile phone ownership (2001)	78.2

Advertising spend, 2001		€ million	%
	Newspapers (daily)	571,200,000	28.3
	Magazines (including weekly newspapers)	547,000,000	27.1
	Television	464,200,000	23.0
	Radio	163,500,000	8.1
	Other (including cinema, outdoor, etc.)	272,500,000	13.5
	Total	2,018.4	100

Ownership	Main media companies, 2000: turnover (€ million)	
	ORF	853.5
	Mediaprint	n.a.
	Styria (estimated)	300
	Salzburger Nachrichten	n.a.
	Vorarlberger Nachrichten	n.a.
	News Verlag	n.a.
	Kurier	n.a.

REFERENCES

- Böck, Margit (1998) *Leseförderung als Kommunikationspolitik. Zum Mediennutzungs- und Leseverhalten sowie zur Situation der Bibliotheken in Österreich*. Vienna: Österreichischer Kunst- und Kulturverlag.
- Fabris, Hans-Heinz Luge and Kurt (1986) 'Austria', in Hans J. Kleinsteuber, Denis McQuail and Karen Siune (eds) *Electronic Media and Politics in Western Europe*. Euromedia Research Group Handbook of National Systems. Frankfurt and New York: Campus.
- Institut für Publizistik and Kommunikationswissenschaft der Universität Salzburg, eds (1977) *Massenmedien in Österreich – Medienbericht II*. Vienna: Internationale Publikationen/Buchkultur.
- Institut für Publizistik and Kommunikationswissenschaft der Universität Salzburg eds (1983) *Massenmedien in Österreich – Medienbericht II*. Vienna: Internationale Publikationen/Buchkultur.
- Institut für Publizistik and Kommunikationswissenschaft der Universität Salzburg eds (1986) *Massenmedien in Österreich – Medienbericht III*. Vienna: Internationale Publikationen/Buchkultur.
- Institut für Publizistik and Kommunikationswissenschaft der Universität Salzburg eds (1993) *Massenmedien in Österreich – Medienbericht IV*. Vienna: Internationale Publikationen/Buchkultur.
- Melischek, Gabriele and Seethaler Josef, eds (1999) (eds) *Die Wiener Tageszeitungen. Eine Dokumentation. V, 19945–1955*. Frankfurt am Main: Lang.
- ORF (2001) *Der ORF im Wettbewerb. Daten, Fakten and Zusammenhänge zur Finanzierung des ORF*. Vienna: ORF.
- Panzer, Fritz Scheipl and Elfriede, (2001) *Buchverlage in Österreich. Marktteilnehmer – Buchproduktion – Umfeldbedingungen*. Vienna: Buchkultur.
- Purer, Heinz (1990) *Presse in Österreich*. Vienna.
- Scheipl, Elfriede (2002) 'Buchverlage im Umbruch' in Thomas Steinmaurer (ed.) *Konzentriert und Verflochten*. Innsbruck and Munich: Bozen.
- Steinmaurer, Thomas (2002a) 'Das Mediensystem Österreichs' in Hans-Bredow-Institut (ed.) *Internationales Medienhandbuch 2002–2003*. Baden-Baden: Nomos.
- Steinmaurer, Thomas (2002b) *Konzentriert and verflochten. Österreichs Mediensystem im Überblick*. Innsbruck, Vienna and Munich: Bozen.
- Trappel, Josef (1992) 'Austria', in Bernt Stubbe Ostergaard (ed.) *The Media in Western Europe: the Euromedia Handbook*. London: Sage.
- Trappel, Josef (1996) 'Austria', in Bernt Stubbe Ostergaard (ed.) *The Media in Western Europe: the Euromedia Handbook*. London: Sage.
- Trappel, Josef (2001) *Fernsehmarkt Österreich. Prognos-Bericht*. Basel: Prognos.
- Ungerböck, Andreas (2002) 'Film und Kino. Eine Nahaufnahme' in Thomas Steinmaurer, (ed.) *Konzentriert and verflochten*. Innsbruck and Munich: Bozen.

2: Belgium

ELS DE BENS

NATIONAL PROFILE

Belgium became a unitary state as recently as 1830. After a feudal period the territory that is now Belgium was part of the Burgundian empire in the late Middle Ages. At the close of the fifteenth century it came under the rule of the Spanish line of the Hapsburgs, and subsequently, from 1713 onwards, under that of the Austrian House of Hapsburg. From 1794 till the fall of Napoleon Belgium was part of France. When the Congress of Vienna redrew the map of Europe in 1815 it made Belgium a part of the Kingdom of the Netherlands. This lasted no longer than fifteen years until, following a brief revolution, Belgium gained its independence.

Belgium is geographically very small (30,528 km²), but densely populated with some 10 million inhabitants (336.3 inhabitants per square kilometre). It has no fewer than three officially recognized languages: Dutch (58 per cent of the population), French (31 per cent) and German (11 per cent). About 1 million inhabitants are foreign: not only immigrants from the Maghreb countries, Turkey and Eastern Europe, but also a large number of Europeans and Americans who are employed by the European Union, NATO, and a wide range of multinationals and international organizations that have their administrative headquarters in Brussels. Over 1,000 journalists are accredited and work in Belgium; their strong presence is the natural consequence of the major role Brussels plays as the centre of EU policy making. These numerous foreign journalists, however, report very little to their home base about Belgium itself, except for juicy scandals, such as those around

Dassault/Agusta (political and administrative corruption), Dutroux (paedophile rings), and the poisoning of the food chain through the leakage of dioxin in animal feed. Consequently, it is usually the sensational reports about Belgium that attract attention abroad.

For 500 years of its history Belgium formed part of some foreign state and the country is divided culturally and politically by the differences between Flemings and Walloons. This may explain the apparent lack of a strong sense of nationality.

The dissension between Flemings and Walloons has had a decisive impact on political life. In the newly independent Belgium, French was the only official language. However, under the impulse of the Flemish Movement, the Flemings gradually acquired equal rights. This Flemish emancipatory movement often caused forceful conflicts, but the gradual formation of a federal state, in which Flemings and Walloons enjoy equal rights, has come about through parliamentary action, in a democratic way, and without bloodshed.

Through a number of constitutional reforms Belgium has been evolving towards a federal state. This has led to the devolution of power from the central government to the various regional governments. As a result Belgium today has an extremely complicated state structure, with a multitude of institutions, and a ubiquitous bureaucracy.

Belgium has a multi-party system, but as there are no clear majority parties, governments are formed by painfully drawn-out coalition building. Until recently the strongest positions were occupied by the Christelijke Volkspartij (Christian People's Party) in Flanders and by the Socialist Party in Wallonia. The rise of the Green parties, the progress of the liberal party, and the

emergence of a party of the extreme right in Flanders (10 per cent in the national parliament and 15.5 per cent in the Flemish parliament) have affected the traditional balance of political power.

Officially, Catholicism remains the major religion (75 per cent of the population), although fewer and fewer people attend religious services. Today Belgium's Catholic character is still reflected in the daily press, which remains close to the Catholic socio-political group (or 'pillar') and its institutions.

Belgium is a highly industrialized country with a high standard of living and a well developed welfare system. In 2002, 7 per cent of the economically active population were unemployed. The population is ageing (20 per cent over sixty five years old), there are many families with no children, the number of single-person households is on the increase, and the working population is no more than 36 per cent of all Belgians.

Belgium is also a country of political scandals and sleaze. Pervasive politicization and the far-reaching system of political favours have greatly inhibited dynamic, creative socio-political development. In recent years there has been an accumulation of scandals that have forced several Ministers to resign. Journalists have been involved in the hype round these scandals and have often been accused by the politicians and the magistrates of indulging in muckraking rather than practising investigative journalism. The upshot of this contention has been a review of the codes of journalism and the founding of a Council of Journalism.

STRUCTURE AND OWNERSHIP

The print media

The newspaper press

At the founding of Belgium its constitution guaranteed complete freedom of the press. This meant that the country enjoyed one of the most liberal press regimes in Europe at the time. As a result, a large number of foreign journalists who were persecuted in their native country came to Belgium. They contributed to a flourishing migrants' press, but they also left their mark on Belgian journalism.

In the newly created Belgian state the political opinion press was foremost in the newspaper industry. Most of the newspapers that

are still being published today were founded during the late nineteenth-century newspaper boom which was the consequence of a multitude of factors: the abolition of the stamp duty (1848), the large-scale use of advertising as a source of revenue, the introduction of new technologies that lowered production costs and allowed faster composing and printing, growing urbanization, and the extension of the suffrage, which bolstered political emancipation and stimulated interest in a political opinion press.

World War I did not really hold back the further development of a flourishing newspaper press. Indeed, after the war all newspapers resumed publication. In the inter-war period the first tabloids appeared, alongside the political opinion newspapers. The Flemish press, which lagged far behind the French-speaking press in number of titles and circulation figures, expanded fast during that period.

The aftermath of World War II brought more of a break, or hiatus: the newspapers that had appeared during the war were banned from publication, and some newspapers that had been inactive during the war failed to resume publication. The newspaper press began to be characterized by growing concentration.

Belgium used to possess an outspoken political opinion press. Only the Rossel group published so-called 'neutral' dailies in the French-speaking part of the country. Today most newspapers lean towards one of the large political groups, but without any financial implications. The socialist papers that were once strongly financially linked with the socialist party relinquished that connection in the 1980s.

The ongoing concentration in the newspaper industry has acted as an impetus to the removal of all affiliations between the newspapers and more or less circumscribed religious, social or political groups (the so-called 'pillars'). Journalists can therefore express themselves much more independently and critically about politicians, but the question is whether they have come under pressure from the financial and business interests of their newspaper group's owners.

The debate is still open as to whether the newspapers are yielding to tabloidization as a consequence of the cut-throat competition for readers and advertisers. The results of available empirical research into this issue are often contradictory, but they do indicate a trend towards tabloidization: less political news, more personal political stories, less

international news, more human interest articles, more story-telling, less investigative journalism, more service journalism, etc. Genuine editorials have disappeared from most dailies, and the front pages contain more sensational news.

Belgium still has a number of quality dailies, such as *De Standaard*, *De Financieel Economische Tijd* (FET), *De Morgen*, *Le Soir* and *La Libre Belgique*, but even these have been tempted by sensational reporting, mainly on the occasion of the scandals that constantly emerge.

Since 1958 the overall circulation figures of the newspaper press have not suffered any drastic (i.e. over 40 per cent) fluctuations, but they have been declining steadily, from 2,597,815 in 1958 to 1,917,152 in 2002. In 2002 the Flemish press accounted for 63.9 per cent, the French-language press for 36 per cent of total newspaper sales.

The public has no tradition of taking out subscriptions to their newspapers. Only recently have the publishers' more aggressive marketing strategies succeeded in raising the number of subscribers: in 2002 sales at the newsagent's accounted for 57.7 per cent and subscriptions for 42.5 per cent.

Belgians are no great readers of newspapers: 150 per 1,000 inhabitants (the Netherlands 310, Norway 600, Sweden and Finland 450), but they do read more newspapers compared with most Southern European countries (Italy 100, Greece 90 and Portugal 38). Market research shows that mainly young, adult, urbanized, single men fail to read newspapers, while young people in general appear to spend little time on newspapers.

To increase circulation figures all publishers have tried hard to make their papers more attractive. On the basis of extensive readership research, they have attempted to meet the needs of a changing reading culture. All dailies have had their layout altered in the last five years. Their new look now includes various columns and sections, inserts and supplements. Some dailies have increased their sales figures by going for tabloidization. Most newspapers, however, suffer from declining circulation figures, while production costs continue to rise. High distribution costs and rising labour costs, in particular, have made newspapers financially vulnerable and heavily dependent on advertising revenue.

As in the rest of Europe, newspapers are acutely dependent on advertising revenue: 'healthy' newspapers raise between 45 per cent and 60 per cent of their income from advertising. However, the numerous new

players that have entered the field in recent years (commercial television and radio, new weekly magazines, a free newspaper, etc.) all depend largely on advertising. In the fierce battle for advertising the newspaper industry has been losing ground: while in 1988 newspapers received 24 per cent of all media advertising, by 2000 the figure had dropped to 15.7 per cent. During the economic boom of 1999 and 2000 the absolute figures of advertising revenue still rose, but the recession in 2001 caused the available advertising capital to shrink drastically, to decrease the amount of classified advertising (mainly job ads), which, together with brand advertising, forms a major source of revenue for newspapers.

Belgium used to be among those European countries (including the United Kingdom, Germany, the Netherlands, the Scandinavian countries) in which the newspaper and periodical press enjoyed more advertising income than any of the other media. Since 1998, however, television has been receiving the larger part: 42.8 per cent, versus 36.6 per cent for the printed media.

Since the 1950s mergers have drastically reduced the number of newspaper titles. No fewer than twenty seven dailies disappeared between 1950 and 2002. At the same time, the oligopolistic market structure made it impossible to launch new titles. Indeed, since World War II all new ventures in the sector have failed.

It is often said that the intensive mergers have weakened the plurality and the diversity of the press. This has been undeniably so when, as a result of the merger, editorial autonomy is entirely lost. However, when the merged newspaper succeeds in keeping its own ideological line and editorial autonomy, and when the merger makes more financial resources available for the editorial output, the process of concentration can be regarded as less negative. The Belgian newspaper industry offers examples both of 'negative' and of 'positive' concentration. Leaving aside *De Financieel Economische Tijd* and *L'Echo*, the two financial-economic dailies, as well as *Grenz Echo*, the small regional German-language newspaper, the newspaper industry is found to be controlled by no more than three media groups in Flanders and three groups in Wallonia.

Press ownership in Flanders

The three most important press enterprises in Flanders are: VUM, De Persgroep and RUG.

VUM (Vlaamse Uitgevers Maatschappij) is the market leader with one quality