

# **Oligarchization, de-Westernization and vulnerability: Media between democracy and authoritarianism in Central and Eastern Europe**

**A roundtable discussion**

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What are the major trends of media change in contemporary Central and Eastern Europe (CEE)? How do these media transformations relate to economic, political, social and cultural currents in the region? After a decade of democratic optimism from the early 1990s to the 2000s, why did democratic media regimes in the region become recently so vulnerable? Why would the level of media freedom and pluralism in the CEE region remain significantly more limited than in Western Europe, despite supposedly shared European values and policies, and EU membership of the countries in the region? What explains variation in the level of media freedom within and across the former communist countries? What are the direct and indirect effects of the global financial crisis on the trends of democratization vs. authoritarianism in CEE? How could eminent newly democratized countries in CEE backslide

dramatically to semi-authoritarian hybrid regimes that we usually find in former Soviet Eurasia? How do semi-authoritarian regimes control media in different CEE countries? Also, how could media studies of the region be reinvented to reflect on the shifting geopolitical balance of power, especially the emergence of BRICS, the growing influence of Russia, and the war in Ukraine? What could comparative post-communist media studies add to our analysis and understanding of the new CEE realities?

These were some of the questions tackled by a recent public roundtable discussion entitled "Media, Democracy and Authoritarianism in Central and Eastern Europe", held at the Department of Media, Cognition and Communication at the University of Copenhagen on April 24, 2015.

Participants included *Auksė Balčytienė* (Professor of Journalism, and Vice Rector for Public Communication and International Relations, Vytautas Magnus University, Lithuania), *Péter Bajomi-Lázár* (Professor of Media Communications, and Head of the Institute of Social Science at the Budapest Business School, Hungary), and *Václav Štětka* (Senior Researcher, Institute of Communication Studies and Journalism, Faculty of Social Science, Charles University, Prague, Czech Republic). The panelists have also been working together in a major research project entitled "Media and Democracy in Central and Eastern Europe" between 2009 and 2013 at the University of Oxford. The roundtable was convened and moderated by *Miklós Sükösd* (Associate Professor, Department of Media, Cognition and Communication, University of Copenhagen). The event was co-sponsored by the Research Priority Area on "Media and Communications in Transition Societies" at the Department of Media, Cognition and Communication at the University of Copenhagen, and the *Journal of Media, Cognition and Communication*.

Participants were asked to reflect on their recent research and contextualize it among what they consider the most important contemporary issues and trends of media and politics in the CEE region.

### **De-globalization of media ownership and the instrumentalization of media by oligarchs**

*Václav Štětka*: My response to this question will be largely based on the research I did in Oxford, where I studied the transformation of media

ownership in CEE and the impact of these processes on editorial autonomy and journalistic professionalism in the region (Stetka 2012; Stetka 2013). Right now I am based in Prague and shifted my agenda a bit towards political communication. However, I am of course still very much interested in examining the continuing processes of media ownership transformation, because it is a very relevant issue in many CEE countries, with often disturbing consequences for media freedom.

Observing the changing media landscapes across the CEE region, I would argue that among the main trends which we can currently identify in many of the countries there is the process of *de-globalization of media ownership*, caused by the *departure of foreign investment*; the simultaneous *rise of the local oligarchs* as new media owners or moguls; and the process of declining *professional autonomy*, combined with the increasing *instrumentalization of news media* in the hands of the new local proprietors. De-globalization has been a direct consequence of the impact of the 2008-2009 global economic crisis, which hit hard Central and Eastern Europe. Following the sharp decline of the GDP, advertising expenditures fell dramatically across CEE. In the Baltic countries, but also in Bulgaria or Romania, the decline of advertising expenditure was over 50% annually between 2008 and 2010. Of course this has negatively affected the revenues of media companies, especially in the print sector, which was already struggling with the impact of the internet. Shrinking revenues prompted many of the Western media owners and investors to leave the ailing markets, because they could not see short- or even mid-term profitability in the print market segment. While before the crisis, a large number of print media in CEE countries had been owned by German, Austrian, Swiss, as well as Scandinavian companies, and in several countries foreign ownership was absolutely dominating, today there are barely any foreign publishers left in the region. The process has not stopped even after the end of the recession, and is increasingly affecting broadcast media as well. In other words, many CEE countries have experienced an almost complete reversal of the media ownership situation - from primarily Western to locally-based ownership – and this has happened in a very short period of time.

Apart from the withdrawal of Western investors, the other common trend currently defining the majority of CEE media markets has been the rise of a specific type of owners, namely oligarchs, which replaced the foreign

companies. Instead of established transnational media companies like Ringier, WAZ, Schibsted, Bonnier or Sanoma, a new breed of local owners showed up. Most of these oligarchs are very rich and very influential local business elites, people who had largely nothing to do with media before, and whose main sources of profit has been elsewhere--energy production and distribution, retail, real estate, investments etc. With the exception of Estonia, Slovenia and, to some extent, Poland, in all the other Central and Eastern European new EU member states it is possible to find at least a couple of major business players who are now involved in media publishing or ownership of broadcasting company. Certainly, such owners are not a complete novelty to the region, and in countries like Romania or Bulgaria they have been present very much from the beginning of the transformation process. What is new is that nowadays they are becoming very much the only type of players left on the scene.

To illustrate this track I will talk about the Czech Republic, where this process of Western media ownership rapidly shifting into the hands of local business elite was among the most dramatic of all CEE countries. The Czech Republic used to be one of the countries dominated by foreign media ownership before the crisis, with the share of foreign investment in most media segments reaching up to or even beyond 80%. Nowadays, there are no foreign investors among the national newspaper publishers. Instead of them, the press and part of the broadcasting media scene is divided among a handful of Czech billionaires with little or no previous experience with the media business. Arguably, the one receiving the most attention is Andrej Babiš, the owner of the Agrofert Group, the biggest food processing and agricultural corporation in the country. Having purchased the biggest media house MAFRA in 2013, he became the leading media mogul in Czech Republic (see Hájek and Štefaniková 2014). With MAFRA, he is the publisher of the two most prestigious national newspapers, as well as a chain of regional news weeklies. Apart from that, he also controls the biggest nation-wide commercial radio station, and it is possible that soon he might be buying the second largest commercial television station as well. In 2011 he established a new political movement called ANO (meaning YES in Czech, which stands for “the Alliance of Dissatisfied Citizens”), widely described as a populist movement. He entered Parliament with his party in 2013 as close second and became Deputy Prime Minister and Minister of Finance. So now there is a person who

is basically running the country; he is broadly perceived as a more influential figure than the actual Prime Minister. He is the second richest person in the Czech Republic, and the most influential media mogul. He is currently also the most popular politician in the country, and his party is leading the polls. This concentration of political, economic and media power in the hands of one person is simply unprecedented, and not only in the Czech Republic, but also in the region as a whole.

The question obviously is: what is the motivation of these people for investing in the media in times when profitability cannot be guaranteed, especially not in the newspaper sector which is currently a profit-losing industry in most of the region? We must assume that they own media in order to maintain influence, rather than to make a profit directly from publishing. This has been recently confirmed by one of the Czech oligarchs, Marek Dospiva, the co-owner of one of the largest investment groups in Czech Republic called PENTA. Following a journalist's question regarding their plans to invest into media, he replied saying "I am not going to beat around the bush: the fact that we own media gives us the assurance that it will be more difficult for anyone to attack us". He referred to the media as a "shield", and also used the metaphor of a "nuclear briefcase", comparing the media to an instrument of deterrent, assuring that nobody will dare to wage wars against them (Hospodarske Noviny, 2015).

This is just one illustration of the fact that the Western-style media business model is becoming an exception rather than a rule in most countries of the CEE region. Media investment is increasingly seen as a political strategy. The old commercial models are failing and the new ones have not been found yet. The real challenge is how to ensure sustainability and independence of quality journalism in these times. There are indeed some promising counter-tendencies. In several countries we have witnessed the emergence of new media platforms and outlets by journalists who left the editorial offices of media now owned by oligarchs. Many decent journalists who left, tried to establish new outlets, weeklies, online dailies etc. The question, however, is whether these initiatives and project will prove financially sustainable in the long-term.

*Sükösd:* So key trends in the CEE region are de-globalization of media ownership, the growing power of oligarchs, declining professional

performance, and the emergence of Berlusconi-type actors with multiple power, including political and media power as well as economic interests in several business sectors.

*Štětka*: Yes, let me add that Mr Babiš, the Deputy Prime Minister, has recently been called ‘Babisconi’, obviously implying the resemblance to Berlusconi. However, there is a difference. Berlusconi made his political career by using his television empire, while Babiš has never been that much dependent on television. He is not a visually charismatic person, unlike Berlusconi who has effectively exploited his charisma on television.

### **Decreasing media freedom and pluralism: the political factors**

*Péter Bajomi-Lázár*: Regarding the freedom and pluralism of the media, if you look at the comparative data produced by Freedom House and by Reporters Without Borders, they show a deficit of media freedom in many of the former communist countries that joined the EU in the 2000s. My first question would be this: *why is media freedom more constrained in the ‘East’ than the ‘West’?* The second question is, *how to explain spatial and temporal variations in the level of media freedom within and across the former communist countries?* In other words, why is it that under some governments, media freedom flourishes, while it declines virtually overnight when a new government takes office? A third question is, why is it that *after 25 years of various media policy proposals formulated by professional and civic organizations to improve the status of media freedom in general, and the accountability and political independence of public service broadcasters in particular, virtually none of these recommendations have ever been implemented in practice?* In other words, *why is it that the status of media freedom, and particularly the freedom of the public service media, has not improved in CEE?*

A first-hand explanation is that media policy is not a magic weapon; you cannot change media systems without changing political systems and political culture. This is what Karol Jakubovicz and Miklós Sükösd (2008) called “mimetic transplantation” of Western media models in emerging Central and Eastern European democracies, a process which, in my view, has largely failed. For example, you cannot ‘import’ the BBC model of public service broadcasting to Hungary or the Czech Republic or Lithuania without also ‘importing’ the British political system where the BBC is embedded and

where there is a consensual political culture, fair competition, and a quasi two-party system.

Of course, when it comes to media freedom or the deficit of it, and one attempts to answer the question of why media freedom has not consolidated in many of the former communist countries, one must consider a number of factors. These include political institutions, political culture, economic performance, the level of professionalization of journalists, the behaviour of media owners, and the attitudes of the public towards media freedom. There are also some possible external factors such as pressure by the European Union in the event media freedom is breached.

I have decided to take a look at political institutions and culture, because the status of media freedom is most likely to change after changes in government, whereas the other factors such as the performance of the economy, the professionalisation of journalists and the attitudes of the public do not change overnight. Therefore the most influential factor that may affect media freedom is the political setting.

In this research, which I summarised in my recent book (Bajomi-Lázár 2014) I followed the tradition recently revived by Daniel C. Hallin and Paolo Mancini (2004) and argue that *political systems have a major influence on media systems. A key issue is that of party systems*. There are a number of differences in party systems in the 'East' and the 'West'. For example, party systems in the 'West' are, as a main rule, consolidated. Most parties have many members and a high level of trust, as opposed to most Central and Eastern European countries. In Western Europe, party splits are rare and parties have historical roots; they do not change ideologies overnight. Electoral volatility is also lower than in the 'East'. Parties in the 'West' have stronger social roots, while political parties are poorly embedded in society in the 'East'. (Weaker social embeddedness is a common feature of all second and third wave democracies, because these are new parties which did not have the time to establish strong links with society.) This leads to the emergence of *cartel parties* in the 'East'. Cartel parties are engaged in state capture in an attempt to extract resources that are needed for party building and organisation. Cartel parties also capture and exploit public/state media. Public service broadcasters, national news agencies and media authorities are in control of large sums of money and other resources such as senior managerial positions,

advertising funds, newspaper subsidies, programme production funds, radio and television frequencies. Through media capture, these resources can be channelled to party cadres and clients in exchange for various favours granted to the party in the past or to be offered in the future, especially during election campaigns.

This is what I labelled as *party colonisation of the media*: parties colonise the state media and exploit their resources through a *nomenklatura* system constituted by party cadres and clients. Interviews conducted by Václav, other colleagues and myself in these countries over four years confirmed that this is one of the motivations for media capture. Many of the political elites interviewed during the field trips confirmed that the media's impact on public opinion and voting behaviour is often questionable. In fact, pro-government bias in the media might have a boomerang effect so it might alienate voters rather than mobilise them. This is a recurring pattern.

In countries where civil societies are weak and professional organisations are divided along political cleavages, political parties have a *de facto* monopoly over policy making, including media policy making and the control over the distribution of resources. On the surface, rhetorics of media freedom and pluralism prevail, mainly in the preambles of all media laws. But, beyond this, media law is widely conceived as a means to redistribute resources among clients of political parties and some of the oligarchs associated with parties. Media is captured through the capture of media policy and media law, creating *new nomenclature systems* that allow parties to delegate people to key decision-making positions in control of media resources.

*This difference in party systems might explain the deficit of media freedom in the 'East' as opposed to the 'West'. But how to explain variation in media freedom within and across Central and Eastern European countries?*

In my recent research, I chose ten governments in five countries with the same share of seats in parliament, i.e., with the same means and possibilities to pass new media legislation and to take control of the media. What I found was that media freedom was improving under some governments, but deteriorating under others. While I tried to identify recurring patterns, I found that party colonisation of the media is a widespread practice in many of the region's countries, but the actual patterns are different. There are the



patterns of *one-party colonisation* vs. *multi-party colonisation* of the media. In the former case, one party, or a party coalition or association, has privileged access to all media resources. In the second case, under multi-party media colonisation regimes, the 'media pie' is divided among the various political parties, i.e., no single party has privileged and dominant influence over the media. Therefore pluralism and freedom of media is largely preserved; parties can mutually mitigate other parties' efforts to control media through their representatives on the media boards. The recurring pattern I found was that party colonisation of the media may have negative impact on the level of media freedom in case of governments that are constituted by one party, whose internal decision-making structures are centralized, and which are headed by strong-hand leaders who personally do not tolerate media criticism, and have a strong ideological agenda (whether a right- or a left-wing agenda does not seem to make a difference). By contrast, multi-party governments or coalition governments of parties with more democratic internal decision-making structures, and headed by pragmatic or technocratic leaders tolerant of media criticism, were more likely to respect media freedom, and under these governments the status of media freedom improved.

To the question of *why media policy proposals often fail*, the answer would be that the deficit of media freedom might be explained by both proximate and ultimate factors. *Proximate factors* include media policy frameworks, i.e. the institutions that are theoretically designed to protect media freedom, but are in fact used as means to instrumentalise political control over the media. *Ultimate factors* responsible for the deficit of media freedom have to do with party systems. Parties try to stabilise their position, but, when lacking the resources needed, capture the state and the media.

It follows that *media systems cannot be improved by media proposals alone, but the entire political system needs to be addressed*. For example, if a country has a proportional election system, then that country will be more likely to have a coalition government, because mixed election systems and majoritarian election systems, in line with Maurice Duverger's law, favour two- and two-and-a-half party parliaments and single-party governments. Party funding is also an issue. Improved party funding could decrease parties' incentives to

capture the state and the media in search of resources. Parties' internal democracy could also be possibly improved via new party regulation.

In sum, *the stronger the government, the weaker the media, and vice versa*. The more veto points there are in the system, the more freedom the media have. Because political systems have a major impact on media systems, media freedom can only be improved by reforming election and party systems in CEE.

*Sükösd*: The key trends are, again, party colonisation of media and oligarchization. You also added different types of party systems as an important factor for the variation in media freedom, and the political culture surrounding the hard institutional models of politics and media that in principle could produce a better outcome in terms of media freedom.

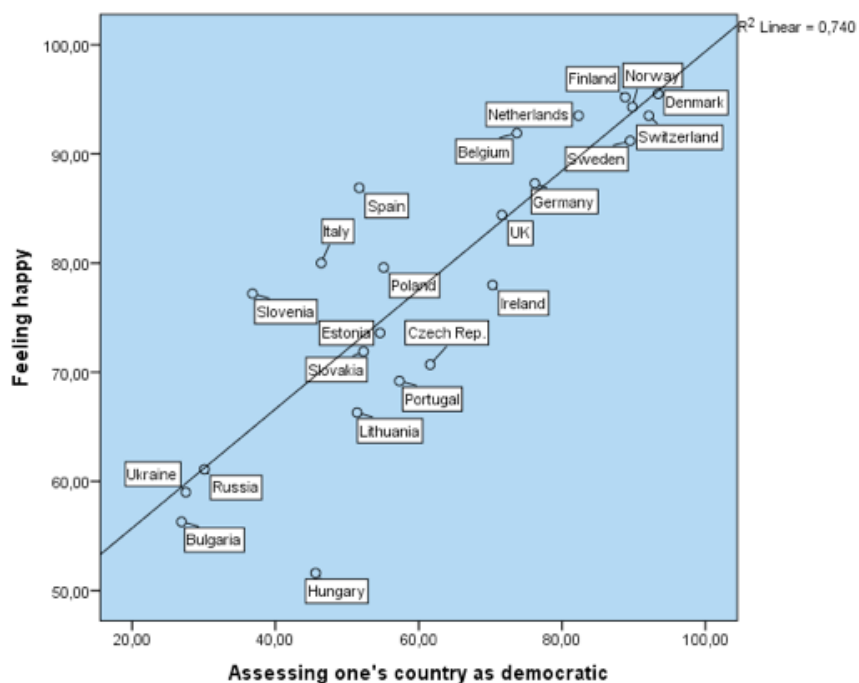
### **Socio-cultural perspectives**

*Auksė Balčytienė*: I would like to offer here another 'macro'-level perspective. On the one hand, a bird's eye view on political and media transformations in CEE allows the analysis of the outcomes of changes in the time of extreme transformations. Yet on the other hand it also captures various contextual specificities and cultural characteristics registered in institutional structures and cultural ways of life in the region.

From what has been observed and identified, one can suggest that Central and Eastern Europe, could be studied as a 'test case', a kind of 'social laboratory' where specific developments such as extreme 'individualization', also 'group polarization' are witnessed, identified and tested (Balčytienė 2015). These developments are also seen and highly disputed in the Western countries. However, it seems that the qualitative aspects of these tendencies – often found in attitudes and values of high competitiveness and rivalry, consumerism and market-orientation – are more prevailing in younger than older democracies.

Several causes might be considered here. In the last decades of the 20<sup>th</sup> century, the CEE countries were indeed privileged, because they got an opportunity to rebuild their states and to return to self-government. This move was especially significant for the three Baltic countries, since they literally re-appeared on Europe's map. However, in spite of high hopes and

enthusiasm, people of newly emerging democracies have found themselves also among those highly disadvantaged. *They had to face all changes in a very rapid manner and within a very concise period of time* and, even more, in the frame of high intensity of myriad changes (Bauman and Donskis, 2013). In the longer run, this has brought *emotional strains and anxieties*, such as increasing *uncertainty* that massively escalates feelings of *insecurity, tiredness and even fatigue* in daily matters (Balčytienė 2015). In terms of public perceptions, transitional societies and countries with former authoritarian or totalitarian experience do not score equally with the Western countries in their feelings of happiness and confidence and satisfaction with the functioning of democracy, nor in their assessment of media as being free and qualified to meet expected (normative) ideals.



**Chart 1. The relationship of “Feeling happy” and “Assessing one’s country as democratic” in selected European countries**

Source: Balčytienė and Juraitė (2015, in press): authors’ estimations based on ESS (2012) data.

Hence I would like to propose a 'socio-cultural perspective', which views the process of transformations and democratization in CEE not only as an institutional change and re-configuration, but predominantly as a socio-cultural progression. Such an approach looks at democratization and media freedom based on decisions made by people and organizations, and on the forms of seeking consensus and building trust.

How are socio-cultural changes in the region replicated in the field of media? I will not go into specific details outlining structural changes in the Baltic media systems. Instead I would like to point to the significance of new ICTs as one of the critical factors that shapes ways of life in today's CEE. In relation to the *weakness of newspaper publishing and reading tradition in the Baltic countries* (Lithuania in this sense has the weakest tradition among the three states), print media gradually disappears from the newly arising media landscape, while *television remains a public arena populated with commercial matters*. The available niche is rapidly occupied by ICT media actors with their own standards of professionalism in news production.

Indeed, the arrival of the new ICTs coincided with the uses of the neo-liberal ideology of promoting ideals of effectiveness and competition. New technologies, too, have brought extreme pluralisation leading to *group polarization* and *clusterization of interests*. On the one hand, these trends may be seen as highly empowering, contributing to pluralization and having democratizing effects. Yet, on the other hand, as we see in online users' choices, individuals tend to follow those opinions which support their pre-existing views or the pre-existing knowledge in the political sense.

It appears that we indeed live in times of unprecedented change in terms of societal transformations and collective re-grouping. As seen in examples from CEE countries, new societal re-arrangements may emerge under conditions when the atmosphere of *neo-liberal trends, weakness of print media tradition, growing individualization and group polarization* are present at the same time. These factors strongly impact the quality and functioning of democracy and contribute to critical outcomes.

*Sükösd:* The trends of media ownership, political institutions and political culture are now extended with a more social theory-driven approach to highlight extreme polarization, individualization, and also the impact of ICTs

and online media as well as the neo-liberal policies that support individualism and competition. One should add that the capitalist and democratic dual transformation in CEE took place within a very short time, within one generation, and its intensity caused high levels of stress, anxiety, insecurity, and fatigue.

May we continue with some provocations regarding our terminology? Václav used the term 'de-globalization' for characterising the regional trends regarding media ownership. Why 'de-globalization', and why not 'de-Westernization' or 'de-Europeanization'? We are talking about the withdrawal of Western European capital, not global capital. Would the term 'de-westernization' or 'de-Europeanization' capture this process better?

*Auksė Balčytienė:* You may also call it 'de-Scandinavization' from the Baltic perspective.

*Štětka:* I see the term de-Westernization as already 'occupied' and used within international media scholarship in a different sense. In 2000, James Curran and Myung-Jin Park published a seminal volume called *De-Westernizing Media Studies* (Curran and Park 2000), in which they coined the term to emphasize the need to broaden the perspectives and approaches towards comparative media research, beyond the Western-centric models and theories. This is why I prefer to use the term de-globalization, despite of the fact that it describes the withdrawal of mostly Western type of ownership and Western investors. The concept of de-globalization also aims to highlight the gradual reversal of the process this region has been experiencing during most of the two decades after 1989, the process generally labelled as globalization of media, which was particularly visible in terms of media ownership structures.

*Audience:* How about the term of 're-domestication' or 'de-transnationalization' of media?

*Sükösd:* These terms may suggest a neutral or positive meaning, while the other labels are more negative as they also refer to the trend of a decreasing media freedom in CEE.

*Štětka*: We certainly cannot say that effects of globalization were altogether positive in the CEE region. However, the process of de-globalization seems to have even more negative consequences.

*Bajomi-Lázár*: Domestication and re-domestication could also be used as a metaphor for the re-domestication of rebel journalists who seek independence and seek to be critical. As the term also refers to the domestication of animals, it offers a fitting metaphor to describe the situation: the taming of the rebel journalist. In this metaphor, the watch-dog is re-interpreted as a 'lap-dog': a tamed, domesticated animal.

### **Geopolitical considerations and Russia's growing influence**

*Sükösd*: You all put the region into a larger transnational perspective and also emphasized that local social traditions and political culture matter. Using a truly global perspective, can we also relate media trends in our region to the emergence of the BRICS countries, in particular Russia and China (Sükösd 2014)? There might be several layers to this, starting with the general global power shift from Western countries towards the BRICS, particularly from the US to China. We also witness the re-emergence of Russia as a strong regional power through a more proactive or even aggressive foreign policy, and military action and war in Ukraine. Also, in terms of media ownership, how does the oligarchization of CEE media compare to post-Soviet Russia? During the Yeltsin period in Russia, seven major oligarchs built their vertical empires involving industrial (mostly petro-chemical) interests, political organizations, but also media empires and their own hitmen and links to the underground mafia world. These oligarchs allied with the Kremlin and other oligarchs, but time to time they also attacked each other. They tended to instrumentalize their media the same way as described in the case of contemporary Czech Republic by the 'nuclear briefcase' metaphor. Can we talk about 'Russification' of CEE media in this particular meaning of oligarchization?

*Štětka*: We need to engage more deeply with the term 'oligarchization'. The literature as well as the public traditionally associate this term with Russia and other post-Soviet countries such as Ukraine or Kazakhstan. But recent scholarship identifies oligarchs in Western countries such as Britain or the US as well. In this respect I do not think it is appropriate to tie the concept to a

particular country such as Russia; oligarchization is certainly a much more universal phenomenon than that.

*Balčytienė:* Among the Baltic countries, 'oligarchization' has been highest in Latvia, somewhat lower in Lithuania and of lowest degree in Estonia. In the Baltic region, recent changes in media ownership might be labelled as 'de-Nordification' or 'de-Scandinavization'. Still, another trend is also evident, namely the gradual increase of Estonian capital in the Baltic media. Russia has always been an issue of high significance in all three countries, for historical reasons. In spite of unmistakable polarization in the Lithuanian politics, dominant parties are quite strict, unanimous and consensual towards the so-called 'Russian factor'. For example, when the new media law was drafted in the early 1990s, it was stated that none of the media companies in Lithuania could be privatized or bought by foreign owners that have links to Russia. But as a matter of fact, Russia has never let the three Baltic countries out of its information space, and propagandistic attempts of information management have intensified and became more assertive in the past few years. Baltic governments reacted to this matter in their own – self-defensive – manner. One illustration is the situation with the Russian television station *RTR Planeta*: due to its manifest propaganda content, the broadcast was suspended and ceased for fixed periods both in Latvia and Lithuania. Alternative solutions to counter propaganda matters could have been imagined, for example, the establishment of a public service channel in the Russian language. I would support the idea of having such an alternative channel. There have been thoughts raised among the three governments about such a channel, but no agreement was reached.

*Bajomi-Lázár:* The Hungarian case is a special one, because of an oligarch called Lajos Simicska, who was, until recently, a close associate of the Prime Minister Viktor Orbán (Mérték Media Monitor 2014). However, the two are now fighting. This points to the question of who the master is? Who controls whom? Is it political parties or is it the business elites that control politicians? In Bulgaria and Romania, the business elites, often associated with the former security services and some of the political parties, are just puppets. In Hungary, however, it is hard to determine the setup of this power relation. In the Czech Republic, it could be the political elites who instrumentalise oligarchs.

*Štětka*: I do not think you can possibly instrumentalize the oligarchs [laughs]. In the Czech Republic the power lies clearly within five or six main oligarch families or clans that have been identified by the press. It is generally assumed that political parties have been acting in the interest of these oligarchic powers.

*Sükösd*: Regarding the 'Russian factor', there are good investigative reports showing that the Kremlin actually supports extreme right wing parties in Europe, for example Le Pen's National Front in France, or Jobbik in Hungary (e.g., Juhász et al. 2015). By supporting the radical right wing, clearly Eurosceptic parties, the goal of the Kremlin is to destabilize the European Union. The extreme right is not marginal any more: for example, Jobbik is a xenophobic, radical nationalist party that came second in recent polls and might have a chance to win the next elections in 2018. The Hungarian government's foreign policy orientation already shifted towards Russia, and the Kremlin's support for the extreme right also contributes to the pro-Russian orientation of Hungary, just like some countries in the region. Some Hungarian media organizations, including extreme right wing news portals, also seem to enjoy support from Russian sources (Juhász et al. 2015). In your opinion, what are the trends regarding the Russian factor in politics and media in CEE?

*Štětka*: In the Czech Republic, President Milos Zeman's Party of Citizens' Rights (SPO) is sponsored by LukOil (Russia's second largest oil company) and has recently managed to secure a small number of seats in the Senate of the Czech Parliament as well as in the regional governments. Some activities of President Zeman in relation to foreign policy are obviously motivated by his fondness of Russia. He is one of the few highest representatives of the EU countries to have participated at the recent official celebrations of the WW2 anniversary in Moscow. There are clear indications that there is a strong Russian involvement in Czech politics by implicit or explicit support of certain actors who then emphasize the financial and political interest of Russia and essentially try to destabilize the European Union.

*Sükösd*: This presents clear risks for Europe and contributes strongly to instability, vulnerability, and volatility of democracy and democratic media in CEE.



*Balčytienė:* Generally, the conflict between Russia and Ukraine and the geopolitical crisis in the neighbourhood works as supplementary factor contributing to the atmosphere of instability and insecurity in the whole Baltic Sea region. Lithuania does not have an extreme right wing party. But the political atmosphere may be de-stabilized, and continuously challenged, with matters of unresolved matters of historic concern. One example is a party in Lithuania that has national rather than ideological aspirations – this is the Electoral Action of Poles that seeks to represent the rights of the Polish minority (which is around 7%) in Lithuania. For several decades conflicts have been running between the national government's conservative language policies and minority demands. History is alive and many unresolved conflicts are re-used by present day populist politics.

*Sükösd:* Can this be understood in a way that Russia is instrumentalizing the traditional tension in Polish-Lithuanian relations? A similar strategy may be observed in case of the Hungarian minority in Ukraine. Russia supports a Hungarian nationalist discourse that advances the Hungarian minority in Ukraine, sometimes even with territorial claims. This discourse may actually question the very legitimacy of the existence of Ukraine suggesting that Eastern Ukraine should belong to Russia, and Western Ukraine may belong partly to Hungary. The Hungarian extreme right wing Jobbik party utilizes this discourse in coalition with the Kremlin.

*Bajomi-Lázár:* As regards the issue of who is in charge: much of the resources available in the media market are controlled by the state. For example, the state is a major advertiser in Romania. In Hungary there is a broadcasting fund, and in Slovenia there is a press subsidies system. This means that these resources are controlled by political elites rather than media oligarchs. One of the problems with the Simicska case in Hungary is that, due to the recent disagreement between him and the prime minister, Simicska cannot access these state resources. Orbán can basically strangle him by closing the tap of state resources.

*Štětka:* In some countries these resources play a bigger role than in others. But in general, resources available to media, or found within media markets, are not comparable to the resources in other industry segments. Media expenditures might be negligible for the oligarchs compared to revenues from other industries or business which they are engaged in.

*Bajomi-Lázár:* But those revenues might also depend on the state and the will of the political elites that regulate the economy. The political elites control regulations through which they can influence virtually anything.

*Sükösd:* I am afraid it is cold war times again one more time in some respects. More exactly, it could be already labelled as hot war times, considering the recent annexation of the Crimea by Russia and the ongoing war in Eastern Ukraine.

*Štětka:* But it is also different from cold war times. It would not make sense for Russia to invest in media across the CEE's or the West. What they are doing is that they are engaged in an enormous disinformation operation on the internet. They are paying people to comment on online media sites to produce disinformation, which appears to be a much more effective strategy than the old-school direct propaganda. It is harder to detect the source and producers of the information, which creates an environment of confusion where people can no longer know what to believe in or how to separate fact from lies.

*Audience:* Weak civil societies in CEE, but also in other EU countries, create a playground for populist movements which affect the media and give rise to the 'one man, one party' type populist leaders. These one-man leaders are then utilized by oligarchs, as oligarchs follow the money. However, in small economies wealth is created not only domestically, but also by export, trade, selling and buying. This means that the oligarchs themselves are also very much dependent on exports and imports. But how can they follow the money there?

*Bajomi-Lázár:* The Hungarian case actually suggests that it is in fact the European Union that is sponsoring the autocratic Orbán regime and its oligarchs. This raises the question of why the EU sponsors a semi-dictatorial leader and his regime. It is suggested by many observers that a huge part of all EU support in Hungary is channelled to the oligarchs associated with the ruling Fidesz party. In the case of Hungary, this can take place because the European Union is afraid to take measures for fear of a domino effect. The immediate reaction to punitive action by the EU could be an increase in Euroscepticism. The populist Orbán Government may also consider leaving the Union, which could start a chain reaction, leading to the complete disintegration of the EU.

*Sükösd:* There could be other reasons as well. The tender and procurement processes that distribute large EU grants is corrupted and not transparent, allowing local oligarchs such as Simicska and others receive the major bulk of the EU tenders for infrastructure development. It is a grave matter as it is eventually the money of German and Scandinavian taxpayers that is distributed to CEE oligarchs who in turn support semi-dictatorial regimes in the region. Also, there is no clear procedure for political accountability of member states in the EU. When these states applied for EU membership, as candidate states they had to fulfill conditions for membership, including the Copenhagen Criteria (CC). The CC declares that membership requires stability of institutions guaranteeing democracy, the rule of law, and human rights. However, once these countries fulfilled the CC and became member states, the EU never developed sanctioning or expelling protocols for countries violating the CC or other EU rules, values, and norms.

A final question regarding geopolitical considerations: how has the situation in the Ukraine as an active war zone had an impact on the media in Baltic countries and CEE in general? The Kremlin developed a war propaganda discourse regarding 'near neighbour' countries with aggressive visual and textual content. For example, the well-known Russian imperialist video "I am a Russian occupant", tweeted by the deputy prime minister of the Russian Federation, features rockets pointing towards the Baltic States right at their border and towards the West, coupled with strong language towards the EU and the US (Newsweek 2015). How does this kind of warmongering media machine affect the Baltic states, and is this relevant for other CEE countries? Are there counter-measures in Lithuanian media?

*Balčytienė:* The geopolitical crisis might also play a consolidating function and contribute to professionalization of media and journalism. In times of high manipulation, falsification and lies, information wars and propaganda coming from the Russian media, professional journalism appears to be a fundamental source for truthful information, analysis and self-orientation. Still, as the example mentioned earlier suggests, the Lithuanian government took a protective measure and played an authoritative role to decide what kind of information the population should receive.

*Štětka:* In the Czech Republic this process has been leading towards greater polarization of society, although the vast majority of the people are pro-

Western, supporting the EU rather than Russia in relation to the Ukraine conflict. On the one hand, the pro-Russian voices are still a minority, but getting more aggressive and attacking especially the public service media. If this discourse further escalates it could affect the professionalism of the public media. On the other hand, the pro-Western side tends to adopt a very defensive approach, labeling the opposition as traitors or enemies of the state, which is obviously an exaggeration.

*Bajomi-Lázár:* Regarding the issue of information warfare and Russian disinformation through 'trolls' and media hacks: this would raise the question of why Russia does not launch radio stations if it is really engaged in an information warfare.

*Sükösd:* In a sense, pro-Russian forces have already captured the public/state media in Hungary, because the Orbán-government is decidedly pro-Russian in several matters and state media under government control clearly supports that. Russia also supports extreme right wing political parties and other organizations that already have developed their own partisan, pro-Kremlin media sector.

*Audience:* The oligarchs have significant interests in capturing the media. Through providing pro-government news they ensure government loyalty and secure their economic position in other industry sectors. What happens when an oligarch becomes a rogue oligarch as a result of a disagreement with government (like in case of Simicska in Hungary)? Can the oligarchs play a role in re-establishing democratic roles and ethics?

*Štětka:* If people are turning to the oligarchs to save democracy, like Poroshenko in Ukraine or Khodorkovsky in Russia, this only demonstrates the depth of the crisis we are in right now. Indeed, there are some oligarchs in the CEE countries who might have more or less internalized Western business ethics and share democratic values - providing of course that it does not interfere too much with their business interests. However, too often they are products of the local political culture, which itself mirrors the flawed transformation the region underwent in the past two decades. This flawed transformation is a long-term process, and to reverse it is beyond the capacity of the oligarchs, even if they decided to be part of it, which I do not think most of them really want to. They are largely part of the problem, not the

solution, to use the popular catchphrase. I am afraid we are only harvesting the seeds sown at the beginning of the transformation process, and it will take a long time to change the political culture to resemble more democratic countries. But this only highlights the need to care about the media in the region, and to protect the space for free and independent journalism. Otherwise the road towards authoritarianism will be rid of some of the last remaining obstacles.

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