

HUNGARY

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1 INTRODUCTION

This study is an attempt to describe the system of media ownership in Hungary in the early 2000s. The Hungarian media scene is dominated by market forces: the long march towards the media market started in 1988 and, by and large, it took a decade. Strong foreign ownership, a declining political press and growing numbers of tabloids, triumphant commercial radio and television channels, a weak public service broadcasting sector with minimal social prestige and a small market share, plus a deeply divided journalistic community – these are the main characteristics of the contemporary media scene in the country. This is clearly not the outcome one would have expected from the media transformation accompanying revolutionary changes in the political system in 1989–1990, and this is not the type of scene media scholars draw as a framework for the so-called democratic media, but, unfortunately, this is the state of affairs.

For half a century after World War II, Central and Eastern European media systems were framed in a given political, institutional, economic and legal structure that was shattered in the glorious years 1989–90. In Hungary's case, freedom of the press was guaranteed in the Constitution, and a separate press law was passed by the Parliament in 1986, but the law was a mere façade. The infamous Hungarian press law of 1986 required that citizens obtain a license before they were allowed to found a publishing company, while the radio and television sector remained de facto a party monopoly supervised by a state appointed committee.

At the very end of the 1980s, the frozen social structures suddenly started to melt in Hungary and in other parts of East Central Europe as well. Transition from an authoritarian regime to democracy, from the command economy to the market economy, began to look possible, and it seemed more than obvious that the media system would also undergo basic changes within a very short period of time.

The print media licensing system was abolished altogether in June of 1989. This event, together with the provisions of the Business Associations' Act that had been passed six months earlier, cleared the way for new players to enter the publishing industry. Nevertheless the outgoing communist government did not dare to pass a broadcasting law and imposed a moratorium on frequency allocation instead. This was a political gesture toward emerging opposition forces during the national political roundtable negotiations in 1989. This moratorium proved to be rather long for various reasons, and no broadcasting law was passed until the very end of 1995. Once the President of the Republic signed it into law, it was registered as Act I of 1996 on Radio and Television (hereinafter the Broadcasting Act of 1996).

2 LEGISLATION – ANTI-CONCENTRATION PROVISIONS AND THEIR IMPLEMENTATION

2.1 HOW TO REGULATE MEDIA CONCENTRATION

Economies of scale and economies of scope, two main factors behind concentrated markets, are common in media industries. It is not surprising that most media scholars agree that media industries tend to be concentrated (Picard, 1989; McQuail, 1994; Doyle, 2002), and even the digital revolution has not changed the basic rules of media economics: media markets remain concentrated in and dominated by large corporations.

Media theorists widely assume that media concentration restricts the presentation of different viewpoints and is thus inherently antithetical to democracy. In practice there exist certain kinds of legislation, detailed or less detailed, on media concentration in democracies, but it is true that legislation on media concentration is very difficult from the professional point of view, on both the national and international levels, as failures of different regulatory initiatives on the EU level have testified during the last decade (Sánchez-Tabarnero – Carvajal, 2002).

2.2 A HISTORICAL PRELUDE TO ANTI-CONCENTRATION LEGISLATION

The two round parliamentary elections held in March and April of 1990 brought the expected result: emerging centre-right parties won, so they could form a coalition and the new government. These parties, however, had less than a two-thirds majority in the Parliament, so they were not in a position to change the Constitution without the consent of opposition parties. Owing to the curious parliamentary arithmetic, the strongest centre-right party (the winner of the election, called the Hungarian Democratic Forum) and the strongest opposition party (the Alliance of Free Democrats, the Hungarian liberal party that came second to the Hungarian Democratic Forum) combined had almost two-thirds of the parliamentary seats.

To the great surprise of many people, leaders of the two big parties entered negotiations about the basics of the new Constitution soon after the elections and before the new Parliament had been convened. They managed to reach a compromise, called a *pact* in political jargon, at the end of April 1990, and two months later the new Parliament voted for the changes prepared ex ante by the leaders of the two parties. As far as media legislation is concerned, the two big parties agreed that the future broadcasting law should be passed with a two-thirds majority in the Parliament, and that the legislation on prevention of media monopolies would need a two-thirds majority as well (Constitution, Article

61(4)). They agreed to change the press law of 1986, but the changes did not touch upon anti-monopoly measures.

2.3 ANTI-CONCENTRATION PROVISIONS IN THE BROADCASTING ACT OF 1996

The Broadcasting Act of 1996 has several anti-concentration provisions on market share and ownership. They seem a bit old fashioned now, but they are still valid: achieving a two-thirds majority vote as a precondition needed for changing the law seems rather unlikely in the near future, since Hungary has been deeply divided into two political blocks since 1998 (socialist-liberal alliance versus alliance of centre-right parties). The only relevant changes to the Broadcasting Act of 1996 were legislated in 2002, but they didn't touch upon anti-concentration provisions. The changes introduced by Act XX of 2002 were strictly linked to the requirement for harmonisation of the Broadcasting Act of 1996 to the EU broadcasting directives, and both government coalition parties and opposition parties voted for them.

According to the provisions in Article 86(5), one market player may not provide more than one national broadcasting service, or two regional and four local broadcasting services, or twelve local broadcasting services. Specialised (thematic) broadcasters are exempt from these restrictions, but in cases where they operate more channels than detailed above, they will have a lower ceiling for advertising time than the standard 15 per cent (Article 86(6)). The terms national, regional and local broadcasting services are well defined in the Act, and restrictions seem clear, although they appear rather arbitrary. One might ask why the ceiling for the holders of two regional licenses is set at four local licenses rather than five or six, etc., and why twelve (and not less or more) local licenses are set as an upper limit for one market player in local markets.

However, these questions do not have too much importance in practice in the Hungarian broadcast market, since the two national commercial television channels (*TV2* and *RTL Klub*) combined had almost a 60 per cent audience market share in 2003 (source: AGB Hungary) and an even higher share, 90 per cent or so, of the advertising markets (estimate based on company announcements, balance sheet figures and other industry sources). The same figures for the two national commercial radio channels broadcasting under the brand names *Danubius* and *Sláger* are somewhat lower (estimated at about 50 per cent of audience share, source SZONDA-GFK, and more than 60 per cent advertising share) so one can say that these four commercial channels dominate the Hungarian broadcast market.

2.4 ANTI-CONCENTRATION PROVISIONS IN THE COMPETITION ACT OF 1996

Officially named Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices, the Competition Act of 1996 contains no specific provisions on media industries. In certain cases, defined clearly by law, concentration of undertakings needs the authorisation of the Office of Economic Competition. Such authorisation shall be sought if the aggregate net turnover or net revenues of the undertakings concerned exceed ten billion Hungarian forints, and they exceed at least half a billion Hungarian forints in the case of each undertaking in the preceding business year (for a detailed description of the law, see Articles 24-28). As far as the currency rate between Hungarian forint (HUF) and the euro (EUR, before 2002: ECU) is concerned, see the figures in Table 1 below.

Table 1 HUF/EUR YEARLY AVERAGE RATES FROM 1996 TO 2003

YEAR	1996	1997	1998	1999	2000	2001	2002	2003
RATE	191	211	241	253	260	257	243	254

Source: National Bank of Hungary

The Competition Act of 1996 has been changed and/or amended several times since 1996. Legislation on competition seems to be a matter of technocratic procedure, and it is not discussed in detail in the media. The Office of Economic Competition is regarded as a fairly balanced, politically neutral government organisation, successfully managing to keep its distance from day-to-day politics. Its most important body, the Competition Council, has been carefully run by technocrats, and its resolutions on competition cases are rarely challenged in the Court (and if they are, only a few are overruled by the Court).

2.5 SPECIAL OWNERSHIP RULES IN THE BROADCASTING ACT OF 1996

Before we proceed to explain ownership rules, we should stress that leading state officials at both the national and local levels, members of the judiciary (judges, state attorneys, etc.), party officials, members of regulatory bodies on broadcasting and telecommunications, etc. are excluded by law from being broadcasters. The law also stipulates that companies in which the state has a controlling interest (25 percent or more) and companies founded by parties, cannot obtain broadcasting license. The most important provisions can be summarised as follows:

- ¶ national (and regional) broadcasters shall operate as companies limited by shares (Article 85(3));

- ¶ natural persons with Hungarian citizenship residing in Hungary or legal entities based in Hungary shall hold at least 26 percent of the voting rights in a company limited by shares, and the majority of board members shall be Hungarian citizens residing in Hungary (Article 122(1), 122(4)). By the way, these provisions will be repealed after Hungary's accession to the European Union;
- ¶ a single company may hold a maximum of 49 percent of the voting rights in a national terrestrial television broadcaster (Article 122(2)).

2.6 CROSS-MEDIA OWNERSHIP RESTRICTIONS IN THE BROADCASTING ACT OF 1996

Generally speaking, there are many restrictions on cross-media ownership in the law, and they are taken seriously. Cross-ownership between radio and television broadcasters is limited by the provisions detailed earlier in sub-chapter 13, paragraph 2, and cross-ownership between market players in publishing and broadcasting is strictly limited as well.

Publishers of national dailies and weeklies (better to say: those undertakings that have controlling interest in such a publisher) shall not have controlling interest in broadcasters (Article 125(1), 125(2)) and *vice versa*. Publishers of local and regional dailies with circulations of more than ten thousand copies cannot have a controlling interest in those broadcasters whose signal area overlaps by more than eighty percent with their distribution area and vice versa (Article 125(3)). There are certain kinds of restrictions on cross-ownership between broadcasters and cable distributors, as well as broadcasters and newspaper or magazine distributors (Article 126), but these have less importance in practice and will not be discussed in detail. We would like to point out once more that publishing a newspaper (or a magazine) needs no license; it is only cross-media ownership that is restricted by law.

3 IMPLEMENTATION OF THE LEGISLATION

3.1 MEDIA CONCENTRATION CASES CONSIDERED BY THE REGULATORS

The first case to be presented is a rather special one: an acquisition outside Hungary eventually led to changes in the ownership structure of the publisher of the largest circulation political daily in Hungary. In 2001, Bertelsmann A.G., the big German media empire, decided to raise its interest in RTL Group to 53.1 percent, as a part of its global corporate strategy. CLT-Ufa S.A., a fully owned subsidiary of RTL Group, happens to be the main shareholder with a 49 percent interest in M-RTL RT., the national commercial television broadcaster that runs RTL Klub channel in Hungary. As Bertelsmann raised its interest in

RTL Group, the media giant's indirect interest through CLT-Ufa s.a. exceeded the 25 percent threshold (controlling interest) in M-RTL RT.

In 2001, Bertelsmann had a 67.65 percent direct interest in Népszabadság RT., the publisher of the largest circulation political daily in Hungary. Therefore, when the media giant raised its interest in RTL Group to 53.1 percent, and consequently Bertelsmann's indirect interest in the television broadcaster M-RTL RT. exceeded the 25 percent threshold, the unchanged ownership structure in M-RTL RT. (see Table 9) suddenly violated cross-ownership restrictions laid down by the Broadcasting Act of 1996 (Article 125(1)). Bertelsmann had two options: to decrease its interest in Népszabadság RT. or to do the same in M-RTL RT..

The regulatory body in charge, the National Board on Radio and Television, determined the violation of the law by the resolution 1130/2001. (VIII. 28.) and asked the broadcaster to bring its ownership structure in line with the law within 180 days. Bertelsmann Co. *de facto* accepted the resolution and decided to reduce its interest to 17.68 percent by selling a 49.97 percent share in Népszabadság RT. to another publishing group, the Ringier A.G. (more precisely to the B.V. Tabora holding company, a 100 percent Ringier A.G. interest, registered in the Netherlands). Finally, Bertelsmann's decision was accepted by the Board as a solution to the case (Resolution of 1038/2002. (VI. 27.)).

Apparently unhappy with its new position as a minority shareholder in Népszabadság RT., Bertelsmann later headed toward a new anti-concentration case, but this time the company ran into difficulties stemming from competition legislation. Tabora and Bertelsmann made a deal on 27 February 2003, linked to an international share transaction, and as a result of the deal, Tabora acquired the remaining 17.68 percent Bertelsmann interest in Népszabadság RT. Having done so, it became a majority shareholder with a controlling interest in the publisher. Taking into account that in 2002 the aggregate net turnover of Ringier Kiadó KFT. (a 100 percent Ringier A.G. interest, the leading national daily newspaper publisher, registered in Hungary) and Népszabadság RT. exceeded the ten billion forint (EUR 41.2 million) threshold, and both undertakings' net turnover exceeded half a billion forints (EUR 2.1 million), under the Competition Act of 1996 (Article 24(1)(2) and Article 26(1)(2)), the parties were required to obtain the authorisation of the Office of Economic Competition.

The Competition Council of the Office of Economic Competition rejected Tabora's application and did not authorise the deal (Resolution no. Vj-59/2003/65.). Competition judges, as the members of the Competition Council are called, argued that the acquisition of a controlling interest in Népszabadság RT. secured excessive power for Ringier A.G. in the market of national political dailies, and this was clearly an outcome that should be prevented by denying authorisation to the acquisition. B.V. Tabora and Népszabadság RT. threatened to file a suit against the resolution of the Competition Council, and, according to the latest information, they did so at the end of 2003.

The third case was widely discussed in the Hungarian media in 2003. It involved the sale of a 75 percent stake in HVG RT., the publisher of the largest circulation political weekly magazine named *HVG*, with a very strong position in the advertising market as well. HVG RT. was fully owned by the members of the magazine's editorial staff and the employees of the publishing company, staff members and managers alike, and they decided to sell three fourths of their interest in 2003. The company's net turnover amounted to 4.6 billion forints (EUR 18.9 million) in 2002. After time consuming negotiations with would-be buyers, they made a deal with Ost Holding Gmbh that belongs to the large Westdeutsche Allgemeine Zeitungsverlag Gmbh (WAZ) group. The price WAZ paid for the shares has never been disclosed.

WAZ entered the Hungarian regional daily newspaper market in 1990, buying four strong county papers in West Hungary in an open tender. The Hungarian subsidiaries of WAZ are regarded as successful, and they have been extending their activity in the Hungarian market, continuously generating a net turnover of 5.8 billion forints (EUR 23.9 million) in 2002. The acquisition was approved by the Competition Council at the end of September 2003. Competition judges reasoned that the two companies are present in two different markets (regional dailies and political news magazines), and the 75 percent acquisition of HVG RT. did not create excessive market power in either market.

4 TRANSPARENCY OF MEDIA OWNERSHIP

Not a single media outlet registered in Hungary is a public company; none of them is listed on any stock exchange. They are less transparent in every sense than public companies, but a certain degree of ownership transparency is guaranteed by a set of laws.

First, all business associations have to be registered at one of the Court of Registers, and all of them have to report to the Court their ownership structure and changes in ownership structure. These files are open to the public at no charge. There are online commercial services that offer some relevant data on registered companies on a case by case basis, but they are rather expensive and do not provide full description of ownership structure – a visit to the Court of Registers is inevitable in most cases if one wants to have a detailed picture.

All broadcasters are obliged by law to report changes of ownership structure to the Office of the National Board on Radio and Television as well. The Board itself passes a resolution on the acceptance of changes in ownership structure if regional and national broadcasters are concerned, and this topic is also discussed in detail in the Annual Report of the Board submitted to the Parliament. The Annual Report is public by the nature of the law itself, but it is not available on the Board's website, and it is rather difficult to get a copy.

Although this kind of treatment of the Annual Report is subject to criticism, the Board sticks to this practice arguing that it is not their duty to make the Annual Report public or to inform the public about ownership changes of broadcasters.

Obtaining adequate information on local broadcasters seems to be extremely difficult in many cases. Many local broadcasters neglect to report ownership changes to the Office of the Board and/or to the Court of Registers and, being out of sight, they can get away with it.

The Office of Economic Competition pursues a fair policy of making their resolutions available to the public: all of these have been available online since 1997 at no charge. The economic analysis of mergers and acquisition cases forms a part of such resolutions and provides valuable help to the members of the public (journalists, academic media professionals and other interested persons) in understanding the standpoint taken by competition judges when ruling on applications.

5 STATE SUBSIDIES TO THE MEDIA

There are three important state funds that provide support to cultural industries in general, and the broadcasting sector in particular, on an application basis, but none of them subsidises newspaper publishing as a matter of policy.

The National Cultural Fund supports the publication of various periodicals (monthlies and quarterlies) on arts, literature, history, theatre, etc. and a couple of monthlies carrying general socio-political content. The Hungarian Motion Picture Foundation has a narrow focus – in the centre of its activity is the Hungarian film industry.

The Broadcasting Fund was set up by the Broadcasting Act of 1996 as a special fund outside the system of the general state budget (Articles 77 and 78) in order to support public service broadcasting, public broadcasters, non-profit oriented broadcasters, public service programmes and programme items. Its main purpose is to ensure the preservation and further development of culture, and programming diversity, as well as to promote some specific goals defined in the Act (e.g. upgrading cable systems). Various fees paid by broadcasters and a part of the license fee serve as sources of finance for the Broadcasting Fund. During the six years from the middle of 1997 to the middle of 2003, the Broadcasting Fund provided 13 billion forints support (it is about EUR 53.0 million if we take a 245 HUF/EUR exchange rate as an unweighted average for the six year time period) and administered 45 application procedures (Csányi, 2003).

The National Board on Radio and Television has the power to make decisions on the genres and the amounts of grants within the limits laid down by law. As far as supporting the production of audiovisual programmes is concerned, drama, children's programmes,

news and current affairs and films (documentary, animation, drama) lead the list of genres (5.5 billion forints or EUR 22.5 million in 1997–2001). Other rather important segments targeted within the framework of The Broadcasting Fund are upgrading and/or building cable systems in small villages and towns (5.1 billion forints, i.e. EUR 20.9 million in 1997–2002). Members of the Board designate experts in order to examine and evaluate applications on an *ad hoc* basis. The Committee experts select the solution by a simple majority vote and recommend it to the Board, which makes the final decision about the application.

The overall sum of support (or their annual average, i.e. EUR 8.8 million) does not seem too high, if compared with the 28 billion forints (EUR 115.2 million) of state support provided in 2003 to the Hungarian Television Co., the main public service television broadcaster. Nevertheless, The Broadcasting Fund's grants have played an important role in the industry. As the incumbent government *de facto* abolished the license fee in 2002, the Fund's sources guaranteed by law have decreased significantly.

Of course, besides formal state subsidies to media outlets, there exists another, less transparent form of state support. This might be called the grey zone of subsidies in the form of advertising spending in the media by government organisations, state owned companies, municipalities etc., and support from public foundations with board members appointed by the incumbent government. It is not easy to estimate these sums, but most experts agree that 8 to 10 percent of the aggregate advertising spending (approximately EUR 500 million in 2002) might be labelled as “driven by non-market forces” (Gálik, 2003). If this estimate is correct, the grey zone of media subsidies has greater weight than the official, by and large transparent, state subsidies in Hungary.

6 MEDIA LEGISLATION AND EDITORIAL INDEPENDENCE

Media legislation does not deal with editorial independence directly. However, the Broadcasting Act of 1996 stipulates (Article 29) that public service broadcasters shall formulate and apply special in-house programme making regulations (set of guidelines in practice). For instance, the “Public service operational rules of the Hungarian Radio Co.” devote one chapter to provisions ensuring journalistic independence within the organisation: this is Chapter XIV on the “Independence of programme makers.” Below are several provisions from this document:

“(1) The programme maker (journalist) pursues his obligations independently, in accordance with law and the regulations of the Hungarian Radio. The authorised editor and the management of the Hungarian Radio may only instruct him.

(3) The programme maker shall not be forced to produce or co-operate in the production of a programme which is against his conviction.

(5) In every such case when there is an attempt to violate the programme maker's independence, he or she is obliged to report on this to his or her supervisor. In case it is justified, the programme maker may also report such cases to the board of Trustees of the Hungarian Radio Public Foundation ("Board of Trustees"). If the management of the Hungarian Radio learns about such cases, it shall immediately report on the case to the Board of Trustees."

These codes of operation provide rules that can be regarded as a framework for editorial independence. In addition, both large commercial television channels have adopted some kind of guidelines for factual programmes (news and current affairs). The most we can say about these rules is that they are not discussed among professionals.

7 MEDIA MARKET, PRIVATISATION AND OWNERSHIP STRUCTURE

7.1 EMERGING MEDIA MARKET

Applying the term privatisation to the Hungarian media market is somewhat misleading as far as content production is concerned. In the newspaper and magazine sector, new players appeared on the stage in 1988. The four big state-, or party-owned, publishing houses were not privatised - they simply collapsed and disappeared from the market. The exceptional circumstances of the political transition from the authoritarian political regime to democracy made an extraordinary method of privatisation possible on a mass scale: the journalists themselves and not the representatives of the state set the speed and terms of the privatisation process ("spontaneous privatisation"). The journalists entered into negotiations with would-be investors and managed to persuade them to invest in the publishing of newspapers that had been already on the scene (Jakab – Gálik, 1991). In addition, many new titles were introduced within a short period of time. These were mostly tabloid newspapers and consumer magazines, since foreign professional investors were rather quick to enter the liberalized publishing industry and they soon filled the gap between supply and demand for such a publications.

The monopoly of the two state broadcasters was *de iure* broken in 1989, when some small private channels managed to get broadcasting licenses in various ways, but these small channels were not able to break the *de facto* monopoly of state broadcasters. The licensing procedure for national and regional commercial broadcasters (all of them dominated by foreign professional investors) took more than one year, so they could enter the scene only in October 1997.

7.2 OWNERSHIP STRUCTURE OF THE LARGEST MEDIA OUTLETS

7.2.1 PRINT MEDIA MARKET

The three largest circulation dailies in Hungary come from three different segments i.e. free daily newspaper, political daily and tabloid daily sectors, to apply the widely used and commonly accepted subdivisions of the newspaper industry. Circulation figures are measured and audited by the Magyar Terjesztés Ellenőrző Szövetség (Hungarian Audit Bureau of Circulation), abbreviated as MATE SZ, a joint venture of leading publishers and advertising agencies in Hungary.

MATE SZ circulation figures are accepted by all market players as a yardstick of market position, and they are available both in some professional periodicals and online (free registration). The three largest circulation national dailies are published by different media companies, but foreign professional investors dominate all of these. Nevertheless, in the case of the largest circulation political daily, *Népszabadság*, a Hungarian legal person, Free Press Foundation, which is, by the way, close to the Hungarian Socialist Party, has a controlling interest in the publisher, as shown in Table 3.

Table 2 THREE LARGEST CIRCULATION DAILY NEWSPAPERS IN HUNGARY IN 2003

TITLE	TYPE	DAILY CIRCULATION	PUBLISHER
METRO	FREE	317.000	MTG METRO GRATIS KFT.
BLIKK	TABLOID	242.000	RINGIER KIADÓI KFT. (RINGIER A.G.)
NÉPSZABADSÁG	POLITICAL	181.000	NÉPSZABADSÁG RT.

Source: MATE SZ.

Table 3 OWNERSHIP STRUCTURE OF PUBLISHERS
OF THE LARGEST CIRCULATION DAILIES AT THE END OF 2003

TITLE	OWNER	OWNERSHIP SHARE (%)
METRO	METRO INTERNATIONAL (MTG)	90
	ONE NATURAL PERSON	10
BLIKK	RINGIER KIADÓ KFT.	100
NÉPSZABADSÁG	B.V. TABORA (RINGIER A.G.)	49.97
	BERTELSMANN A.G.	17.68
	FREE PRESS FOUNDATION	26.50
	NÉPSZABADSÁG ASSOCIATION	5.50
	EDITORIAL STAFF	0.40

Sources: Court of Registers, Office of Economic Competition.

The overall number of national daily titles amounts to twelve: there were four political dailies, three tabloids, one sports daily, two business dailies, one daily with classified ads and one free circulation daily on the market at the end of 2003.

Table 4 CIRCULATION OF PAID NATIONAL DAILY NEWSPAPERS
BY SUBMARKETS AND PUBLISHERS IN 2003

PUBLISHER	CONTENT		SPECIALISED		CLASS. ADS	TOTAL
	GENERAL POLITICAL	TABLOID	SPORTS	BUSINESS		
RINGIER KFT.	35,000	242,000	92,000			369,000
NÉPSZABADSÁG RT.	181,000					181,000
NEMZET KFT.	81,000					81,000
HÍD RÁDIÓ RT.		66,000				66,000
SOM MÉDIA RT.		45,000 ^A				45,000
EDITORIAL KFT.	28,000					28,000
EXPRESSZ RT.					22,000	22,000
ZÖLD ÚJSÁG RT.				12,000 ^A		12,000
NAPI GAZDASÁG KFT.				9,000 ^A		9,000
TOTAL	325,000	353,000	92,000	21,000	22,000	813,000

Source: MATESZ and estimates for titles with mark A.

It is worth mentioning that the titles of the four political dailies on the market are the same as those that existed in 1988. Of course, every other feature of the four political dailies – their publisher, content, size, design, printing, circulation, market position, etc. – has changed considerably since then, but the titles, which serve as brand names in newspaper publishing, are the same. It is a widely held belief among industry analysts that the

submarket of national political dailies is overcrowded, and market forces provide support for only two titles: the centre-left *Népszabadság* and the centre-right *Magyar Nemzet* (Gálik – James, 1999).

The centre-right political daily newspaper is published by Nemzet Publishing Company LTD., and owned mainly by a Hungarian natural person who also happens to be the editor in chief of *Magyar Nemzet*. The weakest daily, the leftist *Népszava*, is owned by its editorial staff, and the fourth title, the centre-left *Magyar Hírlap*, belongs to the Ringier group. This submarket is *de facto* closed – all the three market entries during the 1990s have failed, and no one expects that a new title will appear here in the near future.

A look at the circulation figures of national dailies during the last four years shows (see Table 5) that political dailies have been losing ground slowly but surely. Tabloid circulation is soaring, thanks to the delicate, carefully designed cooperation (called media partnership) between their publishers and the two big commercial television channels. The free daily launched in 1998 seems to be stabilising its market position.

Table 5 CIRCULATION OF NATIONAL DAILIES FROM 1999 TO 2003

TYPE	2000	2001	2002	2003
POLITICAL	356.000	341.000	335.000	325.000
TABLOID	178.000	264.000	326.000	353.000
FREE CIRCULATION	220.000	280.000	321.000	317.000

Source: MATESZ and estimates.

As far as the largest circulation weekly newspapers and/or news magazines (Sunday editions of daily titles excluded) are concerned, the data on the leading two titles and the ownership structure of their publishers are shown in Table 6 and Table 7.

Table 6 TWO LARGEST CIRCULATION POLITICAL WEEKLIES IN 2003

TITLE	TYPE	WEEKLY CIRCULATION	PUBLISHER
SZABAD FÖLD	NEWSPAPER	160.000	GEOMÉDIA RT.
HVG	NEWS MAGAZINE	108.000	HVG RT.

Source: MATESZ.

Table 7 OWNERSHIP STRUCTURE OF THE PUBLISHERS
OF THE LEADING WEEKLIES AT THE END OF 2003

PUBLISHER	OWNER	OWNERSHIP SHARE
GEOMÉDIA RT.	LÁNG HOLDING RT.	1442 SHARES
	PROMEDIA	58 SHARES
HVG RT.	WAZ	75%
	EMPLOYEES ALTOGETHER	25%

Source: Court of Registers.

The two weekly titles have clearly different audiences and market values. *Szabad Föld* is targeted at the low income rural population and has been going down in circulation during the last decade. *HVG* has an up-market audience and stable circulation and enjoys a privileged position on the advertising market: it is certainly the most profitable title among political dailies and weeklies.

Regional newspaper markets are very strong in Hungary. In 2003, the overall circulation of regional daily newspapers was close to the circulation of national dailies if we exclude *Metro*, the free national daily. The audited circulation figures of regional dailies amounted to 755 thousand in this time period, and the 18 regional newspaper titles belonged to four publishers, as data in Table 8 demonstrate.

Table 8 NUMBER OF TITLES AND COMBINED DAILY CIRCULATION
OF REGIONAL DAILIES BY PUBLISHERS IN 2003 (in thousand copies)

PUBLISHER	NUMBER OF TITLES	COMBINED CIRCULATION
AXEL SPRINGER MAGYARORSZÁG KFT.	8,000	247,000
WAZ	4,000	219,000
VORALBELGER MEDIENHOUSE	3,000	157,000
DAILY MAIL GROUP TRUST	3,000	132,000
TOTAL	18,000	755,000

Source: MATESZ, Court of Registers.

Axel Springer Magyarország KFT. is owned by Axel Springer Verlag A.G (93.5 percent majority interest) and Vinton KFT. which is fully owned by two Hungarian natural persons.

There exists a small county daily outside this circle and there was an ailing Budapest daily as well (it went out of business at the end of January 2004). There are no circulation

figures for these dailies, but they might be around 12 thousand and 22 thousand respectively, according to estimates.

The regional markets form monopolies on a “one county one daily” basis (there is only one exception where the same publisher kept both titles dating from the period before privatisation). The four big publishers of regional dailies are vertically integrated, and at the moment they all have their own printing houses and distribution divisions. There have been a dozen or so attempts to enter the regional daily market since 1990 when the privatisation of regional dailies took place, but all of these ended in failure: new entrants had to leave the market soon, owing to heavy financial losses. This result corresponds to the very nature of local newspaper markets that tend to be monopolies where incumbents enjoy all the advantages over contenders. Of course, all markets are contestable in theory, but many of them not so in practice, and in Hungary regional daily markets seemingly belong to the latter category.

7.2.2 TELEVISION BROADCAST MARKET

Television viewing market shares are measured in different ways. AGB Hungary LTD. provides audience figures, measured by the well-known peplemeter method, and these figures are regarded as industry standards. Oddly enough, television channels, which are the main subscribers to this service, allow AGB Hungary to publish only aggregate audience figures, but not viewership data on individual channels as well: they do this themselves, cherry picking among data in accordance with their business interests. Of course, reliable audience figures do exist, and these are definitely the data provided by AGB Hungary, but getting them, if you are not a subscriber, seems a bit difficult. Even the two public service television broadcasters claim that audience figures are not for the general public!

Two commercial channels, *TV2* and *RTL-Klub*, compete for first place in the television market. As far as audience share figures are concerned, this seems to be a neck-and-neck race, since both channels had close to 30 percent audience share (4+ population) in 2003. At the same time, *RTL-Klub* clearly has a better position in the advertising market than *TV2*, thanks to the composition of its overall audience: the channel is a market leader in the 18-49 age group.

The third commercial channel, *VIASAT3*, with satellite and cable distribution, lags far behind the two market leaders with its 2.4 percent audience share, but it is catching up: the broadcaster’s management seems to be rather ambitious and wants to boost the channel’s audience share by securing the broadcasting rights for some up-market programmes (e.g. *Sex in the City*, live coverage of UEFA Champions’ League).

Table 9 OWNERSHIP STRUCTURE OF THE THREE LARGEST TELEVISION BROADCASTERS AT THE END OF 2003

BROADCASTER AND CHANNEL	OWNER	OWNERSHIP SHARE (%)
MTM-SBS RT. (TV2)	SBS BROADCASTING S.A	81.51
	MTM-TV2 BEFEKTETÉSI KFT.	16.00
	TELE-MÜNCHEN FERNS. GMBH	2.49
M-RTL RT. (RTL-KLUB)	CLT-UFA S.A. (BERTELSMANN A.G.)	49.00
	MATÁV RT.	25.00
	PEARSON NETHERLANDS B.V.	20.00
	IKO GROUP	6.00
VIASAT HUNGÁRIA RT. (VIASAT3)	MTG GROUP	95.00
	TWO NATURAL PERSONS	5.00

Source: National Radio and Television Board, Court of Registers.

Owing to the provisions of the Broadcasting Act of 1996, SBS Broadcasting S.A. can have a 49 percent voting right (Article 122(2)), so in this case ownership shares and voting rights are different (voting rights are 48.99, 27.61 and 23.40 percent, respectively).

7.2.3 RADIO BROADCAST MARKET

Data on radio audience shares are measured in different ways as well. A consortium composed of the two leading market and opinion research companies, SZONDA IPSOS and GFK, provides the data that are accepted as standard and used by advertisers. The so-called National Media Survey data are not public, as the survey itself is a commodity sold to anyone who is willing to pay for it. Radio broadcasters follow the same policy as do television broadcasters in making audience data public. It is worth mentioning, however, that Gallup Hungary LTD.'s data on listenership are public and available online on its free homepage (Gallup Hungary does audience surveys for the public service radio, *Magyar Rádió* RT.).

According to the information we have received courtesy of Sláger Rádió Műsorszolgáltató RT. management, the two big commercial radio channels with national coverage have very similar audience share figures (15+ population): the *Danubius* channel has slightly more than 25 percent and the *Sláger* channel slightly less than 25 percent (by the way, these figures do not differ significantly from Gallup audience share data). The biggest regional radio channel, *Juventus*, comes in third with its 6.4 percent share, but *Juventus* leads a network of local stations, and if we take this into account, they might have a ten percent or so audience share in the market. As far as ownership data are concerned, these are shown in Table 10.

Table 10 OWNERSHIP STRUCTURE OF THE THREE LARGEST RADIO BROADCASTERS AT THE END OF 2003

BROADCASTER AND CHANNEL	OWNER	OWNERSHIP SHARE (%)
ORSZÁGOS KERESKEDELMI RÁDIÓ RT. (DANUBIUS RÁDIÓ)	ADVENT INTERNATIONAL	100.00
SLÁGER RÁDIÓ MŰSORSZOLG. RT. (SLÁGER RÁDIÓ)	EMMIS BROADCASTING INTERNATIONAL CORPORATION	54.00
	CREDIT SUISSE FIRST BOSTON RADIO OPERATING B.V.	20.00
	SZUPER EXPRESSZ KFT.	15.00
	MAGYAR KOMMUNIKÁCIÓS BEFEKTETÉSI KFT.	5.50
	CSFB RÁDIÓ (HUNGARY) BEFEKTETÉSI KFT.	5.50
JUVENTUS KERESKEDELM. SZOLGÁLTATÓ ÉS ÜGYNÖKI KFT. (JUVENTUS RÁDIÓ)	METROMEDIA INTERNATIONAL INC.	53.00
	METROMEDIA INTERNATIONAL CONSULTING SERVICES INC.	47.00

Source: National Radio and Television Board, Court of Registers.

7.2.4 RADIO AND TELEVISION BROADCASTING NETWORKS

From a technical point of view, national commercial terrestrial broadcasters are networks in themselves, and, given the characteristics of the Hungarian broadcast market, they leave little room for networks composed of and organised by regional and/or local broadcasters. There are eight radio networks and one television network in function, but we shall not go into details on their market role, which is rather limited.

We do not cover either local/regional television markets (these are monopolies, and most of the channels are owned indirectly by local councils) or local/regional radio markets (these are private monopolies in small and oligopolies in medium size markets) in this paper. Local television markets cannot support commercial channels in Hungary because of the lack of available advertising revenue in these markets. In contrast to television broadcasting, local and regional markets can support local and regional commercial radio channels, but, as we said earlier, national channels are clearly dominating the radio industry in the country.

7.2.5 PUBLIC SERVICE BROADCASTING – WHY DOES IT SEEM TO BE A WASTELAND?

As far as public service radio and television are concerned, their main mission is to correct market failures in a multichannel broadcasting area. Unfortunately, Hungarian public service broadcasters have not been able to fulfil this mission. This topic is so hot and so complex that it is almost impossible to discuss it in a few paragraphs.

The first half of the 1990s brought little change in the legal status of the former state radio and television. Although in July 1990 government coalition parties and opposition parties came to an agreement on the nomination of two persons with high social prestige to the posts of president of Hungarian Radio and president of Hungarian Television, and they were appointed consequently by the President of the Hungarian Republic, they had no legal power to carry out the transformation from state to public service broadcaster. It is true that the new, democratically-elected government could not resist the temptation to interfere with the day-to-day operation of the two broadcasters, and the good old excuse used to legitimize this effort sounded rather familiar: the country faced a long process of transition and complete democracy was not yet possible.

According to most politicians that took office in 1990, the media in general, and radio and television in particular, had been expected to serve the interests of transition – at least, this is how the democratically-elected government interpreted their mission. However, neither opposition parties nor the newly appointed presidents of the two state broadcasters shared this idea, so the Government soon tried to get rid of these two independent-minded intellectuals. All of this inevitably led to the so-called “media war” in Hungary (Hankiss, 1994), which is a development similar to that in other countries in East Central Europe.

The former state broadcasters were transformed into public service broadcasters by law in 1996, but political pressure on them did continue in the new legal environment. Of course, methods have changed, and political interference became institutionalised, but the outcome seems to be just about the same. Since 1990, each election has brought a government change, and purges have become regular practice among leading journalists after elections. The main public service broadcaster, Hungarian Television Co., has “consumed” five presidents since 1996. In addition to regular political interference, other factors like inherent weaknesses in legislation, mismanagement, lack of employee loyalty, partisan editorialising, and the never-ending fights between journalists, etc. have also contributed their share to the failure of the public broadcasting sector.

It is fashionable to talk about the crisis worldwide of public service broadcasting in the multichannel era, but there is no more appropriate word to choose than crisis when analysing the performance of the Hungarian Television Co. and Hungarian Radio Co. (Sükösd – Bajomi-Lázár, 2003). Hungarian public service media have been regarded as politically biased, economically weak, depending on state subsidies and internally divided: they promote particular rather than universal values and interests. The overwhelming market success of commercial broadcasters has been made easy by the failure of the public service sector, regardless of the values commercial broadcasters promote. Nevertheless, as far as news and current affairs are concerned, you cannot blame people if they prefer infotain-

ment over state propaganda: this choice seems rational. The sad thing is that this is the only, pre-defined choice the audience has to face.

There is little hope that things will improve in the near future, because government and opposition parties' mutual distrust runs deep: for the time being there is no room for compromise that could lead to changes in the Broadcasting Act (it would need a two-thirds majority of support in the Parliament). "Whatever the laws might say, the political and economic conditions for the flourishing of a recognisable 'public-service broadcasting' do not really exist in Central and Eastern Europe. The idea that if one established 'the rule of law', with a freely elected parliament and an independent judiciary, one had reached a state when the collective will could be formulated democratically and administered impartially, was clearly naïve. Irrespective of legal frameworks, political realities have been such as to ensure that the control of broadcasting remains a highly politicised question throughout the region." (Sparks, 1998, p. 171). This quotation has not lost its relevance and actuality, although five years have passed since Spark's book was published.

7.2.6 THE LARGEST PRINTING HOUSE IN THE NEWSPAPER INDUSTRY

The largest printing house, Szikra Lapnyomda RT. was privatised in two steps in the 1990s (in 1995 and 1999) in two open tenders. The ownership structure of the company at the end of 2003 is shown below:

*Table 11 OWNERSHIP STRUCTURE
OF SZIKRA LAPNYOMDA RT. AT THE END OF 2003*

OWNER	OWNERSHIP SHARE (%)
LÁNG HOLDING ÉS KIADÓI RT.	55.74
EUROPEAN BANK OF RECONSTRUCTION AND DEVELOPMENT	19.15
ÁPV RT. (STATE PROPERTY CO.)	13.74
NATURAL PERSONS	1.37
SZIKRA LAPNYOMDA RT. (NON VOTING SHARES)	10.00

Source: Court of Registers.

Although Szikra Lapnyomda RT. is really the biggest player in the industry, the market position of the company is not as favourable as it looks from outside: the printing house was in the red in 2002, and it had been squeezed out of the regional dailies' market. Ringier, as the biggest newspaper publisher and the buyer of printing services on a mass scale, seems to enjoy a very good bargaining position against the printing house. The formation of a kind of strategic alliance between the two outlets seems likely, if one can believe rumours circulating among industry experts.

7.2.7 THE LARGEST DISTRIBUTOR IN PUBLISHING

Newspaper distribution is partly privatised, since the big French professional investor Hachette bought from Magyar Posta RT. the single-copy sales division in 1998 for 4.4 billion forints (ECU 18.3 million) and acquired a majority share in the new distribution company, as is shown below:

Table 12 OWNERSHIP STRUCTURE
OF MAGYAR LAPTERJESZTŐ RT. AT THE END OF 2003

OWNER	OWNERSHIP SHARE (%)
HACHETTE DISTRIBUTION SERVICE S.A.	80
KVK KFT.	15
NEWCO KFT.	5

Source: Court of Registers.

It is worth mentioning that consumer magazines rather than newspapers account for the majority of single copy sales; consequently newspaper distribution can be regarded as rather fragmented: regional markets belong to the four big vertically integrated publishers, single copy sales are handled by Magyar Lapterjesztő RT., and home delivery of national papers remained in the hands of Magyar Posta RT..

7.2.8 THE LARGEST MEDIA OWNERS

There is not a perfect yardstick for determining the three largest media outlets in Hungary. Axel Springer Verlag A.G. is clearly one of them, as combined annual revenues of the five media companies they dominate were close to 20 billion forints (EUR 82.3 million) in 2002. The annual revenue of M-RTL Klub RT. was 21.6 billion forints (EUR 88.9 million) in the same year, so Bertelsmann A.G., the main shareholder in the company and the holder of an interest in Népszabadság RT. (7.2 billion forints, i.e. EUR 29.6 million net revenue in 2002), might be regarded as second on the list. SBS Broadcasting S.A., the main shareholder in the other national commercial television broadcaster might be ranked as the third biggest player (16.9 billion forints, EUR 69.5 million net revenue in 2002). Other relevant players from the European media scene, like the Swiss newspaper publisher Ringier A.G., the Finnish consumer magazine publisher Sanoma OY and the German newspaper publisher WAZ, trail after the big three.

7.2.9 MEDIA PRIVATISATION AND POLITICAL ORIENTATION

Privatisation in the media can be divided into two phases. At the very beginning a kind of spontaneous privatisation prevailed (Jakab-Gálik, 1991) in publishing, and this was followed by privatisation based on the law. Some spontaneous privatisations were called scandalous in their time in 1989–1990, and with reason, especially the privatisation of regional dailies, but it is an irony of history that they could not be compared to the biggest media privatisation scandal in Hungary, where the procedure was fully based on the law.

Allocating frequencies to national commercial television broadcasters was administered by the powerful broadcasting regulatory body, the National Radio and Television Board. According to the application terms, the minimum figure (the lowest bid) to get one of the two licenses for ten years was set at eight billion Hungarian forints (ECU 38 million), and some qualitative criteria connected to programming had to be also met. Three contenders led by foreign professional investors – all three were multinational television companies, namely RTL, SBS and CME – entered the two-phase race, and the Board finally awarded the licenses to the consortia led by RTL and SBS groups.

Although the consortium named IRISZ TV, led by CME, offered by far the highest sum (ECU 58 million, far above RTL's bid which was kept to the minimum of ECU 38 million), it lost. This was obviously too much to stomach, and the consortium filed a lawsuit against the Board's decision in 1997 (Gálik, 1998).

Later, the Supreme Court of Hungary ruled that the Board had violated the procedure rules, but before the next trial was concluded CME relinquished its claim on the very last day (Vrannai, 2000) and sold its Hungarian interests to SBS (and indirectly to RTL). The Hungarian state was freed of paying a very high compensation to CME, but the Board's reputation had been seriously tarnished.

As far as the licensing of national commercial radio channels and the privatisation of printing houses and distribution companies are concerned, they were by and large transparent and did not stir emotions in the country.

Big media outlets are trying to avoid becoming involved in politics as a matter of business policy. They are powerful enough not to bow to politicians, and, at the same time, they are cautious enough not to interfere with politics: they regard the media as business first of all. News and current affair programmes on commercial television are increasingly turning into infotainment, and the political press has been losing ground to tabloids as well: Friedman's famous saying that "the business of business is business" is coming true in the Hungarian media.

8 EDITORIAL INDEPENDENCE AND INVESTIGATIVE JOURNALISM

As far as we know, a collective agreement on the national level does not exist between the three journalists' associations and media publishers. One of the main reasons is that the journalists' associations were busy participating in political fights, instead of representing the journalists' interests according to the new, transformed environment after the collapse of communism.

Collective agreements between employees and management, and agreements with industry trade unions covering the basic terms of employment (wages, workload, etc.) are common at big media outlets. Nevertheless, there are very few media outlets with an in-house agreement between journalists and publishers on editorial policy, and even fewer enforce these agreements. At both the highest circulation political daily, *Népszabadság*, and the leading weekly news magazine, *HVG*, editorial staff have their statutum. This special agreement clearly states the independence of journalists from the publishers' business interests, and in accordance with the provisions of the statutum, journalists themselves elect the editor in chief for both newspapers. However, as far as we know, self-censorship is stronger at *HVG* than the pressure from the publisher's side. Since *HVG* was fully owned by a group of employees themselves, self-censorship was sometimes driven by the business interests of journalists. At the same time, *HVG* has a reputation as an independent liberal political magazine, and the publisher's management keeps saying that editorial work and advertising activity are clearly separated. *Népszabadság* has a centre-left editorial policy and has less of a reputation than *HVG* as far as editorial independence is concerned.

As far as we know, journalists' professional organisations or media self-regulatory bodies do not publicly expose problems of pressure on journalists and editors based on commercial interests of the owners. In the same way, significant problems related to PR articles and hidden advertising are not exposed by professional organisations or media monitoring and research institutions. This does not mean that there are no significant problems in that area or that one can not hear rumours about paid journalists (journalists 'for sale') who write articles to order and whose journalistic products are not real journalistic products but hidden PR articles or covert advertisements.

It also happens regularly that newspapers run special sections on specific industries (chemical, banking, energy etc.) sponsored by the major actors in the industry. While these are good for generating extra revenue for the paper, the articles appearing in the special sections are written by the same journalists who normally cover the area. Thus they find themselves in a situation where they do PR interviews with the people they normally use as sources for news articles. And this phenomenon is the least harmful, not to mention

when journalists themselves give PR advice in their free time – when they do not work as journalists, in order to generate extra income.

A consensus on how investigative journalism should be defined does not exist in Hungarian journalism. In the last decade, political debates and fights have supplanted professional debate. Questions such as what kind of professional rules journalists must follow when they write investigative pieces, what an investigative piece looks like, and what kinds of requirements both the editors and the audience should have of an investigative article, remain unclear.

However, in the past few years it became fashionable to mention investigative journalism whenever a controversial case emerged, or when any kind of scandal erupted. Unfortunately, such events are related to the phenomenon journalists call among themselves “dossier-journalism”: whenever any journalist obtains a secret or confidential document from any authority – regardless of who leaked the papers and what kind of intentions lay behind the act of leaking information – both the representatives of the profession and the public start to say that this was a journalistic investigation. It is harmful for all the actors involved and for democracy overall, because investigative journalism – based on the Anglo-Saxon methodology and practice – should contain the journalist’s original work and investigation instead of relying on somebody else’s work (even if the source is an authority that has been established to reveal corruption or abuse of power).

The phenomenon described here is the result of Hungary’s lack of the “guild” traditions of modern journalism. Because of this, media publishers – even if most Hungarian media are owned by Western professional investors – do not encourage investigative journalism through special budgets or special units in the papers or television stations. In cases of isolated attempts to create an investigative section in a newsroom, or at least grant the opportunity to some privileged journalists to work on an important topic, the rest of the newsroom tended to react with jealousy toward the so-called investigative colleague. Often the piece was not published in the end, either because it was never completed, or because the publisher or the editor opted to avoid the unnecessary conflict that would have likely ensued.

Since 1991, a Pulitzer Prize Committee has existed in Hungary. The awards they hand out also include ones for investigative journalism each year. However, the lack of professional consensus about what investigative journalism is makes it difficult to find any consistency in the logic of the committee in awarding journalists in the last 10 years. Similarly, a new foundation was set up two years ago by three individuals to commemorate a Hungarian journalist who died of cancer at the age of 35. The foundation awards a prize (including a considerable amount of money) every year for the best investigative piece, but again, the lack of generally agreed norms destroys the credibility of their original intention.

9 CONCLUSIONS

Media ownership is fairly concentrated in Hungary, and most media industries are dominated by foreign companies. The high share of foreign ownership in the media is partly explained by the global nature of many media industries, primarily commercial television and consumer magazine publishing, but some special factors had their influence, too.

Looking back to the privatisation of political daily newspapers, it is true that there was a certain trade-off between the penetration of foreign ownership and the speed of privatisation. At the dawn of the change in political regime, it seemed more and more clear that some newly emerging political forces did want to keep political newspapers previously owned by the state/communist party in order to secure their support during transition. This effort was blocked by the phenomenon called spontaneous privatisation, assisted by the journalists themselves.

There is no sign that foreign owners of political dailies want to set an editorial line or that they interfere with the day-to-day practice of making a political daily. It might sound ironic, but it is true to say that the two national political dailies in Hungarian hands are regarded as party papers by professionals and by the man-on-the-street alike. Of course, there is nothing wrong with party newspapers in themselves, but the link between editorial line and ownership is clearly much stronger here, compared to the independent newspapers with foreign majority ownership.

What is wrong with party newspapers in Hungary is the unwillingness of their editors to accept professional journalistic standards and to show due respect for colleagues working for other titles. The deep political divide between the “two worlds” in Hungary is mirrored in the political press, and opinion leader journalists are not able to set standards to be followed.

Tabloid and consumer magazine publishers followed different lines. Most of the titles on the market are new, and have been brought to the scene by foreign publishers relying on the experience of developed media markets: saturated markets at home drove them to the emerging market economies in East Central Europe, including Hungary, and the lack in supply was filled quickly. The role of the journalist at these publications is seemingly not more than to provide entertainment to the general public.

As far as the broadcast media are concerned, commercial television has conquered the media scene in five years. Their programmes favour mainstream commercial values and consumer culture. They do it efficiently, capitalising on the heavy investment owners have made since 1997. They do not care too much about politics: the news and current affairs programmes they provide do represent the infotainment genre. Self-regulation does not

seem their corporate strength, and they do not show sufficient signs of the social responsibility they really ought to bear in contemporary Hungary.

The owners and managers of the largest media outlets are clearly not members of the previous nomenclature in the fallen communist regime. The state interventions in the media market, practiced with zeal by every government since 1990, have had very limited success compared to the social costs involved. The media scene in Hungary is dominated by the market, regardless of whether one likes it or not. Media markets are media markets, and expectations related to their output must remain within the limits defined by this structure.

The mission of the public service sector is mainly to correct market failures and imperfections, and to provide audiovisual merit goods to the audience, but this has proved to be a kind of “mission impossible” in Hungary so far. It is rather sad, but the blame lies entirely on us. Conversely, no one can change this situation but us. This might sound like either a hopeful conclusion or a dark one. Think of the metaphor of the bottle filled exactly to 50 percent: is it half empty or half full? Take your choice!

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