

SLOVENE MEDIA IN OWNERSHIP TURBULENCES

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May 11, 2004

In early spring, the statute of the Ljubljana newspaper company DNEVNIK was changed. An article in the statute, according to which management cannot appoint or dismiss the editor-in-chief without the approval of journalists, was changed. According to the change, the issue of journalist consent in appointing a new editor-in-chief remains in force, but the second part of the article was changed so that if owners want to terminate the employment of the incumbent editor-in-chief, they give employees only the right of unbinding opinion. The right of veto, which existed until that time in Dnevnik as the only daily paper, and even the only media outlet in Slovenia, thus considerably lost its edge.

The Slovene media law, namely, does not require the consent of employees in editor-in-chief shifts; it is enough if owners ask employees for their opinion, which they may take into consideration, but are not obliged to.

History of Ownership Changes in Slovene Media

The DNEVNIK statute change tells us a widely spread story of significant changes in the area of media ownership in Slovenia. While in the privatization process, in the early nineties, ownership over the majority of media remained in the hands of employees, over the recent years it started moving more and more into the hands of financial companies, large enterprises and para-state funds. Slovene privatization with a ratio of 30:30:40, distributing 30 percent of ownership to employees for free, 30 percent to para-state funds, and sending 40 percent on the free market, enabled employees, in addition to those 30 percent, to buy stock in their companies on the market with special benefits, as a result of which the media, in the initial years, was owned up to 60 percent, and even more, by employees. This explains the mentioned right of veto at Dnevnik. Namely, changes in company statutes require a two-thirds

majority and therefore employees, while they had majority, smoothly voted a clause requiring consent in editor-in-chief appointments and dismissals. However, over time, the price of media stock rocketed and people started selling their stock, which after a while reached prices that were ten times higher. A real stampede then started, since some of them could even buy apartments by selling their stock, and as soon as others realized that, they started selling their own stock at lightning speed, and in the end (out of the previous 60 percent), only five or six percent of stock in their respective media companies remained in the hands of journalists.

This first wave of buying media stock brought bankers and investment companies into the game – who entered the business expecting a further rise in the value of prices. But the market settled, there was no new major growth and the new ownership structure remained pretty balanced for quite some time. Profits on stock ranged from 12 percent to as high as 25 percent, which is very reasonable, and there was a lull for a while. During that time, the ownership structure was quite dispersed, which on one hand was good for journalists because the various owners could not agree on such statute changes that would restrict the power of employees.

In 2000 a political strike against the media was attempted. Dr. Andrej Bajuk's short-lasting right-wing government tried to use para-state funds' ownership to achieve influence over the largest daily DELO, but the paper avoided this when one of the funds, led by a director appointed by the outgoing government, quickly sold a part of its stock to the Gorenje company. This, in a way, gave a signal to other companies that secure capital was hiding in media stock. Some time later the brewery Pivara Lasko entered the business and today, for example, it holds one-fourth of DELO stock.

In the DNEVNIK company, the former DZS bookstore became the majority owner with more than 51 percent, while Austria's Styria, a publishing company of Catholic provenance, entered the paper with one-fourth. Only the new owners of DNEVNIK managed to agree to change the Dnevnik statute and it can be expected that the paper's incumbent editor-in-chief, Mrian Lesjak, a professional from head to toe, will soon become Dnevnik's past. Or, at the very least – as a result of blackmail due to great pressure coming from the owner who is insisting on a future (increasingly yellow) profile of the paper.

What New Owners Are Thinking

The problem with the new shuffle on the Slovene media market, namely, is that people with little or no knowledge of the peculiarities of media have entered this field. They do not care what newspapers look like or what is their history – the only thing they see are the profits that they are supposed to bring. Which means, to say the least, that the only thing they see is the high circulation of what is called yellow press, and they sometimes want to turn even “serious” papers into tabloids. The short-sightedness of this kind of thinking can be explained by the fact that they equate the media with making shoes – when a certain model does not bring in enough money, a new model must be put out on the market no matter what. However, newspapers are completely different from classical goods for sale – they have an audience that is used to their permanent profile – and it expects them to satisfy its interest in information in a way it is already accustomed to. Readers of serious papers do not want to read gossip in their paper in the place of credible information. If they have such inclinations, they satisfy them by buying another paper; they certainly do not want any change in their paper, which by its specific profile has become part of their everyday routine. The ultimate result of these ideas of the new owners could be a total collapse of what used to be good papers, which cannot find their feet among the “yellow press” – or at least not as well as those who have been doing that for years and have already attracted their own specific audience.

National Broadcaster Also Under Attack

However, this kind of thinking that would move everything into the yellow and commercial sphere for the sake of money, has not touched upon the print media only; it is already entering broadcasters, even national ones, by the front door. RTV Slovenia, for instance, because of old sins and the government’s somewhat peculiar belief that tax should be paid on subscription fee, which is a para-tax itself, has found itself deeply in the red again. According to the company AT Kearny’s experts, it should transform its programs in such a way that they cost as little as possible and bring in as much money as possible. Following this logic, currently the most popular Radio Slovenia second program – Vall 22 – should be relieved of the burden of talk items and introduce as much music as possible since that is, clearly, the cheapest part of a program. But this is precisely the reason why this program is the most popular because, unlike commercial stations, it provides enough information specially suited to the audience of a light radio program. With the aim of reducing costs, this

means that the profile of this program, which is popular precisely because of its profile, should be changed.

How far chasing after profits can get is shown by a case recently dealt with by the Slovene journalists' court of honor. A commercial radio station enabled an extreme right-wing politician, in its program, to insult a man that he does not agree with by calling him a "mental patient." While the opponent was not given an opportunity in the same program to respond to the insults, the same politician several minutes later was again allowed to repeat the insults and even add new ones. The journalist who hosted the program defended himself before the court of honor saying the following words: "We are a commercial station, and people like to hear things like that." This kind of understanding touches the very bottom of our profession. The next possible stage can only be a call for lynching those who are insufficiently "ours," who are different, foreign, or simply not likeable.

The Future

Ljubljana Faculty of Social Science Professor Dr. Sandra Basic Hrvatin, together with Lenart Kucic, discovered while doing a research project that the Slovene media space is controlled by a handful of individuals. They are partly people appointed according to political criteria, partly bosses of large companies. They all sit on the majority of supervisory boards of large Slovene media companies and the only thing that interests them right now is Monopoly – a game in which the goal is to own as much as possible, throwing others out of the game. Their interest in media ownership is not long-term and as soon as they get a good offer, from within or without Slovenia, they will sell their share in newspapers without thinking. Therefore, it becomes ironic, wrote the abovementioned researchers, that formerly socialist countries from eastern and central Europe sold out their media back in the 1990/92 period, while Slovenia, through its type of privatization, by limiting ownership, succeeded only in that it will face the same consequences 10 or 15 years after everyone else.

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