The privatization of cultural industries may seem to be a topic of the past. Most recent studies in the field of publishing, film and TV, audio- and video recording, multimedia and communication concentrate upon monopolization and competition, bankruptcies and mergers, personal, financial, and political conflicts within these industries, or elaborate on keywords like communication highways, cyberspace and, more generally, globalization (Barber 1995; Braman and Sreberny-Mohammadi 1996; Globalization 1993). In the mean time, however, the patterns of everyday relations between national states, regional and local authorities and private industries, small and medium enterprises as well as global conglomerates are constantly changing. To keep track, you have to rely upon different types of sources. The traditional academic literature, however useful it might be, is not enough — it is outdated the moment it goes to press. Newspaper reports and magazine articles are more up-to-date, but they usually cover only the tip of the iceberg. Conferences, symposia, round-table discussions, not to mention professional gossip, are sometimes much more eye-opening, even if less reliable, and none of these as good as first-hand experience. In the text below written sources are mentioned explicitly, contrary to the oral (sometimes secret) ones. The information on film and television have also been based on personal experience as a producer, distributor and creator of TV-programmes, both nationally and internationally.

The wealth of sources illustrate that privatization is at the heart of many key processes in the cultural industries in Western, Central and Eastern Europe. Comparisons between the ‘old democracies’ and the countries in transition make it possible to analyse both the similarities and the differences in methods and results of — sometimes tricky — state-private relationships. An analytical method based on a ‘top-down approach’, as described by Peter Boorsma in the introduction to this publication, helps shed light on mergers, sell-outs, legal battles and — usually ineffectual — anti-monopoly and government protective measures, that fill the trade papers on cultural industries (see Dauman 1998; Lovichi 1998). A ‘bottom-up approach’ to the book and audio-visual sectors will reveal the background of privatization and (in the case of Eastern and Central Europe) will show the origins of present-day contradictions.

Books and Publishing

In Western Europe the book industry has developed for many years as a private business, so privatization in a strict sense is not an issue here. In Eastern and Central Europe the
book sector used to be state-controlled, but was one of the first sectors to give way to private initiatives, both by privatizing former state enterprises (publishing houses, printing technical infrastructure, book shops, etc.) and by creating small and medium size private enterprises ‘from scratch’. In the latter piracy played a major and in the beginning positive role, giving the possibility to satisfy the emerging demand in popular Western product and to make ‘quick’ money. The trend, as emphasised by Biserka Cvjetičjanin, was and is towards ‘lighter’ literature, putting in danger ‘serious’ genres (Cvjetičjanin 1995). Together with video and sound recordings the book sector became a money laundering paradise, accumulating small fortunes that partly stayed in this business.

The privatization followed different patterns in different countries. State publishing houses were either ‘given out’ to the employees (e.g. in Russia) or ‘sold out’ to local or, more often, foreign investors (e.g. in Hungary, see: Szőnyei 1996). This lead to numerous take-overs of local book industries by big players in the field (e.g. Wolters Kluwer in Hungary, Reed Elsevier and Bertlesmann in Poland, Springer in several countries). The extreme example was given by the unification of Germany, where, as a rule, the existing Western German companies took direct or indirect, hidden control of the cultural industries in East Germany.

The mechanisms of privatization, its economic and cultural results were different for the three basic sectors: publishing, printing and book (and press) trade. The book and press distribution networks fell almost immediately into private hands in all the post-socialist countries. The privatization of book stores lead in some cases to the disappearance of books and the transformation into a more profitable general retail outlet or food market. On the other hand newly created private book selling units with fewer overheads and less piracy control multiplied. Sometimes the privatization process started first under the pretext and in the form of decentralisation. For example, in Estonia the transfer of ownership, responsibility and funding of book stores (cinemas, cultural centres, etc.) from the central government to the municipalities was the first step to further privatization and resulted in a transformation of functions, often outside the field of culture.

With the collapse of a centralised system of book distribution, market-oriented strategies set the rules of the game and — mostly American — best sellers, legally printed or pirated, prevailed in all newly independent countries in Eastern and Central Europe. In most of these countries printing facilities were privatized in the beginning of the economic reforms, with the exception of Russia and Bulgaria, where the majority of this type of enterprises remained state owned. The reasons for the anti-privatization policies in these countries were not explicit and therefore not entirely clear, but may be explained by the desire to keep some kind of indirect control over what is published in the country.

The most complex situation arose with the privatization of publishing houses. First of all, the former state enterprises were not competitive enough, compared with the new small companies which were specialised in cheap popular reading and not too careful about copyright formalities. They satisfied the vast need for recreational fiction. Those who wanted to respect international law could survive for many months on public domain works, formerly unknown due to ideological control. Good examples of this trend are billions of copies of old 19th- and early 20th-century bourgeois detective or love stories, whose translations were strictly limited if not banned during the communist period. During the first years after perestroika the novels of James Hadley Chase and Erle Stanley Gardner were sold by the millions on the Russian language book market, with multiple