

MEDIA

SUSTAINABILITY

INDEX

2005

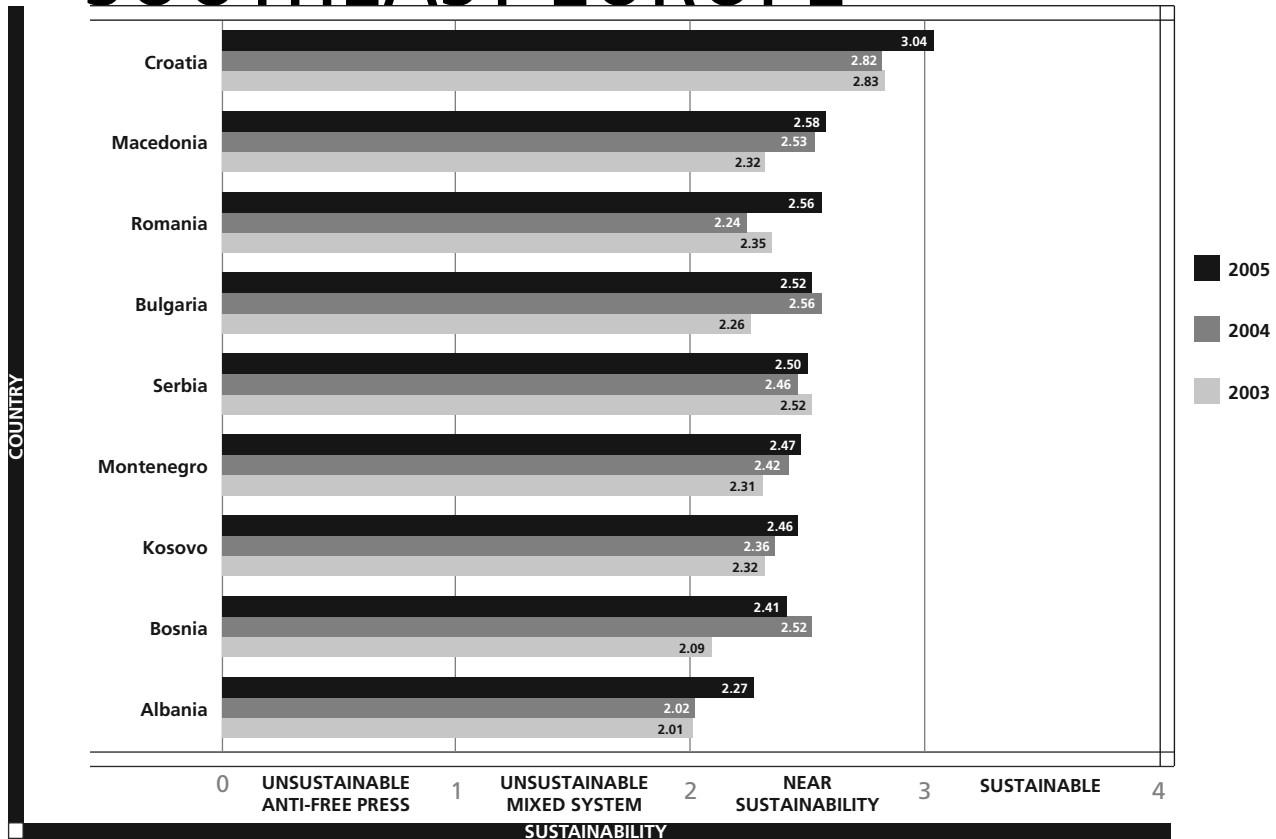


IREX

SOUTHEAST EUROPE

AVERAGE OBJECTIVE SCORES

SOUTHEAST EUROPE



THE CHALLENGES ALBANIA IS FACING INCREASE THE IMPORTANCE OF MEDIA'S ROLE AS THE FOURTH ESTATE. EVEN THOUGH THE PANELISTS REPORTED POSITIVE CHANGE IN 2005 FOR ALL FIVE OBJECTIVES, MUCH REMAINS TO BE DONE IN ORDER TO ESTABLISH A FREE, INDEPENDENT, AND FINANCIALLY AND PROFESSIONALLY SUSTAINABLE MEDIA SECTOR.

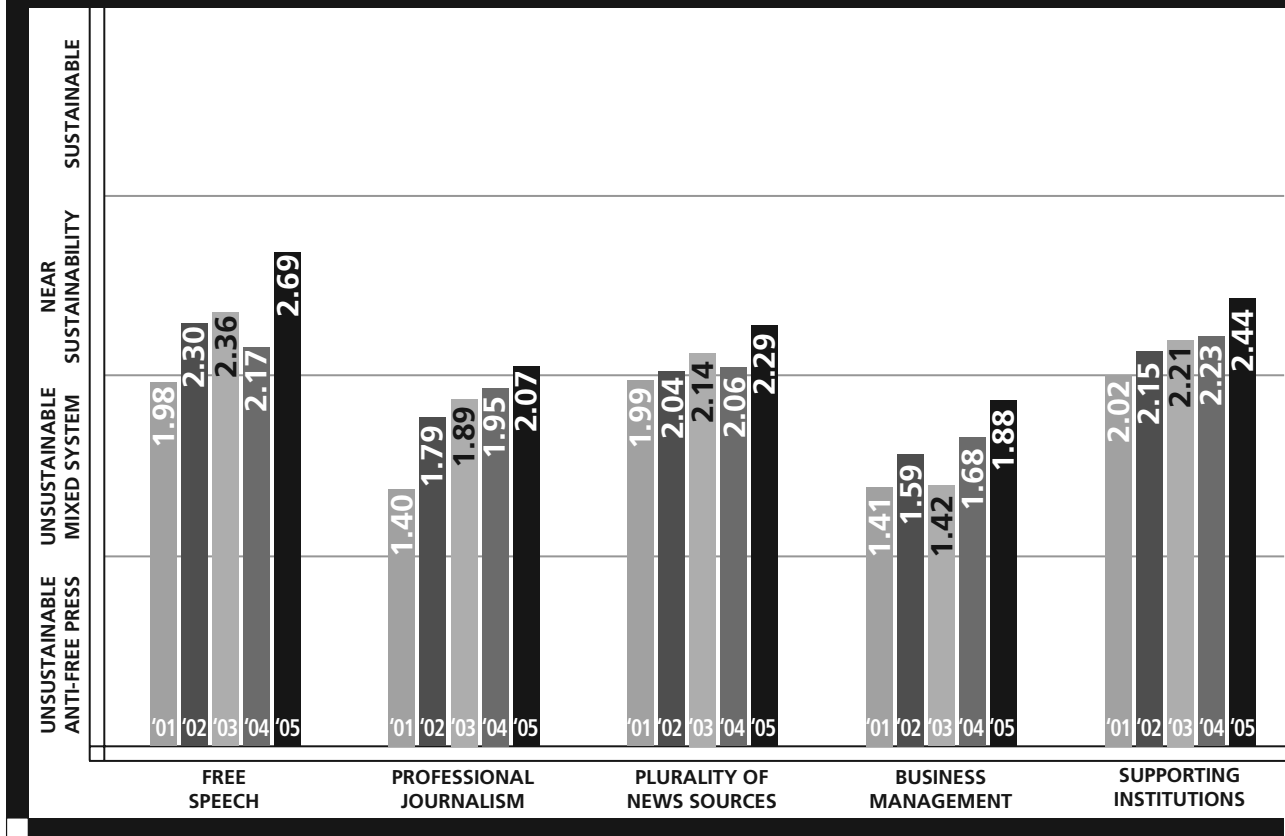




The peaceful changeover of power after the parliamentary elections on July 3, 2005, has not diminished the challenges faced by the poorest country in Europe. One of the most important challenges is the struggle against corruption, currently an epidemic in Albania. Even the electoral result—removing Fatos Nano’s Socialists from power by handing control back to the Democrats and ex-President Sali Berisha—along with other important developments related to corruption will continue to be issues for some time. The Socialists’ departure from government can be directly traced to their scandalous tolerance of increasing levels of corruption during eight years in power. In the same way, the success or failure of the new government headed by Prime Minister Berisha will be defined by how it handles corruption. The government’s progress will be measured by important political events, such as local elections in 2006, as well as the presidential elections in 2007.

Fighting corruption with positive tangible results to show the public is a major focus of all players in the political arena. The issue is expected to be even more visible in the future, constituting the core of political competition. The main obstacle to fighting corruption consists of the bitter reality that in the past 15 years of transition establishing genuinely independent institutions capable of truly providing checks and balances for each other has not yet taken place. Even though the Constitution proclaims that the legislative, executive, and judicial branches are independent, reality has revealed another triumph for the mentality and practices of the party-state. In Albania, the executive branch continues to be rather powerful, and it imposes its will on both legislative and judicial branches. The prime minister, who is also the leader of the ruling party, is simultaneously the chairman of the parliamentary majority. This role is set against a background in which the strings connecting the judiciary to politics and the party in power are not difficult to notice. While the Democrats must take decisive action against corruption, trafficking, and smuggling, the opposition seeks to label almost every government action as political populism that does not respect the rule of law, thereby endangering personal rights and freedom.

MEDIA SUSTAINABILITY INDEX: ALBANIA



Unsustainable, Anti-Free Press (0-1): Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

Unsustainable Mixed System (1-2): Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

Near Sustainability (2-3): Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

Sustainable (3-4): Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

The challenges Albania is facing increase the importance of media's role as the Fourth Estate. Even though the panelists reported positive change in 2005 for all five objectives, much remains to be done in order to establish a free, independent, and financially and professionally sustainable media sector. However, media has no alternative than to achieve the self-actualization of the Fourth Estate, in addition to increasingly supporting civic and legal attempts to combat corruption and consolidate democratic reforms. This evolution of the media sector must take place along with attempts to preserve media freedom by establishing institutions that will protect journalists and outlets from mounting pressure from political and business groups. Fortunately, this process has already begun.

OBJECTIVE 1: FREE SPEECH

Albania Objective Score: 2.69 / 4.00

According to the Media Sustainability Index (MSI) panelists, two main aspects regarding the freedom of speech in Albania must be considered. One deals with the legal framework in place in which the Constitution of the Republic guarantees the freedom of expression and access to information. The other aspect concerns the implementation of laws that safeguard the freedom of expression and access to information. While the situation has improved significantly regarding legislation on the books, there are still problems with implementing these laws.

Musa Ulqini, a member of the Parliamentary Commission on Mass Media, says: "According to international standards, Albanian legislation on free speech has had a positive evaluation from the European Union, the Council of Europe, and the OSCE." Other panelists shared the same opinion. It seems that media legislation will experience further improvement in the near future. In early 2005, a draft law was presented to the parliament of Albania that was aimed at decriminalizing defamation. If this amendment passes in parliament—it is still under review—no Albanian journalists will face imprisonment when charged in defamation lawsuits, as the present penal code stipulates. An amendment to the civil code has also been completed. This amendment aims to narrow the range of fines in cases of personal damages, such as damage to someone's reputation. This decision is currently left to the discretion of the judges. All of these changes are expected to improve the legal environment for journalists by removing hidden barriers.

However, Musa Ulqini is not very optimistic when it comes to the implementation of this legislation, to the agreement of the other panelists. According to Bashkim Hoxha, journalist and director of Teuta TV, "the laws regulating media are not bad, but their implementation is rather voluntary and is under political and economic pressure." Political pressure, as other panelists agreed, has such a strong presence that it hinders the normal activity of regulatory institutions for the media industry, such as the National Council of Radio and Television (KKRT, according to the Albanian acronym). In many instances, television stations in Tirana or in other cities violate the law on broadcasting. However, KKRT hesitates to penalize them since it finds itself under immediate pressure from the political parties, which complain that such penalties are in "violation of free speech." To Ylli Pango, a member of the Parliamentary Commission on Media, every time there has been a conflict between media and regulatory bodies, it has been more convenient for the government to side with the media, at the expense of the regulatory bodies and the law. International organizations and diplomats in Tirana have also been

Legal and social norms protect and promote free speech and access to public information.

FREE-SPEECH INDICATORS:

- > Legal/social protections of free speech exist and are enforced.
- > Licensing of broadcast media is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against journalists or media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > State or public media do not receive preferential legal treatment, and law guarantees editorial independence.
- > Libel is a civil law issue; public officials are held to higher standards, and the offended party must prove falsity and malice.
- > Public information is easily accessible; right of access to information is equally enforced for all media and journalists.
- > Media outlets have unrestricted access to information; this is equally enforced for all media and journalists.
- > Entry into the journalism profession is free, and government imposes no licensing, restrictions, or special rights for journalists.

complicit in neglecting legal requirements for the sake of a media outlet's potential affiliation with certain political parties. Intimidated by more than 40 years of the communist oppression of free speech and by newfound instances of this tradition during the early stages of transition, the foreign presence in Albania has preferred to discourage some KKRT regulatory activities against media in order to protect free speech. By exerting this kind of pressure in the name of free speech, the rule of law has been flaunted by tolerating certain cases of abuse.

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According to some panel participants, freedom of expression in Albania is so open that it has become excessive. Based on this liberal use of freedom of speech, IREX Senior Media Advisor Andrea Stefani

stated, "Speech is so free that it is costing us very dearly." Political pressure by the parties on media has meant that issues such as the funding of stations or the broadcasting of pirated programs have been overlooked. This phenomenon is even more evident in the licensing procedures. Although the law clearly defines the licensing requirements, not everybody respects them. However, many applicants who do not meet the conditions still receive a license. Thus, Albania faces a contradictory situation: Access to the media market is truly free and without barriers presented by monopolies. On the other hand, access to the market is entirely unregulated. While this situation does not hinder the operations of many media outlets, it does not tie the growth of the media sector to the adherence to professional and legal standards. It is no coincidence that the immense number of media outlets in Albania increases by the day. However, the level of their professionalism is low and leaves ample room for improvement.

The media sector has grown, quantitatively speaking, but qualitative growth is insignificant. In addition, despite pressure from politicians, media owners, and international organizations, there has not been one case of revoking the license of those media outlets that do not meet even the minimum requirements for a radio or television license. Even those stations

that broadcast pirated programs in order to compete with television stations that make use of regularly acquired programs have not been punished. The weak implementation of media legislation in this case is not only damaging to the KKRT, but it is also destructive to competition in the media market.

Panelists stressed that there can be no genuine freedom of speech or media freedom when the principle of equality before the law is violated. They added that politics has never guaranteed the KKRT the necessary support in order to fulfill its duty of developing free media according to proper standards and in conformity with the law. According to Bashkim Hoxha, "The process of licensing electronic media in Albania continues to be politically controlled, noncompetitive, and unfair."

Panelists agreed that the media market is quite open and that there is no discriminatory treatment of media regarding tax policy.

The law on access to information in Albania enables every citizen and journalist to access all public documents that are not classified as secret. However, there are still cases in which, in violation of this law, officials at different levels of the administration hesitate to provide journalists with the requested documentation. Such resistance is more frequent in the districts. "For us it is more difficult to obtain information, because they won't give it to us," said Luftim Vani, director of a local station in Bulqizë, a mountainous region in the eastern part of the country. In fact, due to factors such as patriarchal traditions or the degree of pressure larger and more influential media can exert, the range of free speech is greater in the larger cities, and especially in the capital of Tirana. Hence, freedom of expression is not equally practiced throughout the entire country and becomes more limited in small towns, counties, or communities.

Violence against journalists becomes more evident during elections campaigns, when political competition becomes fierce. Even during the parliamentary elections on July 3, 2005, which brought the Democratic Party into power, some serious instances of violence took place. For example, the assault on Mero Baze, editor-in-chief of *Tema* newspaper (a daily quite close to the then-opposition) and an attack on a reporter from television station Top Channel were notable. These incidents led to a lower press freedom ranking for Albania, compared with a year ago, in 2005's Press Freedom Index produced by Reporters Without Borders. However, panelists thought that Albania currently suffers not so much from violence against journalists as from freedom-of-speech abuses directed against some

journalists. While the cases of mistreating journalists become increasingly less frequent, the cases of media violating the reputation and privacy of individuals become increasingly more frequent. In general, media are not concerned about infringing on the rights of others, and they are even less concerned about compensating people for damages done to reputation or privacy. Many newspapers do not devote the same space within their pages to legal retractions regarding individuals, businesses, or institutions as they would for the original charges against the same entities.

Yet, unpleasant memories of the Communist regime that annihilated freedom of expression, combined with more recent memories of violence against media at the beginning of the transition period, led to the widespread opinion that strengthening the ethical spirit among the media must stem mainly from the self-regulation of the journalists themselves. Even though the media community drafted and approved a Code of Ethics some years ago, this code is virtually ignored. Based on demand from the journalists to create an ethical regulatory body within the journalism community, the Albanian Media Institute and the US Agency for International Development (USAID) began an initiative in November 2005 to establish an Order of Journalists. This initiative becomes increasingly important in advance of the decriminalization of defamation and libel measures currently under debate in the parliament.

Albanian laws do not stipulate any privileges for the public media. However, according to some panelists, Televizioni Publik Shqiptar (TVSH) still enjoys some privileges regarding advertising, the infrastructure of electronic broadcasting, and in collecting information from public institutions. According to Iris Luarasi, a journalist and professor at the Department of Journalism at the University of Tirana, it is not normal that the law on electronic media does not define what share of the advertising cake TVSH can benefit from in one year. According to Iris Luarasi, "TVSH, thanks to the great capabilities it possesses, can attract almost 70 percent of the advertising market, thus rendering life difficult for many private stations." It must be added that in addition to advertising revenue, TVSH's other income is derived from a license fee. This double source of revenue is perceived as a privilege that damages competition in the media market and even promotes corruption with the TVSH funds.

To Fabiola Haxhillari, a panelist and the Organization for Security and Co-operation in Europe (OSCE) representative, the fact that TVSH continues to own the mountainous peaks where the broadcasting antennas

are located is a privilege that generates considerable revenue for TVSH. The station collects fees that private media outlets must pay in order to transmit their signals. According to Haxhillari, "Many of the private television stations are indebted to public television, and this is a great benefit that TVSH still enjoys."

Meanwhile, many of the panelists consider it problematic that TVSH continues to disseminate propaganda in favor of the party in power or the government. In

According to Bashkim Hoxha, "The process of licensing electronic media in Albania continues to be politically controlled, noncompetitive, and unfair."

this way, the station distances itself from the mission of a genuine public station. According to Aleksandër Cipa, journalist and head of the Union of Albanian Journalists (UGSH), this harmful dependency of the public television on government is exacerbated by the fact that the electoral procedures of the general director of the station favor the preferences of the prime minister. This viewpoint was confirmed by Genc Ymeraj, a journalist and editor at TVSH. "It is true that politicians appoint the directors of public media according to their own will. Even after the ascendance of the right wing to power, we still hear that some 30 names are mentioned as potential appointees to the high-ranking positions of TVSH, all of them belonging to the right wing. This is the way it has been, and this is the way it will always be," Genc Ymeraj said.

The panelists shared an almost unanimous opinion that while the law acknowledges the right to equal access to public information for all media and journalists, the reality presents some problems in this regard. Due to the dependency of public television on the government, several directorates feed news to TVSH in a privileged and exclusive manner, at the expense of private media. Meanwhile, cases in which government officials refuse to inform journalists are more frequent when it comes to local government administrations.

In Albania, access to the journalism profession is rather open. The government does not require licenses or impose other restrictions. The panelists found that this situation has given rise to a new concern, namely the involvement of unqualified people in the journalism profession. Consequently, this has negatively affected the quality of overall reporting. According to the panelists, this problem can be solved only through the establishment of the Order of Journalists, which is expected to take place in 2006.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Albania Objective Score: 2.07 / 4.00

When it comes to journalism standards, all panelists provided generally poor assessments on this objective. Even though significant attempts to provide sources and balanced reporting have occurred, ethical codes are underdeveloped. In fact, ethical standards for Albanian journalists do exist. In 1996, the Albanian Media Institute cooperated with two existing journalism associations to hold a roundtable, resulting in a draft Code of Ethics for journalists. This document was produced after reviewing similar documents from countries with more consolidated democracies. In the end, the draft met the standards upheld by international professional journalism associations. However, in the absence of an institution that would implement this code, the document was ignored for several years. It is precisely for this reason that Albanian media continue to experience ethical violations in reporting, which lead to privacy infringements or cases of slander against individuals and even institutions. At the same time, rumored cases of paid-for articles or broadcasts in which journalists are paid directly by political or business representatives abound. This "business" is rather widespread at public television, where some companies prefer to advertise via on-air news editions or articles by bribing the reporter rather than by buying advertising time.

According to Fatos Baxhaku, a well-known editorialist, "Working without contracts, the lack of a strong union of journalists, and therefore the absence of protection for journalists against media owners has been and will be one of the main causes not just for self-censorship, but also for all the silent, psychological intimidation and pressure exerted on journalists."

pressured to not publish or broadcast stories that affect the interests of individuals, businesses, or politicians

Even though there is hardly any censorship in Albania, self-censorship is still present. Why is that? To many panelists, the main reason is the lack of protection for journalists vis-à-vis the media owners. There are many instances in which Albanian reporters and journalists bow to pressure from their owners in order to publish stories that favor friends of the owners. Similarly, journalists are

close to the owners. If journalists do not obey, they risk losing their jobs. Media owners have exercised their relatively unchecked power when they have fired entire groups of journalists. In 2005, for example, the television station Telenorba Shqiptare underwent a change in ownership that resulted in the firing of almost the entire staff of journalists. The staff was let go without meeting any of the contractual requirements. A similar situation happened with television station TV Koha. According to Fatos Baxhaku, a well-known editorialist, "Working without contracts, the lack of a strong union of journalists, and therefore the absence of protection for journalists against media owners has been and will be one of the main causes not just for self-censorship, but also for all the silent, psychological intimidation and pressure exerted on journalists."

The fact that almost 90 percent of journalists continue to work without contracts is still a cause for alarm. This has led to the perception that the journalism profession is not a career to which people are dedicated and which can earn them a living. In addition, the flow of journalists entering and exiting the profession is constant. "Currently there are only 5 to 10 journalists in the entire country who started in the profession 15 years ago, when transition started, and have remained faithful to this profession. The overwhelming number of media professionals have slowly moved on to other careers," editorialist Lutfi Dervishi said.

Journalism meets professional standards of quality.

PROFESSIONAL JOURNALISM INDICATORS:

- > Reporting is fair, objective, and well sourced.
- > Journalists follow recognized and accepted ethical standards.
- > Journalists and editors do not practice self-censorship.
- > Journalists cover key events and issues.
- > Pay levels for journalists and other media professionals are sufficiently high to discourage corruption.
- > Entertainment programming does not eclipse news and information programming.
- > Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- > Quality niche reporting and programming exists (investigative, economics/business, local, political).

The departure of journalists to other professions has made accumulating professional experience difficult, thus eroding the considerable investments made by different donors in training journalists and improving the overall quality of reporting.

In October 2005, the journalism community, supported by IREX and USAID, established the Union of Albanian Journalists, a trade union tasked with providing all journalists with regular work contracts and protecting the rights stipulated in these contracts.

Panelists accepted the fact that media in Albania cover key events and issues with little restriction.

In Albania, the range of salaries for media employees remains rather low. In this context, the monthly salaries of some editors-in-chief or news directors at private stations are considered very high if they fall in the range of \$1,500 to \$2,500. However, these are isolated cases, as the overwhelming number of journalists earns salaries that fall in the range of \$200 to \$500 per month. Even though this wage rate is higher than the salaries in the public sector, these wages are not enough to prevent corruption or hold journalists back from offering to publish articles and broadcast stories to the highest bidder. Journalists are even more vulnerable to such temptations because many outlets do not pay for Social Security or health insurance for the journalists.

News information is plentiful. In general, all television stations have their own daily news programs, with the exception of the small local television stations. News editions do not overshadow entertainment, or vice versa. Is the environment for gathering, producing, and distributing news modern and efficient? The answer would be positive for private television stations such as Top Channel, TV Klan, or Vizion Plus, based on the amount of capital they possess. "The equipment of some Albanian stations with the latest digital technology would be envied by many stations in the USA or Europe," Luftim Vani said. In some relatively big cities such as Durrës, Vlora, Elbasan, or Korça, the media situation has improved in recent years. However, the media landscape in other towns and cities is much different. In smaller cities and in rural regions such as Puka, Kukës, or Bulqize, the equipment resources are very poor. "Similar to the people, media in Albania are extremely polarized between rich and poor," Luftim Vani said.

With regard to reporting genres, the panelists agreed that all kinds of reporting exist in Albania. Economic reporting, social reporting, cultural reporting, and sports reporting have increasingly accompanied political

reporting over the years. For example, two newspapers and one magazine are dedicated to economic reporting. Weekly magazines that deal with cultural issues and social groups like women compete with daily newspapers that also cover these issues. Furthermore, specialized reporting is present in mainstream and in local media. However, even though niche journalism exists, the quality of such reporting leaves room for improvement. Depending on the nature of the reporting, when it comes to political reporting, readers find a lot of passion and bias. On the other hand, economic reporting lacks professionalism and accuracy. The whole situation results from the fact that beat reporting developed faster than journalism training that covers niche reporting. Do quality reporting and programming exist? Aleksandër Cipa said: "I will answer 'yes' to this question, omitting the word 'quality,' though."

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Albania Objective Score: 2.29 / 4.00

The pluralism of media and information sources is, at least in theory, one of the most acclaimed achievements during the transition years in Albania. Censorship of foreign media no longer exists in Albania. This is

Multiple news sources provide citizens with reliable and objective news.

PLURALITY OF NEWS SOURCES INDICATORS:

- > A plurality of affordable public and private news sources (e.g., print, broadcast, Internet) exists.
- > Citizens' access to domestic or international media is not restricted.
- > State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for print and broadcast media.
- > Independent broadcast media produce their own news programs.
- > Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates.
- > A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.

a far cry from the country's communist past, when total censorship of foreign media left Albania isolated from the rest of the world. However, in practice, this achievement is diminished by the financial hardships that prevent many people from obtaining most of these information sources. Due to the widespread poverty that persists in the country, many people cannot afford to buy even one daily paper, which costs about 50 cents. Meanwhile, it is understandable that these same people could not afford Internet service, which is quite costly, or a subscription to a satellite television service, which is also very expensive relative to the income of most Albanian citizens. The situation is alleviated somewhat by the spread of cable television to some cities—an advance that, combined with the sale of pirated broadcasts of programs and movies, offers people more sources of information.

According to Bashkim Hoxha, "There is a strong contrast when it comes to accessing sources of information. People living in large cities and especially in the capital have greater access to media sources."

Poverty is one of the primary factors that continue to stunt the circulation of daily newspapers. Currently the circulation of most daily newspapers does not exceed 5,000 copies, while the two top newspapers in the country do not sell more than

20,000 to 25,000 copies per day. This situation sparked a debate on newspaper prices in 2005. Some owners of the low-circulation newspapers, making use of their contacts among members of parliament and the presence of a newspaper owner on the Parliamentary Media Commission, prepared a draft law seeking to establish a floor price of no less than 50 cents for all newspapers. The aim was to legally deprive newspapers that sold at 20 cents per copy of their competitive edge. Fortunately, this initiative did not pass in the parliament. If the law had been approved, not only would it risk a further decline in circulation, but it would also endanger free-market competition. Even without the law, the print media environment is not healthy and finds itself struggling for survival. The press is struggling, in particular, vis-à-vis competition with the electronic media. It is a paradox that newspapers continue to claim sales as their main source of revenue, and not advertising or subscription income, which remain underdeveloped revenue streams. In this situation, survival is impossible without the support of business or political interests. This outside influence threatens media independence, since media become vulnerable to pressure from businesses or politicians.

The available sources of information reflect significant polarization and lack of balance. According to Bashkim Hoxha, "There is a strong contrast when it comes to accessing sources of information. People living in large cities and especially in the capital have greater access to media sources." The quality of Internet services is significantly better in the capital than in other cities. In the rural areas, Internet access is nonexistent. These rural areas, estimated to host more than 50 percent of the population, continue to suffer from lack of access to print media. Due to the bad roads, newspapers cannot be distributed to the villages. Not only does this leave a large part of the population uninformed, but it also artificially halves the newspaper market, making it difficult for print media to survive. This appears even more alarming since local newspapers are nearly extinct in Albania. During the early transition period, more than 60 such newspapers existed. However, facing tough competition from Tirana-based papers, most of them had to close down. Their closure left a disturbing vacuum that has yet to be filled.

Most of the panelists explicitly stated that public media outlets are still partisan mouthpieces for the government. This role further removes the outlets from their mission to serve the public. The public television station TVSH was once again the focus of much discussion. According to Iris Luarasi, "It is without doubt that TVSH reflects the viewpoints of the political spectrum in power." The station's links to politics, and more specifically the government, have traditionally led to TVSH's politicized coverage. It has always been difficult for TVSH, the largest station in the country, to adopt an editorial policy that more closely parallels public interest. To one panelist, it is somewhat unnatural that the news edition on TVSH always starts with a political event and almost never with a social problem. In fact, these government ties in some cases have led TVSH to censor those programs that do not mirror the interests and propaganda of the government or the ruling party. For example, in March 2005, TVSH began broadcasting an investigative program called "Hapur" that is produced by Albanian journalists with the support of IREX and USAID. Loosely modeled on "60 Minutes," "Hapur" investigates instances of corruption in Albanian government and society. However, the program did not manage to broadcast two episodes before it was pulled off the air. The producers of "Hapur" learned that this censorship, reminiscent of the communist-era Iron Curtain that had once been imposed on the media, resulted from irate phone calls that TVSH directors received from officials of the then-Socialist government.

In spite of TVSH's somewhat more balanced record regarding the broadcasting time allocated to

government and opposition representatives, the tendency to favor the party in power, the excessive politicization of news coverage, and the ignorance of real public problems remain visible. These problems led one panelist, Lutfi Dervishi, to define public television in this way: "Public television is not public television."

For different reasons, independent news agencies have not been successful in Albania. All private enterprises in this area have largely failed because of poor professionalism and the lack of adequate investment. Even the state news agency (ATSH) is no longer used by private media outlets (television stations and newspapers) that currently produce their own news. Many view the state agency as overly politicized and supportive of the government. As media outlets gradually lost interest in the agency's information products, referencing ATSH in newspapers and on television news became a rare phenomenon.

The law on broadcasting forces all media outlets to produce local news at least twice per week. Most television stations meet this requirement. Some of them even produce news programs on a daily basis. Some private stations in Tirana (Top Channel, TV Klan, TVA, TV Vizion+, TV Koha, and others) produce news comparable to international standards, while others meet reasonable levels of quality for local news production. However, there are stations in distant areas that still experience problems with news reporting. The difference between news broadcast by private stations and news broadcast by public media is that the latter is always filtered according to the interests of the party in power. The private media are not always subject to this screening process. Those outlets that do receive support from political parties or businesses support those interests in return. However, in general, private media are more pluralistic and independent than "public" media, since the ties of private-sector media to the government are not as entrenched. In this sense, the promise of the pluralism of information in Albania is not realized through public media; it is rather through the private media.

The panelists offered very low assessments regarding the transparency of media ownership. This is due to the fact that legal requirements regarding the transparency of ownership and funding are not complied with or enforced. Legally speaking, public television is forced to publish biannual balance sheets stating revenues and expenditures. In practice, this does not happen. Even private media must submit annual financial records to the KKRT. The KKRT and the banks, while preserving financial confidentiality, should investigate the sources of media funding. However, no investigation takes place, and therefore the public remains uninformed about the

sources of media funding. The situation becomes even more mysterious based on frequent allegations of dirty money

invested in the media. Statements by the politicians have supported these charges time after time. For example, during the course of the election campaign that brought him to power, current Prime Minister Sali Berisha participated in a media debate with the owner of a well-known television station. Berisha mentioned "the white powder," alluding to the dubious financing sources of the station. At the same time, when the ownership of a media outlet changes hands, it is not public information. Some television stations such as Alsat TV, Koha TV, and the newspaper *Tema* have changed their ownership recently, but no public information has been available to provide details of the transactions.

The lack of media transparency is further complicated by contradictory recommendations from representatives of international organizations, according to one of the panelists. Musa Ulqini stated, "I am surprised by the reaction of these institutions in the remarks that have come from the OSCE office." According to Ulqini, contradictions are evident between the European Union (EU) requirements to solve the issue of media transparency and the suggestions made by the OSCE presence in Tirana. The OSCE does not advise attaining transparency in legal dispositions, at the risk of limiting media freedoms. However, Ulqini maintains that the EU advocates the legal regulation of media ownership structures.

There is no public pressure to limit coverage of a wide range of social issues in Albania, including minority problems. From the legal standpoint, anyone can establish a television or radio station or newspaper in any minority language. If outlets are established at a slow pace, the lack of financial means is to blame. Meanwhile, public television continues to broadcast programs in Greek and Macedonian for the minorities in the southern part of the country.

According to Iris Luarasi, "It is without doubt that TVSH reflects the viewpoints of the political spectrum in power."

OBJECTIVE 4: BUSINESS MANAGEMENT

Albania Objective Score: 1.88 / 4.00

In general, Albanian media are still far from operating as efficient and profitable businesses. Bashkim Hoxha said, "If the law on electronic media is implemented to

the letter, three quarters of the media will go bankrupt since they are maintained by other businesses. The law demands that the media work as separate businesses on their own means.” In this sense, the large number of newspapers and television stations in Albania owes its existence mainly to funding by parallel businesses and to the weak implementation of the law. From the professional point of view, this parallel funding makes many outlets vulnerable to the pressure or censorship of the businesses that support them, some to a greater extent than others.

Printing houses are private and profit-driven. Meanwhile, the press distribution network—consisting of several private companies created by the media owners—remains limited to the main cities and does not cover the rural areas. Even in some distant cities, newspapers do not arrive until the late afternoon, thereby affecting the citizens’ access to information and driving down newspaper sales. The main distributors are the companies owned by the two main dailies, *Shekulli* and *Panorama*. The Albanian Courier Service delivers most of the rest of the print publications.

The funding sources for private media still consist of advertising revenue, sales, subscriptions, foreign donations, and subsidies from private companies that own the media outlets. For newspapers, the main source of income comes from sales. In the broadcast sector, the extremely small advertising market in

Albania has limited even the most successful media. For example, the two or three most powerful stations in Tirana (Top Channel, TV Klan, and TVSH) have not yet managed to break even despite rising ad revenues. According to estimates by the Albanian Media Monitoring Center in March 2005, the advertising market amounts to about \$15 million per year. However, 56 television stations and 32 radio stations compete for this amount. Out of this pool of competitors, the lion’s share goes to four or five national stations based in the capital. Meanwhile, the share of advertising left to local stations is significantly smaller, since the greatest economic activity, as well as the resulting need for advertising, is located mainly in Tirana and in some coastal areas.

Advertising revenue is even less for newspapers. Therefore, all daily newspapers are based in Tirana, while local newspapers have slowly died out over the years. Even the three remaining local newspapers (in Berat, Gjirokastër, and Shkodër) are published on a weekly basis and survive only through subsidies from a local printing house or from frequent donations from a foreign foundation. Without this external funding, the publication of these newspapers would cease. This unhealthy financial situation could affect the editorial policy of owners that subsidize these media outlets. Meanwhile, due to close ties between business and politics, the latter influences editorial policies through the owners.

Advertising agencies do not really function as such. “Advertising agencies function mainly as advertising managers, because they do not buy broadcasting time from the stations; they just offer them advertising,” said Bashkim Hoxha. Advertising revenue, especially for print media, remains less than sales revenue or subsidies. It often happens that television stations significantly lower their fees to attract more advertising. However, while this strategy increases the competition for advertising spots, the corresponding growth in revenue is not commensurate. The poorer the station, the lower the ad fees are.

Legally speaking, private media are not allowed to receive state subsidies. However, in practice, some indirect cases of government favoritism toward certain media are visible. It is now an accepted fact that the newspaper or television station that is known as pro-government receives more advertising. This source of funding disappears if this same party falls out of power. Other forms of favoritism include renting public offices for television studios or newsroom offices at very favorable prices.

Independent media are well-managed businesses, allowing editorial independence.

<p>BUSINESS MANAGEMENT INDICATORS:</p> <ul style="list-style-type: none"> > Media outlets and supporting firms operate as efficient, professional, and profit-generating businesses. > Media receive revenue from a multitude of sources. > Advertising agencies and related industries support an advertising market. > Advertising revenue as a percentage of total revenue is in line with accepted standards at commercial outlets. > Independent media do not receive government subsidies. > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor products to the needs and interests of audiences. > Broadcast ratings and circulation figures are reliably and independently produced.
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At the moment there is no agency seriously engaged in media market research. The television and radio stations carry out their own surveys to gauge the tastes and preferences of readership and audiences in order to adjust their programs and publications. Until a year ago, a study of television audiences and newspaper readership was conducted by the private Institute for Statistics and Opinions (ISO) with the support of IREX and USAID. In 2004, ISO announced a partnership with AGB Nielsen to produce monthly television ratings. However, this partnership fell through, making it more difficult for advertising agencies to make their decisions and for media to determine their editorial policies.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Albania Objective Score: 2.44 / 4.00

Years have passed since three journalists' associations (the League of Albanian Journalists, the Association of Professional Journalists, and the Association for the Protection of Media) were established. However, they have been entirely ineffective in providing any actual services to the journalists. Members do not pay any dues, and in effect, the associations exist only on paper. While these associations do make public statements following incidents between journalists and the authorities, these statements

Supporting institutions function in the professional interests of independent media.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of private media owners and provide member services.
- > Professional associations work to protect journalists' rights.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs that provide substantial practical experience exist.
- > Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
- > Sources of newsprint and printing facilities are private, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

have reflected the political biases of their directors. Overall, journalists find themselves exposed vis-à-vis their owners. The media owners have also established their own organization, the Association of Albanian Publishers, which is still vaguely defined. In fact, this group of owners emerges only when it wants to discuss tax problems or lobby for its own interests with the government.

The absence of real supporting organizations has led many Albanian journalists to work without regular employment contracts. They are almost helpless when faced with the arbitrary decisions of owners, who can fire their staff without cause. No organization has stepped forward to offer legal protection to journalists in the event of disputes with owners. This situation creates an unfavorable climate in which to practice professional journalism. Journalists' integrity is easily vulnerable in these circumstances. Naturally, journalists have increasingly demanded changes. In response to this demand, the Union of Albanian Journalists was established in October 2005 with the support of IREX and USAID. The organization aims to protect the economic rights of journalists in their relations with media owners. The goal of the Union is to sign a collective bargaining agreement between the journalism community, the Ministry of Labor, and the association of media owners before the end of 2006. Afterward this contract will serve as a judicial cornerstone for all individual employment contracts that will be signed between every journalist or media employee and the media owners.

Overall, when it comes to public opinion, there is a favorable opinion of the media. In spite of the dissatisfaction regarding the lack of ethics or professionalism, the public is extremely sensitive to violations committed against the media. This attitude is reflected among the community of nongovernmental organizations (NGOs), such as the Albanian Helsinki Committee and the Albanian Center for Human Rights, which have joined in solidarity with the media by acting to protect journalists in cases in which they have been abused.

Until recently, training of journalists has been supported mainly by grants from NGOs or foreign foundations, such as the Open Society Institute, IREX, and Press Now. Currently only IREX is present in Albania with a media program that is part of the more extensive USAID-funded Democracy and Governance in Albania project. Journalism training is carried out through practical means by IREX and the Department of Journalism at Tirana State University, as well as by the Albanian Media Institute.

Panel Participants

Fatos Baxhaku, Journalist, Vizion Plus, Tirana

Andi Tela, Editor-in-Chief, *Panorama*, Tirana

Luftim Vani, Owner, TV Mati, Bulqizë

Lutfi Dervishi, Journalist, Tirana

Iris Luarasi, Co-owner, Radio Ime; Professor of Journalism, University of Tirana

Ylli Pango, Member of Parliamentary Commission on Mass Media, Tirana

Musa Ulqini, Member of Parliamentary Commission on Mass Media, Tirana

Genti Ibrahim, Lawyer, Tirana

Aleksandër Cipa, Journalist, Head of the Union of Albanian Journalists, Tirana

Genc Ymeraj, Director of Programming, TVSH Public TV, Tirana

Bashkim Hoxha, Owner, Teuta TV, Durrës

Fabiola Haxhillari, Assistant to Press Officer, OSCE, Tirana

Moderator

Andrea Stefani, Senior Media Advisor, IREX, Tirana

ALBANIA AT A GLANCE

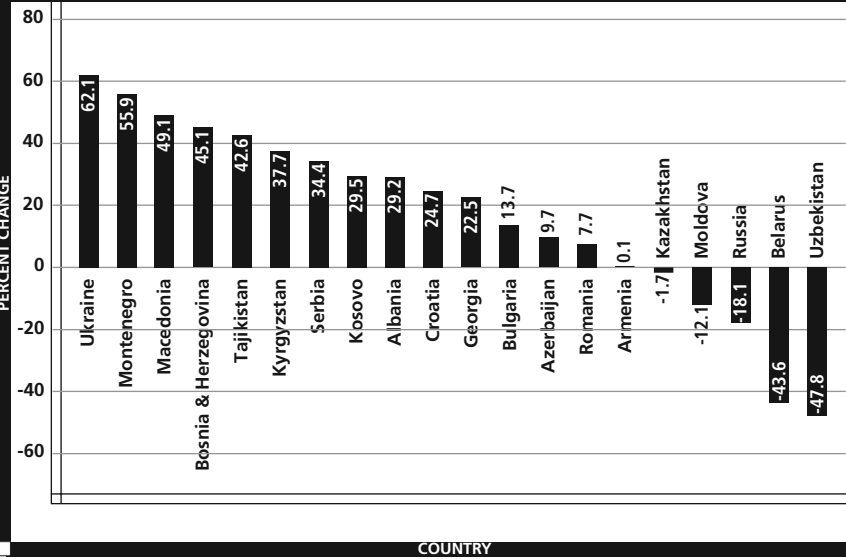
GENERAL

- **Population:** 3,400,000 *Demographic Atlas of Albania*
- **Capital city:** Tirana
- **Ethnic groups (% of population):** Albanian 97.79%, Greek 1.95%, Macedonian 0.23%, Montenegrin 0.03% *Demographic Atlas of Albania*
- **Religions (% of population):** Muslim 68.5%, Christian (Catholic and Orthodox) 28.5%, Bectashi 2% *Demographic Atlas of Albania*
- **Languages (% of population):** Albanian 97.79%, Greek 1.95%, Macedonian 0.23%, Serb 0.03% *Demographic Atlas of Albania*
- **GDP:** \$8.36 billion *IMF*
- **Literacy rate (% of population):** 86.5% *CIA World Factbook*
- **President or top authority:** President Alfred Moisiu
- **Next scheduled elections:** Fall 2006

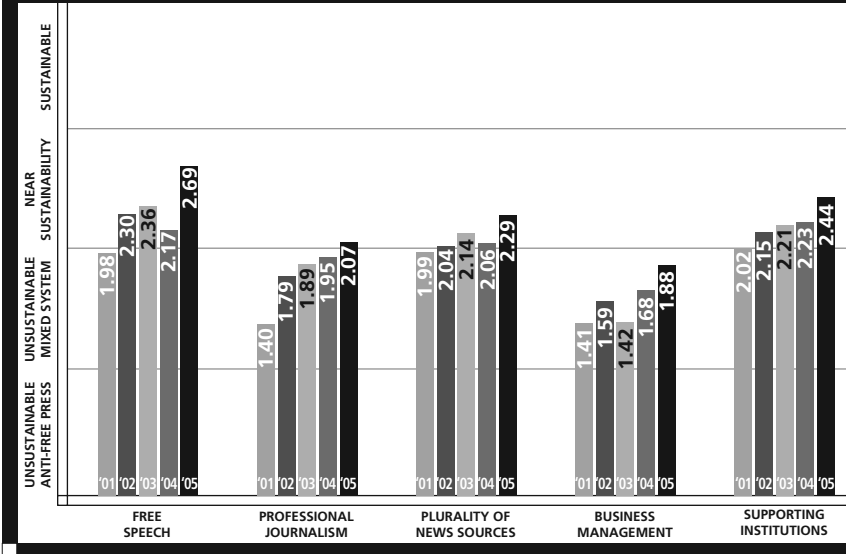
MEDIA-SPECIFIC

- **Newspaper circulation statistics (total circulation and largest paper):** Approximately 75,000. *Shekulli* is the largest daily paper with 20,000 copies. *Albanian Media Institute*
- **Broadcast ratings (top three ranked stations):** Top Channel, TVSH, TV Klan *Institute for Statistics and Opinions*
- **Number of print outlets, radio stations, television stations:** Approximately 150 print outlets; 86 radio and television stations *Albanian Media Institute*
- **Annual advertising revenue in media sector:** Approximately \$15 million *Albanian Media Monitor 2004*
- **Number of Internet users:** 30,000 (2003) *CIA World Factbook*
- **News agencies:** ATSH (Albanian News Agency), ALNA, ALP *Independent News Agency*

MSI AVERAGE SCORES—PERCENT CHANGE 2001–2005



MEDIA SUSTAINABILITY INDEX: ALBANIA



THE MEDIA SUSTAINABILITY INDEX (MSI) PANEL AGREED THAT THE MAIN DYNAMIC IN THE DEVELOPMENT OF THE MEDIA SECTOR IS THE COUNTRY'S EFFORTS TO JOIN EUROPEAN INTEGRATION PROCESSES, AND AS A RESULT THE MAJORITY OF RELEVANT LAWS ARE IN HARMONY WITH EU LEGISLATION.

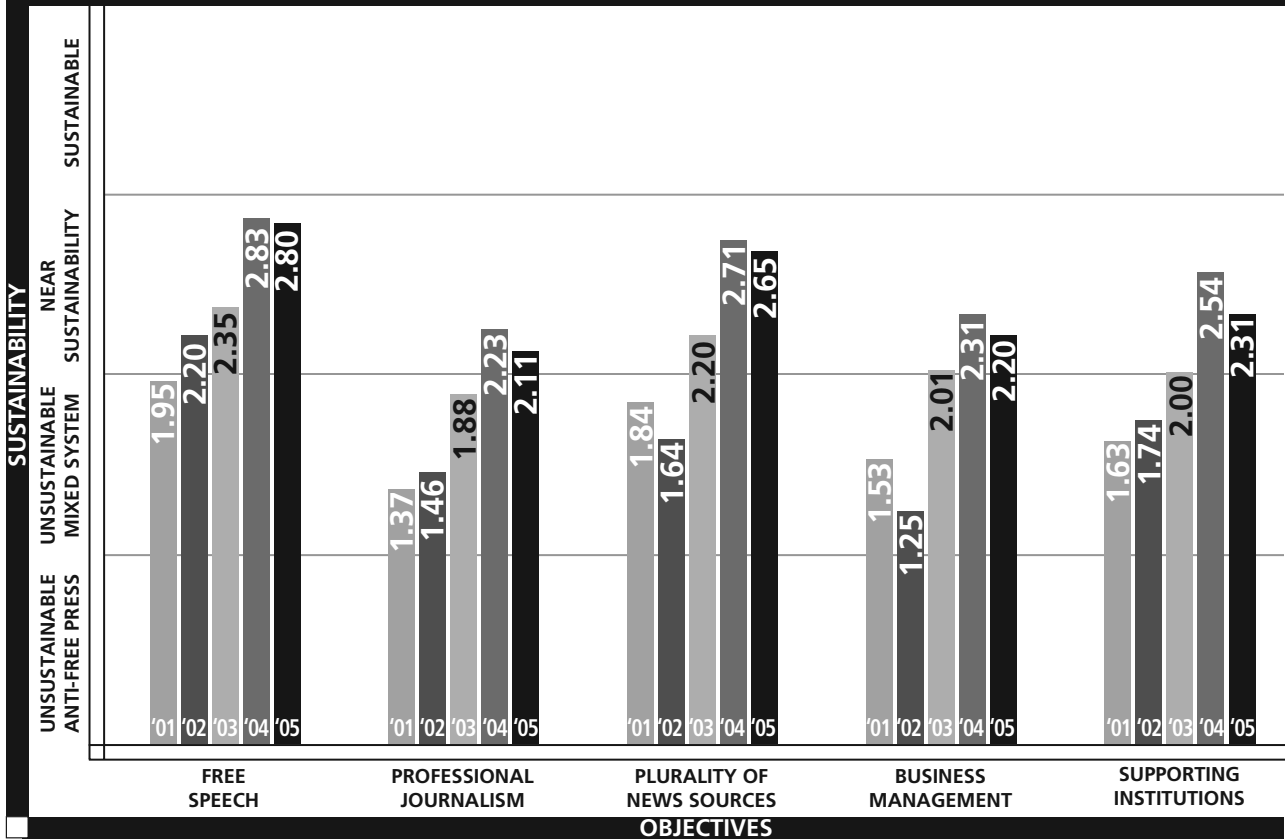


Bosnia and Herzegovina's recent history is shaped by the decade-old Dayton Peace Agreement, which successfully ended the four-year war but also paved the way for an extremely complex state structure. The media system forms a key part of this structure, and its reform and transition processes are yet to be completed.

Bosnia and Herzegovina consists of two roughly equal entities, with a weak central government. In addition, there is the Brcko District, which is under the formal authority of the state but is greatly influenced by a special foreign supervisor for the city. Implementation as well as interpretation of civilian aspects of the peace agreement falls to the Office of the High Representative (OHR), who is selected by the Steering Board of the Peace Implementation Council made up of 55 countries and international organizations sponsoring the peace process. His extensive powers are affirmed by the United Nations Security Council and include supreme legislative and administrative authority in the country, as well as the mandate to impose laws and decisions and to discharge officials at any administrative level if their activities contravene the letter and spirit of the peace accord. Along with the complex political system, the slow process of postwar reconciliation and a devastated economy influence the situation in the country.

The OHR now tries to use its powers as rarely as possible, insisting that the local governments take responsibility for running the country. However, the High Representative's role is still dominant and it is difficult to imagine the country functioning in the near future without the direct presence of the international community. In October 2005, the European Commission recommended a start to negotiations on signing a Stabilization and Association Agreement with the country, recognizing that Bosnia and Herzegovina had fulfilled 14 requirements to reach that stage. One was passage of a Law on the Public Broadcasting System of Bosnia and Herzegovina, adopted in October despite strong resistance from Bosnian Croat political parties that had demanded three separate public televisions be established in the Croatian, Serbian, and Bosnian languages. The law

MEDIA SUSTAINABILITY INDEX: BOSNIA



Unsustainable, Anti-Free Press (0-1): Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

Unsustainable Mixed System (1-2): Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

Near Sustainability (2-3): Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

Sustainable (3-4): Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

that ultimately passed, although formally in line with European Union (EU) principles, is to a certain degree a result of compromise between European principles and these parties' demands. The law envisions the existence of a Public Broadcasting System with programming produced in three studios (Sarajevo, Mostar, and Banja Luka) with equal status. This would additionally complicate the operation of the already intricately structured Public Broadcasting System, and media experts generally consider the proposed solution to be too complex, inefficient, and costly.

The Media Sustainability Index (MSI) panel agreed that the main dynamic in the development of the media sector is the country's efforts to join European integration processes, and as a result the majority of relevant laws are in harmony with EU legislation. The reduction of the public broadcasters' role in the market continued in 2005. According to Mareco Index Bosnia data for 2005, the rating of the leading broadcaster, Federal Television, dropped from 23.8 percent in 2004 to 18 percent in 2005. This shift was in favor of commercial outlets, rather than other public-service broadcasters.

The most discouraging factor the media sector in 2005 was the underdeveloped market, characterized by the population's limited purchasing power, fragmentation along ethnic lines, little interest among foreign investors, and very limited donor involvement. Furthermore, the size of the advertising market did not change significantly in relation to 2004, with a large number of outlets continuing to compete for the limited market coupled with a privileged position of media from other countries.

Media outlets remain vulnerable to political pressures. In addition, while a good part of the media are trying to operate in line with professional norms and ethical standards, the MSI panelists noted that a certain number of outlets—mainly newspapers—continue to produce content with the nationalistic themes that in part instigated the war in Bosnia and Herzegovina.

OBJECTIVE 1: FREE SPEECH

Bosnia Objective Score: 2.80 / 4.00

The legal foundation that ensures free speech is contained in the Constitution, which has as an integral part the European Convention on Human Rights. Bosnian-Herzegovinian legislation generally emerged under direct international influence, and for that reason the free-speech statutes surpass laws in other countries in the region and are comparable

to those with the longest democratic traditions. Especially important in this regard is the defamation law, which considers defamation a civil rather than criminal issue. A pronouncedly progressive Freedom of Access to Information Act is also in effect. However, implementation of these laws encounters various barriers, the most important of them the judiciary's treatment of defamation lawsuits, the MSI panelists said.

Borka Rudić, general secretary of the association BH Novinari, emphasizes that "according to initial analysis done by the Office of Ombudsmen and lawyers who have defended journalists, the implementation of laws indicates that freedom of speech is threatened in Bosnia and Herzegovina. How our courts apply the law shows that case law developed by the Strasbourg (human-rights) court is not being used sufficiently."

Mehmed Halilović, Federal Ombudsman on Media, cited as an example of this problem the 2004 judgment by the Cantonal Court of Tuzla that stated "the burden of proof with regard to the truthfulness of allegations in the case of defamation, as a civil law issue, lies on the defendant, because allegations regarding the plaintiff are presumed to be untrue until proven otherwise."

Legal and social norms protect and promote free speech and access to public information.

FREE-SPEECH INDICATORS:

- > Legal/social protections of free speech exist and are enforced.
- > Licensing of broadcast media is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against journalists or media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > State or public media do not receive preferential legal treatment, and law guarantees editorial independence.
- > Libel is a civil law issue; public officials are held to higher standards, and the offended party must prove falsity and malice.
- > Public information is easily accessible; right of access to information is equally enforced for all media and journalists.
- > Media outlets have unrestricted access to information; this is equally enforced for all media and journalists.
- > Entry into the journalism profession is free, and government imposes no licensing, restrictions, or special rights for journalists.

Although it has been four years since the Freedom of Access to Information Act was passed at state level, it is still not broadly applied. Furthermore, there is general ignorance with regard to how the law should be implemented. This does not refer solely to ordinary citizens, but to journalists as well. The MSI discussion showed that journalists also refer to the law in their work, rather than expecting public authorities to provide journalists with information as a matter of course.

Borka Rudić stresses that “politicians have a very selective attitude to journalists—i.e., to whom they will give information.”

Access to public information, according to the panelists, is obstructed most of all by the arrogant conduct of authorities.

MSI participants

did not exclude representatives of the international community from this behavior. Borka Rudić, stresses that “politicians have a very selective attitude to journalists—i.e., to whom they will give information.”

Vildana Selimbegović, editor of *Dani* magazine, contended that certain public information, mainly public spending, simply cannot be accessed. “I have tried everything, but there are expenditures from certain coffers that are unavailable to journalists,” the editor said. “I have tried using the Law on Access to Information, and I have 24 rejections. Six months overdue. End of story.”

Legislation differentiates between private and public media, but not in terms of access to information. This, however, does not mean that in practice media with better political connections do not get privileged information. This issue became the subject of public attention in late October, when *Dnevni Avaz* exclusively “disclosed” the name of a suspect in a series of explosions in Sarajevo. When later it turned out that the information received from a “confidential source” was not true, *Avaz* revealed that it had been obtained from a Cantonal Ministry of Interior spokesperson and offered video footage made by security cameras confirming that the named official had come to *Avaz*’s building at the specified time.

On the other hand, authorities are not restricting access to international news and sources either formally and legally, or in practice.

The legislative framework does not differentiate between media companies and other companies entering the market. The Law on value-added tax (VAT), scheduled to go into effect early in 2006,

envisions a single tax rate of 17 percent. This development does not bode well for the profitability of print media and the publishing industry in general. Numerous organizations, such as the Press Council, journalists’ groups, and associations of newspaper publishers, have requested that press and publishing be exempted from taxation, stressing the particular role of media in democratic societies. A press release issued by the Association of Newspaper Publishers of Bosnia and Herzegovina, newly formed in 2005, says: “We, publishers of print media in B&H, strongly feel that the imposition of value-added tax, as well as customs duties on raw materials needed for the publishing industry, actually constitutes taxation of information, opinion, and knowledge.” The state parliament rejected requests for exemptions from VAT, although discussions continued.

The licensing of broadcasters is essentially fair, competitive, and apolitical, most panelists agreed. Powers in this area were bestowed upon an independent state agency, the Communications Regulatory Agency (CRA), which is in charge of the licenses and controls the broadcasting spectrum. The CRA’s Dunja Mijatović underlined that the agency has won all lawsuits challenging its decisions from 1998 to this day.

The term public media in Bosnia and Herzegovina encompasses public broadcasters at state level established under the Law on the Public Broadcasting System of B&H, as well as municipal and cantonal broadcasters founded by municipal and cantonal assemblies. There is no doubt that local media are more susceptible to direct political influence than state-level public broadcasters. But the latter are also placed under pressure, although the methods used are somewhat more sophisticated. Amir Zukić, Bosnia and Herzegovina Television (BHT) news program editor, assesses the state’s influence on public media from his own experience: “The influence doesn’t take place through any structures, but it will happen that a politician will say: ‘Don’t watch a certain program and don’t pay the television license fee.’ Or, he will call one of my bosses and try to influence me through him.” An article in the weekly *DANI* described in March how top Bosnian Croat politicians called for conditioning payment of the license fee on their insistence that Federal TV include an ethnically defined Bosnian Croat channel in the Croat language.

There were several attacks on journalists during 2005. The gravest was an assault on *Dnevni List* journalist Nermin Bise, who was beaten by police officers while attempting to cover football fans rioting in the streets

of Mostar. The panelists also expressed concern about failure to bring closure to court proceedings against suspects in other attacks on journalists over the past years. The insecurity of journalists is reinforced by undemocratic conduct on the part of some politicians. For instance, Milan Radmilović, Mayor of Gacko, declared RTRS journalist Biljana Bokić a *persona non grata* in 2005 because he was unhappy with her coverage of scandals in the town. However, there are no legal restrictions on who may enter journalism, or work in the media.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Bosnia Objective Score: 2.11 / 4.00

Comparing the situation in 2005 with the war or postwar periods, the MSI panelists agreed that considerable progress had been made in the implementation of professional standards of journalism. However, they said, there remains room for improvement.

Research done by the Prizma agency in May 2005 showed that as many as 75 percent of the 250 respondents felt that journalists' work is influenced by certain political parties and politicians. Media monitoring carried out by the Press Council in June 2005 showed that the most commonly violated articles of the journalistic code refer to privacy, followed by those on coverage of persons suspected of committing criminal acts and on the way that comments, suppositions, and facts are expressed. This indicates that journalists and editors still encounter considerable difficulty in respecting the truth and the public's right to know, in working in the spirit of fairness, truthfulness, and decency and in reporting and expressing opinions.

There is a significant difference between print and electronic media with regard to respect for ethical norms. Broadcasting is regulated by the *Broadcast Code of Practice*, which empowers the Communications Regulatory Agency, in cases of violation of the Code's rules, to take a number of restrictive measures. Among these are demanding apologies, issuing warnings, imposing fines, suspending licenses, entering premises, seizing equipment, suspending activities, and withdrawing licenses. The Press Council, working with the print media, operates on the principle of media self-regulation and is not authorized to impose sanctions.

Nihada Hasić, editor of Banja Luka-based *Nezavisne Novine*, said that "in practice, there is a lot of irresponsibility and many people abuse space in media for destroying others' careers and private lives ...,"

using freedom of speech as a pretext." This referred not only to journalists, but also to others given space by journalists to express their opinions. Examples of lack of respect for ethical principles are reported in both "pro-state" and "independent" media.

Nihada Hasić, editor of Banja Luka-based Nezavisne Novine, said that "in practice, there is a lot of irresponsibility and many people abuse space in media for destroying others' careers and private lives ..., using freedom of speech as a pretext."

The panelists felt that self-censorship continues to be present in journalists' and editors' work, primarily stemming from fear of being fired. This fear, according to the panelists, is becoming more pronounced with the worsening of the country's general economic situation. Furthermore, this kind of conduct on the part of editors is affected by pressure from the advertising industry. With the advertising market too small for the number of outlets, media have developed a particular sensitivity to issues that may turn away existing or potential advertisers, panelists said, and this is why coverage of certain issues is unthinkable at some outlets.

Journalism meets professional standards of quality.

PROFESSIONAL JOURNALISM INDICATORS:

- > Reporting is fair, objective, and well sourced.
- > Journalists follow recognized and accepted ethical standards.
- > Journalists and editors do not practice self-censorship.
- > Journalists cover key events and issues.
- > Pay levels for journalists and other media professionals are sufficiently high to discourage corruption.
- > Entertainment programming does not eclipse news and information programming.
- > Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- > Quality niche reporting and programming exists (investigative, economics/business, local, political).

Nihada Hasić expressed concern about the financial insecurity to which journalists are subjected. She said their “wages are usually irregular and low, which may affect their objectivity and adherence to professional standards.” A particularly pronounced problem is irregular pay and failure to pay contributions for social and medical insurance by many public and private media. For example, employees of the state (BHRT) and federal (RTFBIH) broadcasters announced they would strike in 2006 if their managements did not ensure they were paid three overdue salaries and all contributions.

“Wages are usually irregular and low, which may affect their objectivity and adherence to professional standards,” said Nihada Hasić.

Some panelists expressed concern that programming is too commercial and that the information dimension of media will be overshadowed completely in

the future. Most of the media content consists of daily political events and entertainment, while professional analysis of specialized issues is less frequent. Investigative journalism is also rarely practiced.

There is a significant difference between print media and broadcasters in terms of equipment used for collecting and producing news. The panelists agreed that the level of technical capacities of print media is satisfactory. However, although there are a few large media companies that have modern equipment, a large number of local electronic media use outdated equipment for broadcasting. Dunja Mijatović of the Communications Regulatory Agency emphasized that inspection of all television and radio stations established that many did not have proper technology, mainly due to their difficult economic situations.

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Bosnia Objective Score: 2.65 / 4.00

There are approximately 190 electronic media outlets in the country. Most are local radio and television stations, and only state-level public broadcasters and a handful of commercial networks have coverage of the majority of the country, with public broadcasters reaching approximately 80 percent. There is no reason for the existence of such a large number of outlets in the poor and fragmented Bosnian-Herzegovinian market, so it is difficult to understand the real reasons for this situation. Clearly, it does not reflect a vital market with

development potential and an ability to offer diverse voices and opinions, the MSI panelists said. Therefore, it is only a matter of time before significant consolidation takes place in the broadcasting sector.

There are also seven daily newspapers and at least five significant weekly or biweekly magazines. A significant change between 2004 and 2005 is that *Ljiljan*, once the most important weekly, stopped publishing after changing its format and losing its market position.

The circulation of all daily newspapers is estimated at about 80,000 sold copies per day for the population of around 3.8 million people. There are several reasons why newspapers sell so poorly. First of all, citizens have low purchasing power. Many simply cannot afford to buy a daily at a price of €0.50 or a weekly or biweekly for €1.5. Furthermore, strong competition from neighboring Serbia and Croatia lowers sales of domestic newspapers. There are 13 daily newspapers from those countries, as well as 61 foreign weekly or monthly newspapers. Another limiting factor is the ethnically fragmented market. Most papers primarily cover the entity where they are based. This division is a result of the war, but it also reflects the structure of the country's territorial and institutional arrangements. The exception is Banja Luka's *Nezavisne Novine*, which

Multiple news sources provide citizens with reliable and objective news.

PLURALITY OF NEWS SOURCES INDICATORS:

- > A plurality of affordable public and private news sources (e.g., print, broadcast, Internet) exists.
- > Citizens' access to domestic or international media is not restricted.
- > State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for print and broadcast media.
- > Independent broadcast media produce their own news programs.
- > Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates.
- > A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.

targets readership from the whole territory.

Cable operators have a developed infrastructure in all large towns and cities, and their offer of regional television stations has brought unexpected competition for the Bosnian-Herzegovinian channel. In 2005, a dispute arose between cable operators and Mreža Plus, a regional television network, concerning broadcasting of the Croatian station Nova TV program. The cable operators were rebroadcasting Nova TV's popular television series (such as "Desperate Housewives") and thus reducing advertising revenues for local television stations that had brought rights for these programs for Bosnia-Herzegovina. The dispute was resolved under Communications Regulatory Agency auspices with approval given only for broadcasting the station's domestically produced programming. In the meantime, as many as 18 cable operators were fined for violating the license for cable distribution of radio and television programming.

Internet access is still limited. According to the most recent data, Internet providers gave services to some 55,000 private users, around 32,000 businesses, and approximately 3,000 primary and secondary schools and universities. The official data on Internet penetration per 100 citizens is between 1.5 and 2 percent.

Public broadcasters at the state level have an obligation to reserve 40 percent of their time for domestically produced programs of all formats, not counting news and sport. Public broadcasters also have other obligations aimed at ensuring coverage of areas that commercial broadcasters generally do not consider profitable. However, bearing in mind that collection of the license fee is still low, it is understandable that these outlets are fighting to win advertiser favor by producing more commercial programs.

The most important news agencies are the state-subsidized FENA and SRNA and the independent ONASA. Although the former two have a better market position because they have secure state funding, these agencies deal with their clients selectively. One of the panelists, Adnan Osmanagić, director of Sarajevo's Radio Stari Grad, said, "Some pay the full price, some compensate, some pay 50 percent, and some never pay."

Since the media market is still underdeveloped and overpopulated with outlets, there is no particular concentration of ownership. In fact, foreign capital, with which the term "concentration" is usually associated, although deeply involved in the markets of neighboring countries, has not entered the Bosnian-Herzegovinian print media market. It seems that the big western corporations that bought top Croatian and Serbian

media have realized that they can accomplish their goals in Bosnia-Herzegovina by distributing insignificantly changed Zagreb and Belgrade editions. For example, Belgrade's *Blic* is in second place in B&H with a readership rating of 13 percent, while Zagreb's *Vecernji List* is in the respectable fifth place with 9 percent, according to 2005 data from Mareco Index Bosnia.

Regarding news agency subscriptions, Adnan Osmanagić, director of Sarajevo's Radio Stari Grad, said, "Some pay the full price, some compensate, some pay 50 percent, and some never pay."

In terms of transparency of ownership, the MSI panel noted that there are sufficient provisions, as well as public registers, and that it is theoretically possible to access information on ownership structures. However, in practice, it is very difficult to do this because there is no central database, and also because the largely hard-copy archiving system is outdated.

Furthermore, in light of the inefficiency of state bodies in establishing the real relationships among various business players, it is very possible that the nature of these relationships significantly differs from that which has been declared. Therefore, because it is extremely difficult to access more complex information, although there are no visible media monopolies in B&H, the possibility cannot be ruled out entirely.

Some minority groups have their own papers and radio programs. Such newspapers are mostly limited to the minorities they target. Although coverage of minority-related issues is not met with resistance in the general media, what is evident is that even minority groups are not interested in this type of programming. MSI panelists suggested that the state should take a more active role in encouraging and funding these kinds of projects.

OBJECTIVE 4: BUSINESS MANAGEMENT

Bosnia Objective Score: 2.20 / 4.00

Most media outlets are not efficient and profitable businesses. The biggest problems for print media are high distribution costs and printing difficulties. Vildana Selimbegović said her magazine was forced to start printing in neighboring Croatia due to constant holdups at the printing company. Dario Novalić,

director of the Sarajevo biweekly *Start*, mentioned a similar experience, saying that the “printing press always ‘breaks down’ when an independent newspaper is supposed to be printed.”

An exception is the Sarajevo media company *Avaz*, which modernized its printing processes, built a modern business building during 2004, and planned to launch a television station by the end of 2005.

Media outlet revenues come from the usual sources: sales, subscription, and advertising. In addition, some outlets continue to receive donor support. The chief problem in media development is the insufficiently developed advertising market, particularly taking into account the large number of outlets operating in the B&H media market.

Data collected by Mareco Index Bosnia, a media and market-research company, put the gross value of the television advertising market for 2004 at around €97 million. However, the panelists said that it would be safe to assume that the discounts that media gave to clients exceed 50 percent. For example, Jasmin Duraković, director of Federal Television, said that advertising revenues of his outlet for 2004 were about €7.5 million, while Mareco Index Bosnia estimated Federal Television’s share above 20 percent of the total market, or more than €19.5 million.

The gross value of the daily newspaper ad market was an estimated €2.35 million, and for magazines €344,000. Mareco Index Bosnia estimated the total advertising revenues for the first six months of 2005 at €49.2 million (96.43 million KM). Judging by these figures, it can be concluded that there were no major changes for 2005 compared with 2004. Still, it must also be underlined that all these figures are very rough estimates and that there are still no precise figures on the size of the Bosnia-Herzegovina advertising market. It is clear that advertising revenues of magazines are especially low. Panelists point out that they make up only 8 percent of magazines’ total revenues.

Cooperation between advertising agencies and outlets is still at a low level and is aggravated by the nonexistence of precise information on the size of the ad market. A census of the population has not been carried out in Bosnia and Herzegovina since 1991, as a result of which basic reliable data are lacking for any secondary research. This situation makes it very difficult for potential advertisers to choose the right outlet and creates room for various kinds of manipulation with circulations and ratings.

Further complicating the industry dynamics is the presence of media from neighboring countries because they see the B&H market as an additional source of revenues and thus have more freedom in establishing advertising rates. The situation is exacerbated by a large number of media operating in a disorderly market, driving down advertising rates. Some of the panelists pointed out that the private television OBN has brought down its advertising rates so much that they are lower than advertising rates on radio in the Republic of Croatia.

Statistics show 15 out of 39 television stations and 63 of 143 radio stations are still owned by local and regional governments. The greatest influence is exerted on media editorial policies at the local and cantonal level because these outlets are directly funded from cantonal and municipal budgets. However, state authorities also find nontransparent mechanisms to support privately owned media, the panelists said.

Media outlets are mainly interested in viewing ratings in order to use them to increase advertising revenues. Dino Đipa, Director of the Sarajevo-based research agency Prizma, says that an increasing number of media outlets feel a need to use market research in shaping their business policy but lack of money is a hurdle to moving forward with this. There are several research agencies, such as Mareco Index Bosnia, Prism Research, and Puls and Partner, that research viewing, listening, and reading rates.

Independent media are well-managed businesses, allowing editorial independence.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets and supporting firms operate as efficient, professional, and profit-generating businesses.
- > Media receive revenue from a multitude of sources.
- > Advertising agencies and related industries support an advertising market.
- > Advertising revenue as a percentage of total revenue is in line with accepted standards at commercial outlets.
- > Independent media do not receive government subsidies.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor products to the needs and interests of audiences.
- > Broadcast ratings and circulation figures are reliably and independently produced.

Some panelists expressed doubt about the validity of television rating research done so far. However, it is expected that the situation will improve in the coming period because a Joint Industry Committee for the broadcasting industry started operating at the beginning of 2005. It is composed of 13 members (seven advertising agencies, three public broadcasters, and three private broadcasters), and it is anticipated that this new independent agency, which has succeeded in bringing together broadcasters and marketing agencies, will set generally accepted standards for measuring the television and radio markets.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Bosnia Objective Score: 2.31 / 4.00

The Association of Electronic Media (AEM) has been operating in Bosnia and Herzegovina for several years, promoting the interests of its member broadcasters. Also, the Association of Newspaper and Magazine Publishers appeared in October 2005. The country's journalists are represented by several associations, and this situation reflects the ethnic division, with at least a third of the journalists being members of ethnically defined professional groupings.

The multiple trade associations are typical of countries in transition from communist systems, where the professional associations were arms of the party and journalists who were dissatisfied with this situation founded parallel organizations. With the establishment of BH Novinari (B&H Journalists) in December 2004 from the merger of three associations—the Independent Union of Professional Journalists from Sarajevo, the Association of Journalists Apel in Mostar, and the Independent Association of RS Journalists in Banja Luka—the situation improved somewhat. Membership, however, is low, and activities remain rather fragmented.

There are not enough nongovernmental organizations (NGOs) working actively to protect and promote free speech, the MSI panelists said. This is particularly pronounced in small communities. The most important role in this area belongs to the Helsinki Committee for Human Rights, but the work of some other organizations is also prominent, such as that of the Media Plan Institute, Mediacentar Sarajevo, the Centre for Free Access to Information, and Open Society Fund B&H.

In Bosnia and Herzegovina, journalism is studied at five faculties—one in Sarajevo, one in Tuzla, one in Mostar, and two in Banja Luka. The large numbers of journalists

produced by these faculties are not necessarily required by the B&H market. The MSI panelists expressed dissatisfaction with the quality of education received at these

faculties and stressed that newsrooms are getting staff who are unable to work independently. But there was progress in this area during 2005. For instance, the NGO Internews organized training for journalism students at the Sarajevo Faculty of Political Science, and students are increasingly being sent to media outlets during their education to do practical work there.

Panelists expressed a high opinion of short-term journalist training programs. However, the Media Plan Institute year-long specialized journalism school, which trained students from all over the region, did not open to new students during 2005 due to lack of funding. Mediacentar organizes training for media managers, as well as short training programs on various aspects of investigative journalism. Of particular significance is Mediacentar's regional project, the Online Journalism

There are not enough nongovernmental organizations (NGOs) working actively to protect and promote free speech, the MSI panelists said. This is particularly pronounced in small communities.

Supporting institutions function in the professional interests of independent media.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of private media owners and provide member services.
- > Professional associations work to protect journalists' rights.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs that provide substantial practical experience exist.
- > Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
- > Sources of newsprint and printing facilities are private, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

Resource Center at www.netnovinar.org, launched in cooperation with Belgrade's Media Centre and the Investigative Journalism Centre from Zagreb.

Although most transmitters for RTV program broadcasts are still owned by the state, some transmitters are owned by commercial stations. Adnan Osmanagić said a state monopoly still exists in allocating locations for transmitters and that fees for maintaining these locations are extremely high.

Internet access is not restricted by the state or private conglomerates. The CRA is in charge of this area and imposes rules of conduct on Internet providers. For example, the CRA obliged telecommunications operators to offer more favorable Internet services by the end of October 2005, with the goal of supporting growth in Internet usage. This included a rate scheme in which special numbers for use by Internet Service Providers would be available at prices more favorable than those for voice services.

Presses in B&H are mostly in private hands. But panelists said the political and business interests of owners of printing companies have resulted in selective approaches to clients. As a consequence, some media outlets, unable to reach agreement with local printing companies, switched to presses elsewhere in the region.

Panel Participants

Vildana Selimbegović, Editor-in-Chief, *Dani* magazine, Sarajevo

Amir Zukić, Editor, PBS, Sarajevo

Jasna Kilalić, Democracy Office, USAID, Sarajevo

Dino Đipa, Director, PrismResearch, Sarajevo

Mehmed Halilović, Assistant Ombudsman for Media, Sarajevo

Dunja Mijatović, Director of Broadcasting, CRA, Sarajevo

Milivoj Šiljegović, Chemonics USAID Media, Sarajevo

Dario Novalić, Director, *Start* biweekly magazine, Sarajevo

Adnan Osmanagić, Director, Radio Stari Grad, Sarajevo

Borka Rudić, Journalist Association BH Novinari, Sarajevo

The opinions of the following research participants, who did not take part in the panel discussion, were used in preparing this report:

Nihada Hasić, Editor, *Nezavisne Novine* daily newspaper, Banjaluka

Moderator

Tarik Jusić, Program Director, Mediacentar Sarajevo

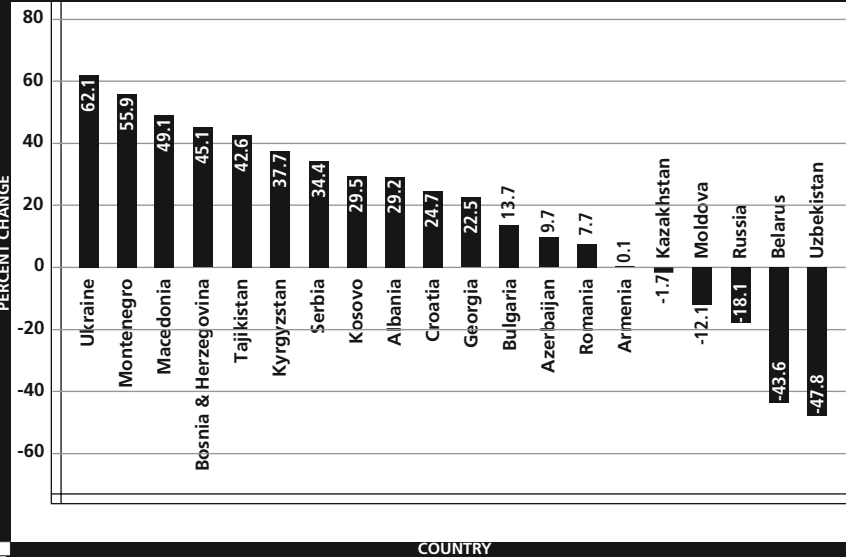
Disclaimer: The views and opinions presented in the chapter on Bosnia and Herzegovina are those of the panel participants and do not necessarily reflect the views and opinions of the Mediacentar Sarajevo.

BOSNIA AND HERZEGOVINA AT A GLANCE

GENERAL

- **Population:** 3,832,301 *Agency for Statistics of Bosnia and Herzegovina; June 30, 2003*
- **Capital city:** Sarajevo
- **Ethnic groups (% of population):** Bosniak 48%, Serb 37.1%, Croat 14.3%, other 0.6% *CIA World Factbook*
- **Religions (% of population):** Muslim 40%, Orthodox 31%, Roman Catholic 15%, other 14% *CIA World Factbook*
- **Languages (% of population):** Bosnian, Serb, Croat (no percentage data)
- **GDP:** \$8.530 billion (2004) *Bulletin No. 2, Central Bank of BiH; June 2005*
- **Literacy rate (% of population):** 94.6% (over age 15), (2002) *UNDP Human Development Index*
- **President or top authority:** Tripartite rotating presidency (eight months each); current president: Ivo Miro Jović (Croat); other two members: Sulejman Tihić (Bosniak), Borislav Paravac (Serb)
- **Next scheduled elections:** 2006

MSI AVERAGE SCORES—PERCENT CHANGE 2001–2005



MEDIA-SPECIFIC

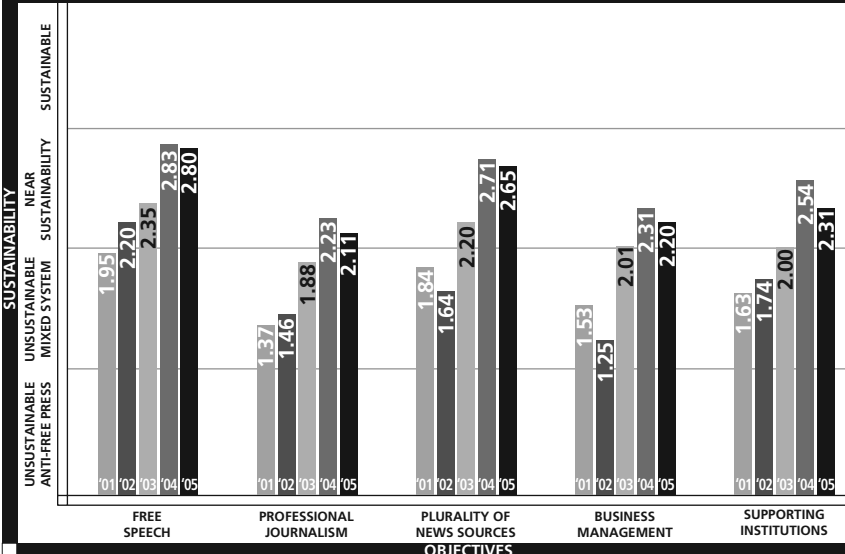
- **Newspaper circulation statistics (total circulation and largest paper):** Official circulation statistics are not available.
- **Reading rates of daily newspapers (from at least once a week to every day):** *Dnevni Avaz* 60%, *Oslobodjenje* 13%, *Blic* (S&M) 13%, *Glas Srpske* 11%, *Vecernje Novosti* (S&M) 9%, *Vecernji List* (Croatia) 9%, *Jutarnji List* (Croatia) 8% *Mareco Index Bosnia*
- **Reading rates of magazines (from at least once a week to every day):** *Azra* 14.7%, *Gloria* (Croatia) 12.5%,

Dani 9.4%, *Slobodna Bosna* 7.2%, *Expres* 5.3% *Mareco Index Bosnia*

VIEWING/LISTENING RATES:

- **Television stations:** Federal TV 18%, Pink BiH 11.6%, Mreža Plus 11.4%, Croatian TV I (Croatia) 7.2%, RTL (Croatia) 7.2% *Mareco Index Bosnia*
- **Radio stations:** Radio BIG 9.2%, BN Radio 6.5%, BM Radio 5.6%, Kalman Radio 5.1%, Radio Stari Grad 5.1% *Mareco Index Bosnia*
- **Number of print outlets, radio stations, television stations:** 7 daily newspapers, 46 weekly and monthly newspapers, 42 television stations, 143 radio stations (2004)
- **Annual advertising revenue in media sector:** NA (Estimates place ad revenue at around 50 million KM net [€25 million], while gross value amounts to around 100 million KM net [€50 million].)
- **Number of Internet users:** Approximately 55,000 private users, 32,000 companies, approximately 3,000 users in the education sector (Dunja Mijatović, "Digital Distribution—Present and Future," in *Novi pogledi*, Vol. 1, No. III, summer 2004, p. 59)
- **Number of information agencies:** 7

MEDIA SUSTAINABILITY INDEX: BOSNIA



MEDIA DEVELOPMENTS IN 2005 WERE MARKED BY THE IMPACT MEDIA HAD ON THE GENERAL AND MUNICIPAL ELECTIONS AND BY THE INCREASED COMMERCIALIZATION OF THE MEDIA. THE STRONG SHOWING OF THE "ATAKA" MOVEMENT IS PARTIALLY BLAMED ON THE INFLUENTIAL PRESENCE OF ITS LEADER, JOURNALIST VOLEN SIDEROV OF STATE-OWNED NATIONAL TELEVISION, AND ON HIS OWN TELEVISION PROGRAM ON ONE OF THE NATIONAL CABLE CHANNELS.



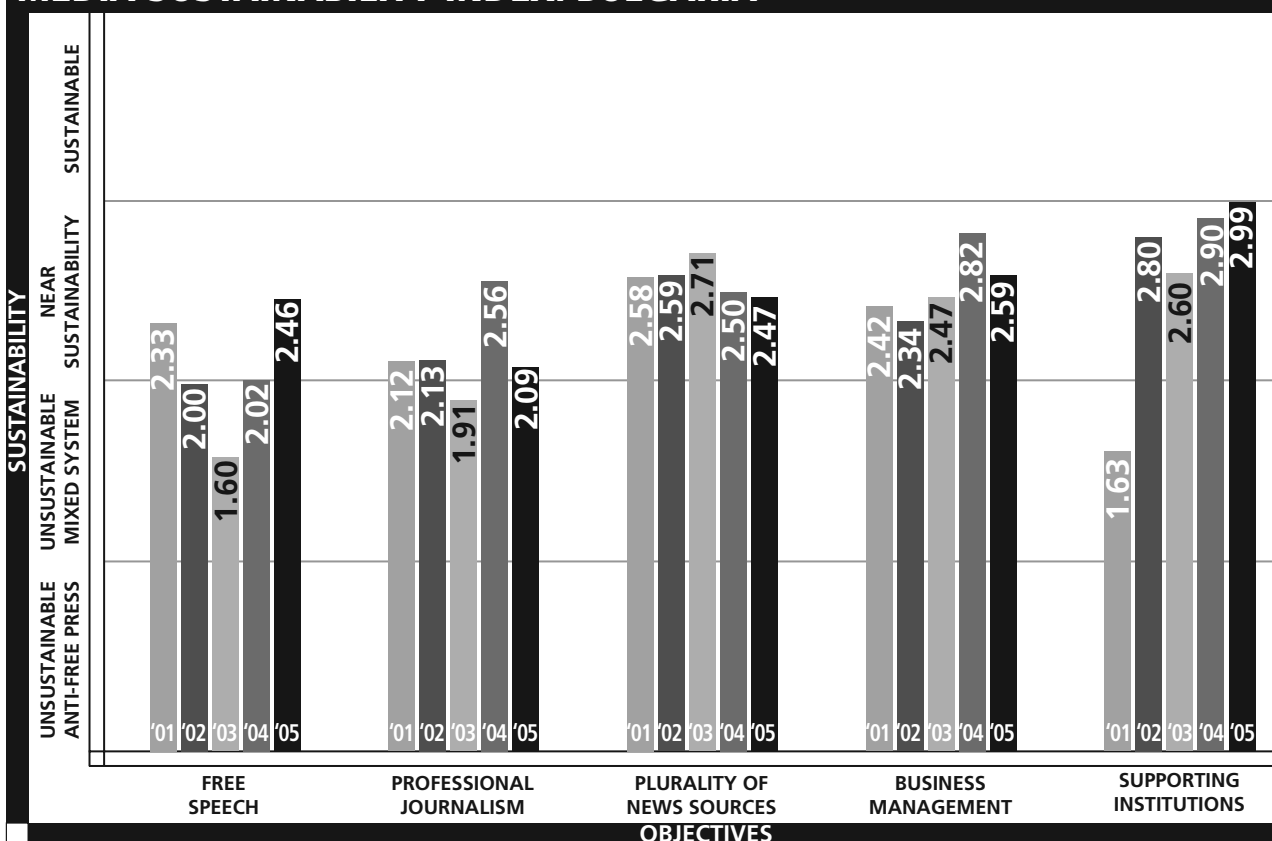
Bulgaria is in a final and decisive stage of its full integration into the community of democratic nations. In April 2005, the country signed an accession agreement with the European Union (EU) and is scheduled to become a regular member on January 1, 2007. Improved rule of law, judicial reforms, control of corruption, and the increased capacity of public administration are among the major areas in which Bulgaria needs to make rapid progress in order to avoid possible delays with EU membership. The EU and its individual member states will make a final decision on the date for Bulgaria's membership by the end of 2006.

After the general election of June 2005, Bulgaria is governed by a three-party coalition consisting of the Bulgarian Socialist Party (former Communists), the former king's party (National Movement Simeon the Second [NDSV]), and the Turkish minority party (Movement for Rights and Freedoms [MRF]). The government, led by Socialist leader Sergey Stanishev, has an unprecedented majority in parliament and is pledging full support for EU membership and the reforms needed to achieve it. On the other hand, the country has been slow in implementing reforms in several key areas (judicial reform, minority rights, anticorruption measures), which may slow its European accession.

A series of demonstrative mob-style killings, including the murder of one of the richest Bulgarian bankers, has underscored the threat organized crime poses to the rule of law in the country. In addition to the threat of slowing reforms, the strong showing of the far right nationalist movement "Ataka" (Attack) has stirred racist and xenophobic emotions that were virtually unknown in Bulgaria. The country's model of ethnic tolerance has been put to the test by the rise of anti-Roma feelings and ethnic-based violent attacks between ethnic Bulgarians and Roma across the country.

Media developments in 2005 were marked by the impact media had on the general and municipal elections and by the increased commercialization of the media. The strong showing of the "Ataka" movement is partially

MEDIA SUSTAINABILITY INDEX: BULGARIA



Unsustainable, Anti-Free Press (0-1): Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

Unsustainable Mixed System (1-2): Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

Near Sustainability (2-3): Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

Sustainable (3-4): Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

blamed on the influential presence of its leader, journalist Volen Siderov of state-owned National Television, and on his own television program on one of the national cable channels. Another populist, former police Chief Boiko Borisov, successfully used his media-generated popularity to win the mayoral elections for the city of Sofia. From the perspective of the media industry, 2005 was marked by further growth in the advertising market, an increase in commercial content dominated by “reality” shows like the first Bulgarian edition of “Big Brother,” and the increased concentration of media ownership.

Bulgaria maintained a consistent level of media sustainability, as 2005’s Media Sustainability Index (MSI) scoring suggests. Despite the increase in some objectives, such as legislative guarantees for the freedom of speech and access to information and the institutions supporting the independent media, unresolved issues continue to slow Bulgaria’s advance toward a higher level of sustainability. For example, the scores indicate that the media sector is still too dependent on current political and government processes.

Despite low scores, the problematic indicators in 2005 have gone up compared with previous MSI surveys. This indicates that despite the obstacles, a process is likely to have begun that could lead to a higher level of sustainability. Maintaining 2004’s values in 2005 shows that the country is set on a stable course. The development may not be sufficient to move the country into a higher level of sustainability, but it reflects the positive features of the process of media development in Bulgaria.

OBJECTIVE 1: FREE SPEECH

Bulgaria Objective Score: 2.46 / 4.00

In 2005, the level of legal and social norms protecting free speech indicates that Bulgaria has begun to move toward sustainability. However, this sustainability is not yet proof against interference from political and government forces. According to Rosita Popova, a board member of the Union of Bulgarian Journalists, “There’s a drive toward establishing legal norms for the media, but their implementation is inconsistent. We have a rule of economic compulsion, affecting the independence of the outlets.”

The country’s advancement in the legislative and social aspects of media development is mirrored by an almost half-point increase in objective scoring. Several factors determined the panelists’ favorable assessment:

the relatively undisturbed work of public media, the increasingly lively and diverse media market, and the absence of incidents undermining freedom of speech and media independence. All of the important indicators of

this objective have scored higher than in previous MSI surveys, registering a trend of positive development.

The access to international sources of information has remained unrestricted and problem-free. In fact, the highest—near maximum—rating in 2005 was again given to this indicator. The media in Bulgaria have practically unchecked access to international

According to Rosita Popova, a board member of the Union of Bulgarian Journalists, “There’s a drive toward establishing legal norms for the media, but their implementation is inconsistent. We have a rule of economic compulsion, affecting the independence of the outlets.”

Legal and social norms protect and promote free speech and access to public information.

FREE-SPEECH INDICATORS:

- > Legal/social protections of free speech exist and are enforced.
- > Licensing of broadcast media is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against journalists or media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > State or public media do not receive preferential legal treatment, and law guarantees editorial independence.
- > Libel is a civil law issue; public officials are held to higher standards, and the offended party must prove falsity and malice.
- > Public information is easily accessible; right of access to information is equally enforced for all media and journalists.
- > Media outlets have unrestricted access to information; this is equally enforced for all media and journalists.
- > Entry into the journalism profession is free, and government imposes no licensing, restrictions, or special rights for journalists.

“Our society lacks the awareness and is not conscious of freedom of speech,” stated Vessela Tabakova.

sources. This is a sustainable pattern over the course of recent years.

There are no particular impediments

to entry into the journalistic profession. However, the unimpeded entry into journalism is sometimes regarded as a setback, as it is believed to compromise the quality of journalistic output, especially at regional outlets. In such cases, these outlets are recruiting young and untrained new staff. Many of them are willing to make personal and professional compromises to keep their jobs.

Another positive development in 2005 is the more favorable market setting for the media, resulting from the general improvement in all business areas. The country’s economy has been growing steadily for the past eight years. In 2005, Bulgaria signed its accession agreement with the EU, further increasing investor confidence. The advertising market is also rapidly expanding, and tax structures are not restrictive on media.

Forward movement was also registered regarding the journalists’ access to public information. Journalists have improved their skills in seeking information from state institutions, which in turn are more and more aware of their responsibility to provide information. The increased awareness of the Access to Public Information Act by the public and the media has helped Bulgarian journalists more successfully request information from state institutions. Another positive result has come from the increased publicity generated by lawsuits against institutions that refuse to provide requested information.

Despite stable development in key areas, the licensing process is one aspect that is still lacking sufficient growth. The total absence of licensing over the past few years has placed the legitimate licensees at a disadvantage against outlets that broadcast without undergoing the official procedures. Station ownership can only change hands by acquiring already existing operators or by obtaining temporary broadcast permits. Most of the temporary permits have long since expired, but because no new licenses are being awarded, the permits are still considered valid. This results in a kind of licensing that circumvents legal provisions instead of adhering to them. As a result, the previously licensed outlets have a disadvantage against those transmitting without a license. “What we

lack is professionalism and clear-cut rules. Numerous outlets (radio and television) are operating with temporary permits, and many are the outspoken pirates. Deregulation was taken to extremes,” explained Juliana Toncheva, a member of the Council on Electronic Media.

Licensing had been stopped since 2001, when parliament passed amendments in the Radio and Television Law requiring the adoption of a strategy for the development of broadcasting before any new licenses were issued. In 2005, this strategy was finally adopted by the government and submitted to parliament, which opens the way for renewed licensing. While the formal removal of the moratorium on licensing is still not reality-tested, it is an encouraging sign going forward.

The punishability of crimes against journalists was also considered problematic. It would be fair to say that there are no drastic transgressions against journalists, but on the other hand, crimes against journalists fail to provoke public indignation. This is possibly because pressure against journalists—being mostly psychological and economic—is hidden from the people’s eyes. “Our society lacks the awareness and is not conscious of the freedom of speech,” stated Vessela Tabakova, a professor at Sofia University and head of the Center for Independent Journalism. Journalists at small and regional media appear to be most vulnerable to such pressure.

Slight improvement was registered in the equal treatment of commercial and public media and the provisions for former state outlets’ editorial independence. Although formally granted independent status, the public media have not yet been weaned away from the state. First, these outlets continue to receive subsidies from the state budget, and second, they are potentially prone to manipulation through the appointment of their general directors. For example, the public outlets’ directors are appointed by the Council on Electronic Media, which is composed of members elected by the political parties represented in parliament.

The means of settling libel disputes remains problematic. Libel is no longer a penal code matter, but according to the domestic legislation, defendants should prove the truth of their statements. Accountability of public figures is held in no great esteem. “For years we’ve seen no attempts to solve the problem of transferring libel and defamation from criminal into civil terms,” said Gergana Jouleva, executive director of the Access to Information Program.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Bulgaria Objective Score: 2.09 / 4.00

The quality of journalism and compliance with professional standards scored lower in 2005 than in previous years. Panelists noted the difficulties some regional media are experiencing in gaining access to certain events. Yet, the decrease is to a greater extent explained by the continuing self-censorship practiced by both reporters and editors. MSI panelists have been addressing self-censorship in every survey to date. In 2005, the increasing self-censorship was attributed to economic, not political, drivers.

It cannot be understated that self-censorship by reporters and editors remains among the most serious problems Bulgarian media are facing. "Journalism is failing. There are symptoms of censorship. Self-censorship is omnipresent," stated Vessela Tabakova. Despite existing provisions for the freedom of speech, both journalists and managers continue to practice self-censorship. This practice arises because some outlets are either owned by certain business groups or the media owners have certain political or business affiliations. Therefore, editorial policies and sales plans take into consideration the need to protect those interests. As a result, critical coverage or investigations into business

partners are restrained, while the improprieties of the competition are widely publicized. Whereas national media practice

this less visibly, self-censorship is more apparent at smaller outlets, especially in cities with more developed business sectors. Self-censorship has proven to be an alarmingly persistent practice for years now, and seems impossible to overcome. "Professional standards are pursued by the nationals and undermined in the local media, because of unskilled or untrained staff and quite sustainable self-censorship," declared Rosita Popova.

The coverage of key events and issues takes place largely without discrimination for political or economic reasons. Every outlet strives to ensure coverage of the key events to enrich its information content and improve its competitiveness. This was proven during the pre-election campaign for the 2005 general elections.

The pay levels for journalists and other media professionals are relatively high and proportionate to other industries, but only at the large national media. Top professionals there may earn more than 10 times the national average. On the other hand, smaller local media often pay only the minimum wage for the country. Low pay for journalists at small or local outlets is often compounded by the lack of proper employment contracts. Journalists are frequently paid at the minimum state wage level. These wages can be supplemented, depending solely on the owner's whims. Thus, journalists become financially dependent on the owners, thereby leading to an unstable workplace, staff turnover, and the loss of a skilled force to other industries.

Overall, the quality of journalism in 2005 scored lower compared with previous MSI surveys. The decline does not reflect a deterioration of the professional coverage of events and work with sources. Instead, the regression is largely due to the tendency of enhancing entertainment programming at the expense of news and information. For the time being, programming is not overly unbalanced, but even the public media's output is beginning to be dominated by entertainment. Faced with extremely tough competition, the leading radio and television companies have increasingly begun to air quiz shows, raffles, and reality shows as a major part of their programming. Although not entirely subordinating news and current affairs, entertainment has visibly started to expand its reach.

"Journalism is failing. There are symptoms of censorship. Self-censorship is omnipresent," stated Vessela Tabakova.

Journalism meets professional standards of quality.

PROFESSIONAL JOURNALISM INDICATORS:

- > Reporting is fair, objective, and well sourced.
- > Journalists follow recognized and accepted ethical standards.
- > Journalists and editors do not practice self-censorship.
- > Journalists cover key events and issues.
- > Pay levels for journalists and other media professionals are sufficiently high to discourage corruption.
- > Entertainment programming does not eclipse news and information programming.
- > Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- > Quality niche reporting and programming exists (investigative, economics/business, local, political).

“To me, we’ve moved forward compared to last year. The Code of Ethics was adopted after last year’s panel. A number of outlets have adopted it, albeit its enforcement is still a problem,” explained Dimitar Sotirov, executive director of the Bulgarian Media Coalition.

A success in 2005 is the continued effort by the media community to invest in ethical self-regulation. After the adoption of a common Code of Ethics, the focus is now on establishing an Ethics Committee to enforce the code. Its membership is still taking shape,

but within the media community there is mutual consent and understanding regarding its structure. “To me, we’ve moved forward compared to last year. The Code of Ethics was adopted after the last year’s panel. A number of outlets have adopted it, albeit its enforcement is still a problem,” explained Dimitar Sotirov, executive director of the Bulgarian Media Coalition.

Corrupt practices among journalists are limited; there are hardly any attempts to directly influence journalists. And such practices are almost never manifested through direct payments. However, there are other incentives available at the news desks. Such incentives include covering travel expenses for the journalists or offering certain privileges (e.g., hiring the relatives or friends of a journalist). That said, the national media have aired no major investigation into corruption during 2005.

Technical facilities for gathering and distributing news are up-to-date, modern, and unrestricted.

Quality beat reporting is still underdeveloped. There are outlets that pursue quality beat coverage (the newspapers of the Westdeutsche Allgemeine Zeitung (WAZ) group and the national television channels), but they are an exception. There are examples of specialized reporting by many outlets, but they are occasional and mostly driven by individual reporters, rather than resulting from overall editorial strategy. For example, some reporters gradually become specialized in covering law or business but continue with general coverage as well. The mainstream national media have specialized reporters in several “must-have” areas such as business, politics, and crime. Niche reporting is nearly absent in areas such as civil society and vulnerable groups or minorities. According to Gergana Jouleva, “One of the national media, it strikes me, does not cover the NGO sector. Like it doesn’t exist, even though there is much going

on there.” The lack of quality niche reporting is a particular drawback for small and local outlets.

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Bulgaria Objective Score: 2.47 / 4.00

The plurality of Bulgaria’s media environment has not changed significantly in 2005. Citizens’ access to local and foreign sources of information is not openly or indirectly restricted by the government. Where there is limited access to media, the reasons are mostly economic, or with regard to local outlets, educational. Cost is the most common reason for not buying or subscribing to different publications. The online reach of print media is still insufficient due to the still small number of people with Internet access.

International media have little penetration because of the language barrier. A meager 16 percent of the population speaks a foreign language with the proficiency that could allow access to foreign sources of information.

Panelists indicated near sustainability regarding the degree of independence news agencies have in distributing news to print and broadcast outlets.

Multiple news sources provide citizens with reliable and objective news.

PLURALITY OF NEWS SOURCES INDICATORS:

- > A plurality of affordable public and private news sources (e.g., print, broadcast, Internet) exists.
- > Citizens’ access to domestic or international media is not restricted.
- > State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for print and broadcast media.
- > Independent broadcast media produce their own news programs.
- > Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates.
- > A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.

Along with former state agency BTA, electronic news agencies like BGnes and Focus News as well as Internet news portals like SEEnews and novinite.com are active. They are available through standard subscriptions and, increasingly, through value-added services via websites and mobile telephony providers.

The level of transparency of media ownership remains unchanged. Formally, the majority of media outlets have well-known owners, but there is public doubt about behind-the-scenes ownership. Doubt remains due to some ownership claims cloaked in offshore transactions, figurehead stakeholders, and bearer bonds. “There’s no transparency of ownership of private media,” declared Vessela Tabakova. Meanwhile, all formally legal means of ownership for media are those that apply to businesses in general; there are no media-specific prerequisites.

Independent broadcast media produce their own news programs. “The production and the quality of the outlets’ own programming strongly depend on economic factors. There are many which still try to pass quantity for diversity,” stated Rosita Popova. Some outlets specialize in a particular format of current affairs and commentary programs. Most notable are two cable channels: Sofia-based 7 Dni and the SKAT cable network. They have almost nationwide reach through cable networks but relatively low production quality. Their programming is dominated by talkshows, and the hosts of these shows frequently run for office in local elections. In 2005, one of them was elected to parliament by gaining more electoral support than the entire audience share of the channel. The two channels are closely tied to the economic and partisan circles of members of the former Communist Party. The two channels manage to attract viewers and supporters by using an overtly oppositionist and nationalistic tone.

Vessela Vatzeva, chair of the Association of Regional Media, argued: “Regional media are more objective than the national media, which resort to simply marking off the events. The media still seem to be fascinated by the selling power of yellow journalism.” Regional outlets cover local events more extensively and accurately than the nationals do through their correspondents. The national media seem to devote less time and attention to regional issues, and coverage of local events is sketchy. National media often overlook a wide variety of perspectives in trying to sort through the local events of national importance.

The diverse supply of products on the media market can satisfy a variety of public needs and interests. There is a certain imbalance in conveying the social purpose of programming, which presumably should be the priority

of public media. Judging by the relative number of such programs, commercial outlets do not seem to have

conceded that function entirely to public media. For example, private radio and television stations with national coverage—like Darik, bTV, and Nova—despite their commercial status, offer educational programming and coverage of issues of social significance (children/youth rights, vulnerable group issues). They also provide investigations into priority areas of public importance (corruption and judicial reform). Thus, despite operating without state funding, commercial media contribute to the needed coverage of socially significant topics.

Without experiencing political or legal restrictions, minority-language media have failed to develop and increase their reach. Their potential coverage is generally low because of the market conditions and the desire of minority groups to be integrated into society. Furthermore, minority populations are relatively small in number and are diffused throughout the country, which makes specialized outlets less effective and impedes their distribution. The existing Turkish-language newscasts on National TV are not universally welcomed and even receive the political disapproval of one of the parliamentary factions, which introduced a bill to stop them.

“There’s no transparency of ownership of private media,” declared Vessela Tabakova.

OBJECTIVE 4: BUSINESS MANAGEMENT

Bulgaria Objective Score: 2.59 / 4.00

In recent years, the media in Bulgaria have been unfailingly judged as well-run businesses. The national bTV Channel, for example, was announced as the fastest growing News Corp. station in the world. The business development of media can be described as consistent. However, sustainability is not totally irreversible, and, in some aspects, outlets are still vulnerable to political currents. The 2005 election campaigns, for example, have shown that many media outlets, including some of the largest ones, are participating willingly in the political PR campaigns of the best-paying candidates.

Nothing has changed regarding the independence of outlets from state subsidies. There are no financial levers by which the state or its institutions can manipulate the content and management of commercial media. The existence and financial viability

“There are means of concealing funding (state and municipal) of private outlets, regardless of their circulation,” said Rumiana Emanouilidou.

of independent printing and distribution companies is another sign of stability.

The Bulgarian media are able to generate revenue

from a variety of sources: advertising, sponsorship, and sales. The annual advertising revenue in the media sector has grown by one-third compared with 2004, according to rough estimates. The actual breakdown is difficult to calculate because not all outlets report them officially. However, according to journalist Rumiana Emanouilidou, “There are multiple sources of revenue. It is a free market, but none of those sources seem to contribute enough to the media development.” The majority of the outlets are not funded by the state, with the exception of public radio and television. Some regional media receive funding from municipal budgets. “There are means of concealing funding (state and municipal) of private outlets, regardless of their circulation,” continued Rumiana Emanouilidou.

Despite alternatives, the source that continues to provide the most revenue remains advertising. Thus, some outlets cannot cast off their dependence on advertisers, in both the economic and political aspects

of their relationships. The smaller the outlet, the more dependent it is on its advertisers, some of which carry specific political agendas. This political bias can be observed in the distribution of revenue from the general election media campaign in 2005. Small outlets received nearly all of their annual income during the general election campaign, simply by airing candidates’ spots. At national outlets, revenue from political advertisements amounted to 10 percent of the total, whereas at smaller channels advertising revenue consisted of 30 to 50 percent of their annual total. These outlets managed to sell almost 50 percent of their time for the duration of the campaign.

Most advertising agencies are very professional and operate by observing free-market rules in distributing media accounts. Advertising agencies are generally well-staffed and efficient. However, the market is still partly monopolized, and overly close ties between advertising and media structures tend to favor some media at the expense of others. Regional outlets are the most vulnerable in such a situation, as they can rarely get a share of advertising profits. Vessela Tabakova said, “The advertising business is somewhat monopolized. Ratings cause conflict and suspicion. Advertising is channeled to selected outlets.”

Advertising conglomerates have a set of affiliated outlets with appropriate formats to secure the widest coverage of major target groups. The distribution of ad money follows professional criteria and standards but is limited to the circle of media—such as bTV—that are affiliated with the agencies. Meanwhile, the professional staff at agencies and at outlets as well as the developed media market as a whole ensures that commercials are aired in compliance with corresponding norms and regulations. Subscription fees represent a minor source of revenue for outlets.

The large national broadcasters like bTV and Nova TV and national radio networks like Darik and BG Radio use market and audience research to shape content. This is not a well-established and sustainable practice, however. Smaller outlets do not use research and rarely employ audience measuring to strategize on their development. Vessela Vatzeva stated: “There is total neglect for the number and makeup of the audience. Enough advertising goes to smaller outlets that have good programming. However, budgets are not spread according to professional criteria but are driven by owner’s interest. To me, 45 percent of advertising is commission-driven. Nobody cares about the audience. Advertising agencies work with old data and do not take into account changing audiences and target groups. The media market is not researched.”

Independent media are well-managed businesses, allowing editorial independence.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets and supporting firms operate as efficient, professional, and profit-generating businesses.
- > Media receive revenue from a multitude of sources.
- > Advertising agencies and related industries support an advertising market.
- > Advertising revenue as a percentage of total revenue is in line with accepted standards at commercial outlets.
- > Independent media do not receive government subsidies.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor products to the needs and interests of audiences.
- > Broadcast ratings and circulation figures are reliably and independently produced.

The efficient market-driven operation of the Bulgarian media is compromised by the lack of reliable ratings and circulation figures. The only people-meter group—TNS in partnership with a local business—producing television viewership figures does not provide information from its sample even to the consumer committee that was set up by the firm’s owners. The objectivity of the people-meter system is widely questioned also because its owners have stakes in media outlets and advertising agencies. The same people-meters that produce viewership data also provide circulation figures and radio-audience measures. A new company, the consortium GFK–Austria, has announced intentions to run a people-meter system, but it is still in the planning stages.

A Bureau for the Independent Audit of Circulation exists, but it is not fully functional or reliable. Not all print media are members, and the information submitted is not representative. As a result, the figures are not even used by advertising agencies in planning their print media ad campaigns.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Bulgaria Objective Score: 2.99 / 4.00

In developing the media in Bulgaria, the supporting institutions in the sector have consistently achieved success. Organizations supporting the independent media not only exist but are efficient, authoritative, and consistently improving. In 2005, as well as in previous years, the supporting institutions in the media sector were the most highly developed objective. Moreover, the growth in supporting institutions will be most unlikely to be overturned by a change in the political environment. Supporting institutions have continued to grow and positively affect the general media setting in the country. The high scores awarded to this objective reflect the agreement of the media community to adopt a common Code of Ethics, establish an Ethics Committee, and invest joint efforts in drafting the new media law.

The highest level of sustainability relates to the free and apolitical access to sources of newsprint and printing facilities. These facilities are entirely private owing to direct capital investment by WAZ, or through the privatization of the former state printing houses. They are well-run, independently funded, and independent from the state. Channels of media distribution (e.g., kiosks, transmitters, and the Internet) are in private hands, apolitical, and unrestricted. Though some of these channels have insufficient reach in particular regions, they are rapidly expanding. The distribution channels for the print media and the

reach of the electronic media have been expanding throughout 2005 and have almost covered the whole country. They remain underdeveloped in regions of low population density. Overall, they provide a solid foundation for the sustainable development and independence of media in Bulgaria.

Trade associations representing the interests of media owners are among the strongest supporting institutions in the media sector. In 2005, the Union of National Media emerged by bringing together the associations of media owners in print and broadcasting. It was actively involved in addressing the problems of the media community by discussing and presenting statements on current media issues and consulting with institutions on matters of media legislation.

The nongovernmental organizations (NGOs) supporting free speech and independent media—the Access to Information Program, the Free Speech Forum, the Center of Independent Journalism, and the Association of Investigative Journalists, among many others—have maintained their solid presence and active public-advocacy roles. Their joint body—the Bulgarian Media Coalition—has for years maintained its high public authority, good record of media assistance, and effective relationship with the state and the legislature. It has alerted the public when attempts to violate the freedoms of national and local media take place, thereby emerging as an advocate of free speech.

Supporting institutions function in the professional interests of independent media.

- SUPPORTING INSTITUTIONS INDICATORS:**
- > Trade associations represent the interests of private media owners and provide member services.
 - > Professional associations work to protect journalists’ rights.
 - > NGOs support free speech and independent media.
 - > Quality journalism degree programs that provide substantial practical experience exist.
 - > Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
 - > Sources of newsprint and printing facilities are private, apolitical, and unrestricted.
 - > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

The state of the professional associations in protecting the rights of working journalists is not secure. These groups are ineffective and fail to include journalists from commercial outlets. Media owners are not supportive of such organizations and in practice attempt to undermine the protection of journalists' rights. For example, membership in organizations for the protection of journalists' professional and labor interests is tacitly forbidden. The relations between journalists and employers are settled face-to-face. "Every owner is firmly against journalists uniting," said Rumiana Emanouilidou. Together with the low wage levels at local outlets, this opposition from media owners leaves journalists strongly dependent on the owners and confined by editorial policies, compromising the freedom of speech. Membership in the two main professional associations, the Union of Bulgarian Journalists and the Podkrepa Union of Journalists in Bulgaria, is very limited and their ability to effectively support journalists' rights is poor. Vessela Tabakova explained that "there is considerable division among professional associations in the media. There's no professional community in public media. Journalists in private media have no protection of their interests." Vessela Vatzeva added: "Journalism is not a free profession as it is in other countries. Journalists themselves are unwilling to unite. They depend on contracts and employers. If they were strictly freelancers, they would have united and become more active. Just like in any other business, they cannot be brought together. They are refraining from such attempts for fear of getting hurt, or getting fired. "

Journalism degree programs at older universities are still not considered satisfactory. The newly established journalism programs at regional higher-education centers are also of questionable quality. They focus on theoretical training, and practical skills are largely overlooked. These programs need to be updated; practical training is still the weakest part of journalism education. It is still very common for journalism students to start working at media outlets before graduation in order to get some practical experience.

Organizations offering short-term journalism training contribute to the improved quality of reporting in Bulgaria. Organizations like BTC-ProMedia and the Media Development Center are well-established and have gained the respect of the media community. These organizations cater not only to national outlets, but also to small and local ones. The owners of small regional outlets cannot afford to send their staff to every available training program, as it undermines their capacity to provide daily coverage. Owners are also unmotivated to train their workforce because of the considerable staff turnover at small media outlets.

Panel Participants

Jasen Boyadjiev, Program Director, Info Radio; Cofounder/Chair, Free Speech Civic Forum

Rumiana Emanouilidou, Journalist

Petko Georgiev, Executive Director, BTC ProMedia; Political Analyst, Radio New Europe

Gergana Jouleva, Executive Director, Access to Information Program

Georgi Losanov, Professor, Faculty of Journalism and Mass Communications, Sofia University

Rosita Popova, Board Member, Union of Bulgarian Journalists

Dimitar Sotirov, Executive Director, Bulgarian Media Coalition

Peter Stefanov, Manager/Owner, Roma TV

Vessela Tabakova, Professor, Faculty of Journalism and Mass Communications, Sofia University; Head, Center for Independent Journalism

Juliana Toncheva, Member, Council on Electronic Media

Vessela Vatzeva, Chair, Association of Regional Media

Moderator

Rumiana Bachvarova, Sociologist, Managing Director, LINKS Market, Media & Public Opinion Research Agency

BULGARIA AT A GLANCE

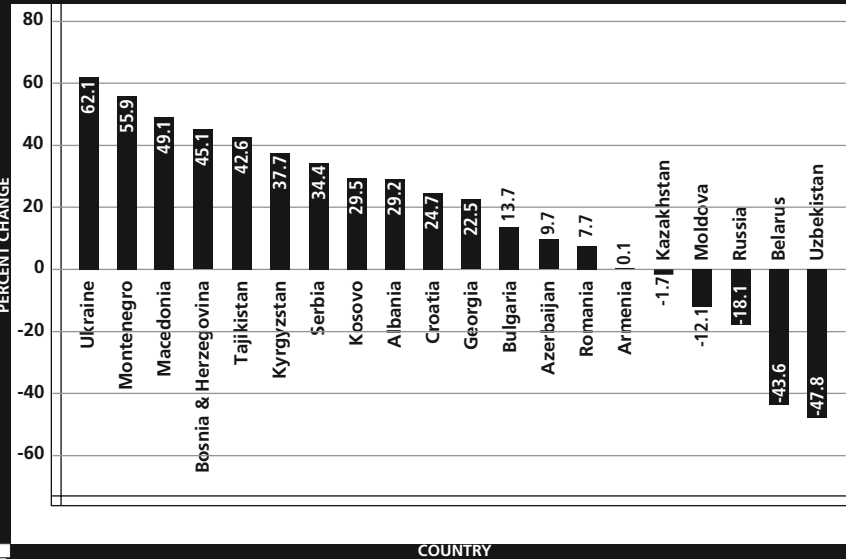
GENERAL

- **Population:** 7,761,049 *National Statistics Institute*
- **Capital city:** Sofia
- **Ethnic groups (% of population):** Bulgarian 84%, Turk 9%, Roma 5%, other 2% *National Statistics Institute (2001 Census)*
- **Religions (% of population):** Eastern Orthodox 83%, Muslim 12%, Catholic 1%, other 1%, NA 3% *National Statistics Institute (2001 Census)*
- **Languages (% of population):** Bulgarian 85%, Turkish 10%, Roma 4%, other 2% *National Statistics Institute (2001 Census)*
- **GDP:** \$24.1 billion *National Statistics Institute (2005)*
- **President or top authority:** President Georgi Parvanov, Prime Minister Sergej Stanishev
- **Next scheduled elections:** November 2006, presidential

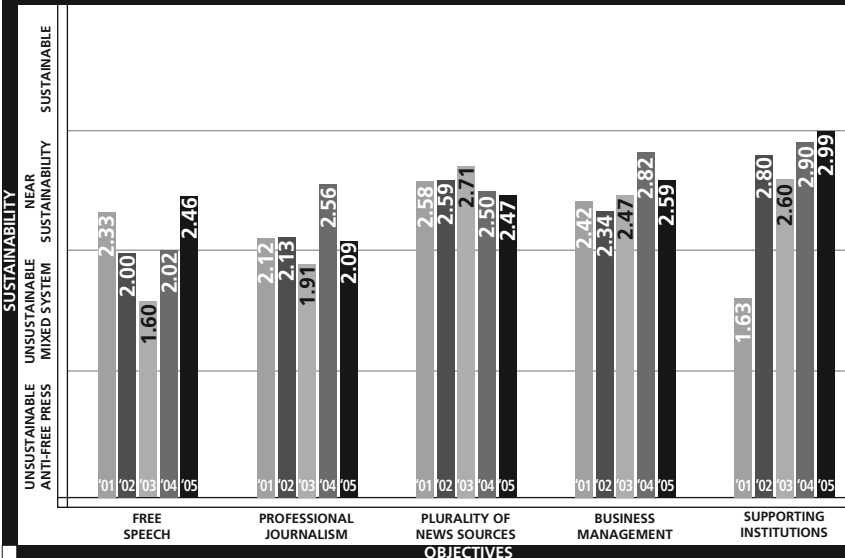
MEDIA-SPECIFIC

- **Newspaper circulation statistics (total circulation and largest paper):** 318,069 (*National Statistics website*). TRUD is the best-circulated daily, but the exact figure is unavailable. 424 total publications in 2004.
- **Broadcast Ratings (top three ranked stations):** bTV, NOVA, BNT Channel One (public operator)
- **Number of print outlets, radio stations, television stations:** 24 dailies, over 900 other print media, 424 newspapers, 111 radio stations (*Council of Electronic Media Register of Licensed Radio Operators*), 187 television stations
- **Annual advertising revenue in media sector:** Approximately \$125 million *MM Links*
- **Number of Internet users:** 1.3 million *MM Links*

MSI AVERAGE SCORES—PERCENT CHANGE 2001–2005



MEDIA SUSTAINABILITY INDEX: BULGARIA



PANELISTS WERE HEARTENED THAT THE STRENGTH OF CROATIAN CIVIL SOCIETY, COMBINED WITH THE GENUINE POLITICAL WILL TO ADOPT HIGHER STANDARDS AND STRICT EU MONITORING, WOULD MAKE ANY OPEN POLITICAL PRESSURE, HARASSMENT, OR DIRECT POLITICAL CONTROL OVER MEDIA ALMOST UNTHINKABLE.



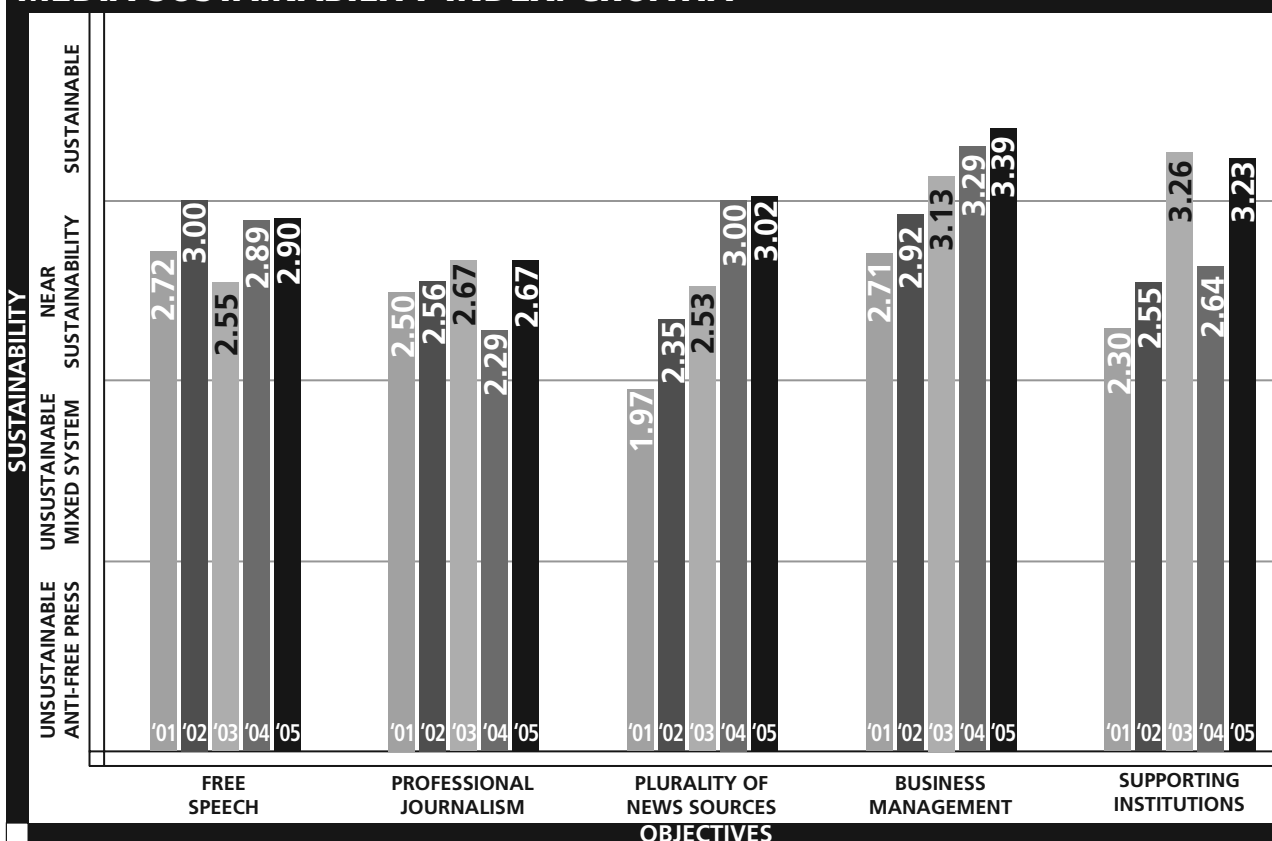
Croatia continued its progress toward acceptance into key European institutions in 2005. In the fall, the European Union (EU) decided to open negotiations with Croatia on membership, representing one more step toward full acceptance into Europe, a goal of both the ruling Croatian Democratic Alliance (HDZ) and the opposition Social Democrats (SDP). This step will have a profound impact on the overall political, economic, and social structure of Croatia, as it must move toward harmonization of key legislation. At the same time, Croatia had to pledge to fully cooperate with the Hague Tribunal as it seeks extradition of Croatian citizens charged before the court.

The media scene in Croatia, as in other republics of the former Yugoslavia, is still affected by the specific elements of Yugoslav socialism. Unlike many other former Communist states—even some that are now EU members—Croatian media enjoyed a level of freedom from the 1960s through the late 1980s. Thanks to this legacy and to the support of local civil society and the international community, independent media managed to survive the 1990s. This period was marked by wars with Bosnia and Serbia, economic hardships, political control over most media outlets, and open pressure and harassment over the surviving independent media.

After the hard-line HDZ government lost to a center-left coalition in elections in 1999 and 2000, the new government dismantled open political pressures and harassment, even if falling short of meeting expectations for rapid democratic reforms. The individual incidents of harassment that have occurred after this period (including those that followed the return of the reformed HDZ to power in December 2003) have been seen more as a reminder of the past than as a real threat to the media.

While 2005 saw improved scores and the attainment of a “sustainable” rating, the panel did express some concerns. With foreign investment in the media and locally owned outlets now dependent on the market, the panel felt that “trivialization” of the media contributes to a drop in quality of the overall media market. Many of the new media seek the lowest common

MEDIA SUSTAINABILITY INDEX: CROATIA



Unsustainable, Anti-Free Press (0-1): Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

Unsustainable Mixed System (1-2): Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

Near Sustainability (2-3): Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

Sustainable (3-4): Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

professional denominator and are almost “brutally commercialized,” in the words of one panel member. While solid news organizations continue, these new outlets tend to slant the market toward the commercial and away from a public-service ethos. In addition, this has resulted in a lowering of the professional standards, even in some of the “serious” media, as they are faced with commercialized, and at times unscrupulous, competition.

On the other hand, panelists were heartened that the strength of Croatian civil society, combined with the genuine political will to adopt higher standards and strict EU monitoring, would make any open political pressure, harassment, or direct political control over media almost unthinkable.

OBJECTIVE 1: FREE SPEECH

Croatia Objective Score: 2.90 / 4.00

MSI panelists agreed that existing legislation (the Constitution, the Media Law, the Electronic Media Law, the Law on Public Radio and TV, the Freedom of Access to Information Law, and the penal code) provide a quality, well-defined framework for enabling and safeguarding freedom of speech. Croatian media legislation and its implementation has been moving in a positive direction since the 1990s, and this has also been reflected in a political culture increasingly supportive of freedom of speech. As international panelist Antonella Cerasino noted: “It is a good sign for Croatian society that when there is a violation of freedom of speech, it causes an immediate public outrage.”

Attempts to interfere with media and journalists are more often on the local level, where municipalities and local government still participate actively in the financing of the local media. This does not mean there has not been attempted interference in media at the national level. The Minister of Foreign Affairs, for example, tried to intervene in a HINA news agency dispatch from Brussels to change the content concerning his participation in EU meetings. The Deputy Prime Minister tried to directly intervene in a news show on the public broadcaster. Both instances were made public, and the backlash has partly contributed to the marginalization of these political figures.

However, the panel noted a unique feature of Croatia that is a potential setback for freedom of speech in Croatia, at least at the level of basic principles. Croatian journalist Josip Jovic was arrested on October 6 under a request from the International Criminal Tribunal for the former Yugoslavia (ICTY) and indicted for “revealing

the identity of a protected witness” and for “disrespecting the Court” as it relates to articles published in 2000. However, as international human rights and journalists’ rights organizations

have pointed out, the information was available on the website of ICTY and others had already published the identities. Emil Havkić, a media lawyer, argues that “the ICTY decision to prosecute a journalist for publishing information that has already been available to the general audience has created quite a peculiar situation. Croatia has achieved certain standards of media freedoms, but these standards of free speech are now jeopardized from the least expected source—a high international institution designed to promote justice and stability in the region.”

“It is a good sign for Croatian society that when there is a violation of freedom of speech, it causes an immediate public outrage,” said Antonella Cerasino, of the OSCE Mission to Croatia.

Legal and social norms protect and promote free speech and access to public information.

FREE-SPEECH INDICATORS:

- > Legal/social protections of free speech exist and are enforced.
- > Licensing of broadcast media is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against journalists or media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > State or public media do not receive preferential legal treatment, and law guarantees editorial independence.
- > Libel is a civil law issue; public officials are held to higher standards, and the offended party must prove falsity and malice.
- > Public information is easily accessible; right of access to information is equally enforced for all media and journalists.
- > Media outlets have unrestricted access to information; this is equally enforced for all media and journalists.
- > Entry into the journalism profession is free, and government imposes no licensing, restrictions, or special rights for journalists.

The licensing of broadcast media and the allocation of new frequencies is part of the mandate of the Council for the Electronic Media. As in 2004, the panelists questioned the professional competence of the Council's members, pointing out that most of them could hardly qualify to be "experts" or "well-known professionals." Still, there have been no indications of direct political control over the Council's activities, as was the case in the 1990s. Most of the objections point to a nontransparent licensing procedure. "I am sure that this Council is not politically controlled as it was in the 1990s, but this is still no guarantee that the Council is not corrupt or, more likely, incompetent," panelist Denis Kuljiš of Europapress Holding stated.

Panelists agreed that the Council should be more active in cooperation with the Ministry of Telecommunications in providing new frequencies, instead of waiting to get a list of frequencies and then putting them on tender. "The last radio frequency in Zagreb was allocated back in 1998. In the meantime, the radio advertising market has almost tripled its volume. The Council should be more active in providing new frequencies, especially where the market can support it," Davor Glavaš of the BBC Croatian Service objected.

"Croatia has achieved certain standards of media freedoms, but these standards of free speech are now jeopardized from the least expected source—a high international institution designed to promote justice and stability in the region," said Emil Havkić.

Additional comments on the Council's nontransparent decision-making process were generated by the recent decision on the allocation of funds from the Fund for Pluralism. Up to \$150,000 of small grants have been given

to commercial radio and television stations for productions of "public interest," yet panelists objected to the lack of transparency and fixed criteria. "I don't think there was direct political intervention in these decisions. I am not that sure that there were no shady deals with the owners whose media received grants," one panelist concluded.

Market entry and the tax structure for media are fair and comparable to other industries; there are no notable changes since 2004. No special requirements exist for starting a media outlet, aside from the general provisions for all commercial enterprises or specific antimonopoly requirements as defined by the Media Law. The Croatian

Association of Publishers is still engaged in advocating for reduction of the value-added tax (VAT) of 22 percent for print media outlets. If successful, this initiative would give even better positioning to the print media compared with other industries, but reduced VAT for print media is a widely accepted international practice so it would not be out of the norm. For broadcast media, the main obstacle to starting a new outlet was seen as the inefficiency of the Council for Electronic Media and other related institutions.

Crimes and threats against journalists are rare and declining year to year. "So far, nobody has beaten me this year [2005]," commented panelist Denis Kuljiš, well known for almost 150 court cases against him and many close encounters with organized crime. More often, lower-profile types of harassment are used against journalists. While the public is seen as very sensitive on this topic, the prevailing opinion of the panelists is that the police and the judicial system should be more active both in protecting journalists' rights and prosecuting the violators. Nonetheless, "Croatia is definitely much more advanced in that regard than the other countries," according to Antonella Cerasino, who expressed the unanimous view of the panel.

The nature of support to public media remains a topic that evokes dissenting viewpoints. Many in the media believe that HRTV receives preferential status by collecting and using subscription fees, while at the same time enjoying high advertising revenue. Others believe that advertising revenue is of vital importance for public media, not only as an additional source of income, but also as a safeguard against political interference in editorial decisions. "It would be much harder to prevent political interference on the public television if subscriptions were the only source of income," said Tena Perišin of HTV, the public broadcaster.

The panelists agreed that interference still exists in editorial decisions, particularly at the local level. For instance, in local radio stations, where municipalities have some ownership, they can change the editor-in-chief with relative ease, leading to a situation of influence over content. There have been attempts to interfere in the editorial policy of HTV, but panelists believe this is more a relic of the past than current policy.

Libel remains regulated by the criminal code. The law remains seldom used, and recent changes have defined that the offended party must prove falsity or malice. However, leaving the law on the books as a criminal code is seen as an unacceptable situation. After the resignation of the Minister of Foreign Affairs, mostly due to questionable business deals exposed by the media, public officials have been held to higher standards.

Panelists warned that public officials (especially at the local level) are still discriminative in providing information. “We can always find our own sources from the government for any needed information, but the real problems occur on the local level, where the officials talk only to ‘their’ media,” warned Neven Šantić of the Rijeka-based Novi List.

Access to local and international news is completely open and absolutely unrestricted, both for media outlets and for the general public. The high price of the international papers and relatively expensive online services do serve as a deterrent to access, although there has been improvement with lower rates for Internet access. There remain no restrictions or limits to entry into the journalism profession.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Croatia Objective Score: 2.67 / 4.00

Although all of the panelists, both local and international, agreed that journalism in Croatia is more professional and sophisticated compared with all countries in the region, including Slovenia, Hungary, and the other new EU members, this was not enough for a higher mark. This objective has improved only slightly since 2004.

The MSI panelists discussed “trivialization” as a new and devastating trend on the media scene. At the same time, it was recognized that this trend is characteristic of most transitional countries as media migrates to a market-based approach and new investors, foreign and domestic, enter the market. The media in Croatia that survived repression in the 1990s and reached higher professional standards are now faced with a new and very different challenge: Commercial media are interested first and foremost in profit and are seizing an ever bigger market share. As a direct consequence, most of the “serious” and more professional media are having commercial difficulties and have lost part of their audience. Some of them have found a solution in lowering their own professional level, offering more trivial and pure commercial content. However, the panel noted that the final consequences of this trend and whether it is permanent or a temporary market condition remain uncertain.

“There are a number of journalists in Croatia who are very good and maintain high professional standards. But there are also many who don’t check their sources and are unfortunately very subjective in their reporting,” said Antonella Cerasino. The growth of low-quality commercial media has significantly contributed

to the offensive, subjective, and sensationalistic type of journalism. Pressure to be “more commercial” also discourages good investigative reporting or checking information with multiple sources.

Editors too often don’t want to allow journalists the additional time needed for checking information or for conducting in-depth investigations. They want to be ahead of the competition—to be the first on the market—even at the expense of the facts. Since 97 percent of the circulation of Croatian papers is sold on newsstands, the practice of “screaming headlines” is seen as a necessary sales tool.

Croatian journalism is well known for its relatively efficient self-regulation and high standards as defined in its ethics code. More than 90 percent of active journalists are members of the Croatian Journalists’ Association, and a large majority of them do follow basic ethical standards. But there is also a minority

“After the 1990s, with its high level of adrenaline and socially and politically engaged journalism, journalism today is mired in certain apathy. Ethically engaged journalism is in crisis,” said panelist Denis Kuljiš.

Journalism meets professional standards of quality.

PROFESSIONAL JOURNALISM INDICATORS:

- > Reporting is fair, objective, and well sourced.
- > Journalists follow recognized and accepted ethical standards.
- > Journalists and editors do not practice self-censorship.
- > Journalists cover key events and issues.
- > Pay levels for journalists and other media professionals are sufficiently high to discourage corruption.
- > Entertainment programming does not eclipse news and information programming.
- > Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- > Quality niche reporting and programming exists (investigative, economics/business, local, political).

“The ‘average’ salary in Croatian journalism simply does not exist. I know journalists working for 400 euros a month, but I also know journalists working for 15,000 euros a month. In general terms, we could say that journalists in Croatia are relatively well paid,” one panelist said.

who do not necessarily follow basic standards. Probably the best case is an e-mail sent by the then editor-in-chief of one daily paper to his staff: “I want good-looking T&A, not politicians, on the cover. I want sensations. Don’t tell me there are no sensations;

create them, I don’t care.” This paper is one of the largest daily papers in Croatia.

“After the 1990s, with its high level of adrenaline and socially and politically engaged journalism, journalism today is mired in certain apathy. Ethically engaged journalism is in crisis,” said panelist Denis Kuljiš. Other panelist didn’t agree, replying that “non-engaged” journalism is a sign of the society returning to normality.

Panelists agreed that politically motivated censorship is extremely rare, existing only marginally in some local media. But, as was stressed in 2004, occurring ever more often are cases of editors promoting the agenda of owners, siding not so much with political parties but with different—and elusive—interest lobbies. They are not practicing censorship, but reports based more on “who am I writing for” than on fact are actually not that far from some forms of self-censorship. “With a bit of cynicism we could change the title ‘Transparency of media ownership allows consumers to judge the objectivity of news’ into ‘Reading of papers allows consumers to judge who the owners of the media are,’” said panelist Davor Glavaš. “We all know more stories than we have written or published,” added another panelist.

Unlike in the previous years, Croatian media have faced more subtle forms of influence over content, which is not unknown in the more developed media markets. The corporate world in Croatia is exerting an ever larger impact on media content. First, the corporate world’s advertising money discourages investigative reporting on big business. Second, panelists felt that big businesses don’t like to see their ads and commercials placed by the serious social and political reports, but are looking or specifically asking for more entertaining content. Therefore, they have both a direct and indirect negative influence on media content.

Most of the panelists agreed that Croatian journalists cover all key events and issues. Citizens still must read more than one paper, or combine reading papers and watching television news, to get the complete picture of what has really happened. However, the panelists agreed there are no noncovered or deliberately overlooked issues. “The whole range of information is available to the public. But, one could say that there is ever less good investigative reporting, background information explaining some of the key local or international issues. Not because of any censorship or self-censorship, but simply because of editors who think that this type of journalism is not commercial enough,” media lawyer Emil Havkić said.

“The ‘average’ salary in Croatian journalism simply does not exist. I know journalists working for 400 euros a month, but I also know journalists working for 15,000 euros a month. In general terms, we could say that journalists in Croatia are relatively well paid,” one panelist said. Panelists agreed that there is no direct relationship between salary level and corruption in Croatia. If a journalist tends to be corrupt, then he or she will be corrupt, regardless of the salary level. Unlike in many transitional countries, the public broadcaster is still the highest rated in Croatia. The relatively decent news production on HRT is still the main source of news for most of the audience. Panelists expressed concern over the increasing entertainment content in both print and electronic media as a result of the ever growing pressure of the commercial media.

Technical facilities for most of the national media outlets are modern and efficient. Some of the local media are underequipped, but these are more marginal examples. Also, the variety of media outlets in Croatia (some 960 dailies, weeklies, and periodical editions for a population of 4.5 million) shows that all the market niches are covered at least in number of editions, if not necessarily in the quality of reporting. On the day of the MSI panel, one large international corporation and one local company almost simultaneously announced the launching of two business weeklies, pointing to the market’s seeking to fill certain niches.

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Croatia Objective Score: 3.02 / 4.00

Panelists agreed that a plurality of news sources on the Croatian media scene exists, in terms of “print” and “broadcast” (plus online), “local” and “international,” and “public” and “commercial” media. With more than 3,000 registered journalists (in a country with a population of 4.5 million); more

than 1,100 freelancers; about 150 registered radio and television stations on the city, county, or national level; about 960 print media outlets; 40 percent of the population using online services; and about 10 percent of households connected to the broadband Internet, one could say that the plurality of news sources in Croatia is absolutely secured. Access to local and international news is completely open and absolutely unrestricted, except by cost for the lower-income portion of the population (pensioners, unemployed, rural population).

Issues do exist, however. Access was limited by income and while the sheer number of sources was increasing, the quality was not. One panelist cited a Russian journalist, speaking recently of media pluralism, who said that dozens of lies do not make the truth. While this situation is far better in Croatia, the panel argued that it takes more than one paper or more than one broadcast news show to understand what has really happened.

Panelists were also very concerned about the issue of affordability. The cover price of daily papers (6kn or \$1), weekly papers (12kn or \$2), Internet rates (starting at \$20/month), and the high prices of international dailies and weeklies (\$3 to \$5 on average) are prohibitive to a substantial part of population, who

Multiple news sources provide citizens with reliable and objective news.

PLURALITY OF NEWS SOURCES INDICATORS:

- > A plurality of affordable public and private news sources (e.g., print, broadcast, Internet) exists.
- > Citizens' access to domestic or international media is not restricted.
- > State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for print and broadcast media.
- > Independent broadcast media produce their own news programs.
- > Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates.
- > A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.

therefore rely on information from the "open sources" (terrestrial television and radio).

Foreign broadcasters (BBC, Voice of America, Deutsche Welle, RFI, etc.) operate freely in Croatia, most of them on their own networks of local radio stations. Almost 40 percent of households have access to satellite television and radio stations or cable television networks. Due to the geographic shape of the country, most of the population has access to foreign terrestrial television and radio stations as well. The biggest Croatian phone operator will introduce IPTV (Internet-provided television) early in 2006, with a combination of local and international terrestrial and satellite stations, plus video-on-demand service. Most of the users of the broadband Internet (about 10 percent of households) will probably use this new service as well.

Public media cover the entire political spectrum and a wide range of views. One panelist argued that there has been less quality, in-depth investigative reporting or analysis of international events, but the majority of panelists concluded that

"Which media outlets have been the most active in opposing pro-democratic and pro-European government policy?" panelist Denis Kuljiš asked.

this is not a specific feature of the Croatian media scene, but rather a global trend. Panelists have expressed more concern over the situation in local media, which remains dependent on local governments and too often serves a certain political, rather than the public, interest.

There are three news agencies operating in Croatia (HINA, STINA, and IKA), but only HINA provides a general news service for print and broadcast media. In the 1990s, HINA had been a government mouthpiece, but in the past five years it has developed into a respectable and professional news agency. HINA offers a variety of services and "packages" to its clients, but the starting level of subscription fees is still prohibitively high for many of the local media. In addition to the domestic and foreign news services (mostly Reuters), bigger national media outlets have their own news-gathering teams, including foreign correspondents and niche experts.

The Croatian Electronic Media Law strictly defines that commercial broadcasters (on the local, county or national level) must have their own news production. As a consequence, there are a variety of news

“It is rather interesting that two [of the] most outstanding opponents are media outlets owned by an Austrian and an American company. Do the owners know the editorial policy of their outlets in Croatia? Have they created it? Do they care about it? We don’t know,” said Denis Kuljiš.

productions in quantity, but not always on the expected quality level. Some commercial broadcasters treat news production not as content in the public interest, but more as content they are obliged to produce by legislation. It is

more akin to “alibi” news production, as one panelist defined it.

News programs are still the most watched production in Croatia, and therefore neglecting it (as some commercial broadcasters do) is not smart market-wise. But this is not the only paradox related to this indicator. “Which media outlets have been the most active in opposing pro-democratic and pro-European government policy?” panelist Denis Kuljiš asked. “It is rather interesting that two [of the] most outstanding opponents are media outlets owned by an Austrian and an American company. Do the owners know the editorial policy of their outlets in Croatia? Have they created it? Do they care about it? We don’t know.” Still, the predominant opinion was that public and commercial television and radio stations do offer a sufficient level of political, social, and cultural pluralism.

Transparency of the media ownership is still an open issue. All businesses in Croatia, including media, must register their owner’s structure with the Commercial Court. This registry is publicly available, and in theory media ownership is transparent. But there are reasons to believe that at least some of the media outlets have registered only “cover names,” hiding their real owners. It is not only or exclusively about political interests; more often, it is the case in the broadcast sector, where “cover names” are used to bypass strict antimonopoly provisions. Some panelists expressed their concern over a recent takeover of the third largest daily paper in Croatia (*Slobodna Dalmacija*) by the biggest Croatian publisher, Europa Press Holding (EPH). Although EPH formally hasn’t been in breach of antimonopoly provisions, most of the panelists think that this acquisition brings the Croatian print market close to the type of media concentration that could be prohibitive to market competitors.

Panelists agree that the sheer number of media outlets in Croatia guarantees that all of the major social, political, cultural, or other issues will be covered. There were different opinions on minority-language sources. Some panelists think that minority-language information sources could actually increase a minority community’s feeling of living in a social or political ghetto. As a good example, panelist Neven Šantić mentioned a daily paper in Italian (“*La Voce del Popolo*”) that has been serving the Italian minority for many decades, “supporting the Italian minority’s cultural identity without being a victim of a different political interest.”

OBJECTIVE 4: BUSINESS MANAGEMENT

Croatia Objective Score: 3.39 / 4.00

The growing number of media outlets in Croatia and the entry into the market of many respectable international companies is the “ultimate proof that media in Croatia is a highly profitable industry,” said panelist Denis Kuljiš. Given the relatively small market of Croatia, it takes certain managerial skills to develop a media business to the point where it is profitable enough for local owners or for serious foreign investors. The biggest publisher in Southeast Europe, EPH, was founded by a group of young Croatian journalists in late 1980s and has been managed exclusively by local managers. It has since generated a

Independent media are well-managed businesses, allowing editorial independence.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets and supporting firms operate as efficient, professional, and profit-generating businesses.
- > Media receive revenue from a multitude of sources.
- > Advertising agencies and related industries support an advertising market.
- > Advertising revenue as a percentage of total revenue is in line with accepted standards at commercial outlets.
- > Independent media do not receive government subsidies.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor products to the needs and interests of audiences.
- > Broadcast ratings and circulation figures are reliably and independently produced.

pool of local professional skills as well as contributed substantially to the country's overall entrepreneurial climate.

The Croatia media receive revenue from a multitude of sources. Some of the more traditional sources of income, such as subscription to newspapers, are still in very low percentages (in many cases, only about 3 percent). Some of the panelists think that the 97 percent of the circulation sold in kiosks has had a direct impact on the type of journalism, favoring "screaming headlines" on the cover page, in order to distinguish the paper on the newsstands, even in more serious papers. Advertising revenue both in print and broadcast media is constantly growing.

The MSI panel debated the multitude of income sources for the public television. It annually receives between \$120 million and \$130 million from the mandatory subscription fee, an average of \$10 per household per month. The public television also has the lion's share of the advertising market, earning an estimated \$200 million from advertising per year. Panelist Tena Perišin (of the public television) said that advertising income is substantially important for the broadcaster, making it less vulnerable to different forms of political pressures than it would have been if the subscription were the only income source. Some other panelists would like to see more transparency or consistency in spending the subscription money.

"I would like to see my subscription used for the news production, educational, cultural, and similar productions. I don't want to finance reality shows on public television with my money. Public television earns on advertising, fine, but then it should use this money, not subscription fees, to buy and finance commercial programming," Davor Glavaš said.

Advertising is one of the faster-growing industries in Croatia, supporting the stable market position of most of the national media. The recent market entry of the third mobile-phone operator will additionally contribute to the growth of the advertising market. Most of the biggest global advertising agencies have opened branch offices in Croatia, making the advertising market ever more professional. In fact, one of the biggest international advertising agencies, McCann Erikson, opened its local office in Zagreb back in 1984, which points to the sophistication of the Croatian advertising market even then.

The advertising revenue of the Croatian print media is, in percentage terms, still lower than in Western markets. Some of the largest national daily papers are earning 60 or more percent of their overall income

from advertising, but this percentage is substantially lower in local media. Some panelists think that a balance between advertising and income from copy sales should be kept. "Content matters more if the percentage of cover-price income is in balance with advertising. Some of my colleagues from more developed markets say with a bit of cynicism that the journalist's job in a media with a very high percentage of advertising income is only to fill the gaps between the ads. It is really more than just cynicism in this," said panelist Ante Gavranović, president of the Croatian Association of Publishers.

The Independent media in Croatia do not receive government subsidies. This is a general conclusion, but with certain variations in a real-life situations. Namely, a relatively large percentage of the local media (especially local radio and television stations) still depend on financial and in-kind support

from local governments, with all the potential negative implications for editorial independence. It is not about direct financial support (although this is not excluded, it is relatively rare), but more often about so-called contracts on regular coverage of local government activities. In other words, local governments are paying to have their activities covered in the local news on local broadcasters. The professionalism of such productions is, of course, questionable. In-kind support to local media is most often in the form of using office space, communications, or other services provided for free or at lower-than-market rates by local government. Providers of such financial and in-kind subsidies may expect more favorable treatment in those media supported in this way.

As of 2005, there is an additional source of finance for independent media. According to the amended Electronic Media Law, 3 percent of the subscription fee (a tax on radio and television sets) goes to the

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Fund for Media Pluralism. The intention of the Fund is to “support productions of the public interest on commercial broadcasters” and is allocated to the recipients by the Council for Electronic Media. The total amount is approximately \$3 million per year; individual grants vary from \$1,500 to \$150,000. Although the Fund could have an important role in upgrading production in local radio and television stations, it is still necessary to define allocation criteria more precisely, to implement strict oversight measures, and to introduce more transparency into the decision-making process.

Market research and strategic planning are even more important in Croatia. Media and advertising agencies are using sophisticated market-research methods and tools. Still, panelists mentioned a large gap between the national media—which are in line with the newest global trends and solutions—and the local media, who are too often managed in an old-fashioned style with little use of research or strategic planning.

Print and broadcast figures are still not provided by a generally accepted independent source (i.e., an Audit Bureau of Circulation or an accepted ratings agency that serves as the “currency” between advertisers and broadcasters), but most of the larger advertising agencies do undertake a serious analysis of ratings and circulation figures independently. People-meters are quite common for broadcast ratings, and estimates of the print circulation are quite precise.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Croatia Objective Score: 3.23 / 4.00

Croatia has an excellent reputation among transition countries for its professional supporting institutions. The Croatian Journalists’ Association (CJA) has a membership of almost 3,000 (more than 90 percent of active journalists). This is an almost unique case of a single effective association that encompasses almost all of the professionals in the country, regardless of their political positions and interests. The CJA had a critically important role in the 1990s, defending and promoting basic human rights and professional standards. Today, the CJA is a well-organized, financially self-sufficient professional association that promotes and safeguards industry standards and free-speech rights. Neighboring countries have competing (and often ineffectual) journalists’ associations.

The CJA example could be applied to the Croatian Journalists’ Trade Union (CJTU), a partner association that collaborates with CJA to protect the professional interests and labor rights of journalists. Due to its

reputation and results, the Croatian Journalists’ Trade Union has been appointed by the IFJ (International Federation of Journalists) as the referral center for the trade unions in transitional countries. CJTU has helped partner institutions in both Southeastern Europe and the wider region (e.g., Ukraine and Belarus) to organize themselves into more efficient professional organizations.

Both the CJA and the CJTU have been active in drafting media legislation in Croatia. It would be proper to say that there has not been any action of civil society in Croatia since the 1990s in the wider spectrum of human rights without the active participation of both the CJA and CJTU.

However, not all panelists rated the CJA so highly. Denis Kuljiš argued that the CJA is “a dinosaur, a species in extinction” and called for new organizations to represent more specific interests of the journalist community. “It is now high time for smaller, task-oriented, efficient, and flexible pressure groups,” according to Denis Kuljiš.

In addition to the CJA and CJTU, there are a wide variety of professional and trade associations actively promoting the professional agenda of different media interest groups. Local media are organized in the Croatian Association of Local Radio and Print (HURIN). Local television stations are organized in the National

Supporting institutions function in the professional interests of independent media.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of private media owners and provide member services.
- > Professional associations work to protect journalists’ rights.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs that provide substantial practical experience exist.
- > Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
- > Sources of newsprint and printing facilities are private, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

Association of Local TV Stations (NUT). Together with the national television stations (Croatian RTL, Nova TV), local television stations have formed a joint national association of commercial television stations that has been very active lately. A group of local radio stations are organized in the Association of Independent Radio stations (AIR). The publishers also have their own association, although very tense relations between some of the publishers diminish its efficiency. All of these organizations have been very active in promoting their agendas and ensuring that the policy process includes the views of diverse interests within the media.

There also exists a lively nongovernmental organization (NGO) scene in Croatia. The NGO sector was shocked in late 1999 and early 2000 after most international donors withdrew from Croatia, but the NGO scene has recently consolidated its activities. Some, such as the Croatian Helsinki Committee (HHO), have earned an international reputation for their activities. Still, panelist Antonella Cerasino said she would like to see "more activities of NGOs which promote freedom of speech."

The quality of available journalism education divides the media community. Tena Perišin argued that journalism study is professional, giving students both theoretical knowledge and well-equipped training centers for practical activities. The CJA is active in organizing training for both young and mid-career journalists, especially in its training center in Opatija (the International Center for the Education of Journalists). However, as Tena Perišin stated, "Media owners and editors are still not willing to encourage staff to participate in trainings and workshops." Neven Šantić mentioned specific problems in the local media, where owners and senior editors "don't want their journalists to become more educated or more aware of their position and rights, or simply operate in such small newsrooms which couldn't afford to send a person for a week or longer to trainings or workshops."

Denis Kuljiš argues that the journalism degree from the University does not prepare journalists for a real professional environment: "The journalism degree is based on the old-fashioned notion that it is enough to learn theory and get some practical journalism experience. But, there are many other professions and skills that are indispensable for media, such as graphic designers, web designers, cameramen, and software operators. Where are they going to acquire their knowledge and skills?"

Panelist Ante Gavranović thinks that Kuljiš is too critical: "Croatia has the ICEJ; this is recognized by the EU as a referral regional educational center. This should be enough to conclude that in Croatia there exists quality education and training for journalists."

Neven Šantić believes there are "enough opportunities for journalists to learn and improve their skills. Yet another question is how many of them are willing to accept the idea of permanent education? Not the majority unfortunately."

Newsprint acquisition and printing facilities are completely deregulated,

private, and offer a multitude of options to publishers. There are currently more privately owned printing facilities than the market demands for this service, which is beneficial to publishers. Consequently, printing prices have decreased recently. Although one could rightly say that the cover price of the papers is high, the fact is that all daily papers are in full color, offering a greater variety of supplements at the same price than the black-and-white editions with no supplements did only a few years ago.

Distribution is still dominated by one single company, Tisak. Unlike the 1990s, when this company was owned by one of the most notorious Croatian tycoons and used by the Tudjman regime as a tool for extortion of independent media, Tisak now operates as an efficient market- and profit-oriented company. Panelists agreed that other distribution means (Internet, broadcast transmission) are completely apolitical, privately owned, and offer professional, efficient, and unrestricted access under market conditions.

"The journalism degree is based on the old-fashioned notion that it is enough to learn theory and get some practical journalism experience. But, there are many other professions and skills that are indispensable for media, such as graphic designers, web designers, cameramen, and software operators. Where are they going to acquire their knowledge and skills?" said Denis Kuljiš.

Panel Participants

Antonella Cerasino, Public Affairs Unit—
Spokesperson, OSCE

Ante Gavranović, President, Croatian Association
of Publishers

Emil Havkić, Media Lawyer

Denis Kuljiš, Editor, Europa Press Holding

Zdenko Duka, Vice President, Croatian
Journalists' Association

Tena Perišin, Editor, Croatian Television (HTV)

Zdravko Tomić, Media and Political Specialist,
US Embassy

Neven Šantić, Journalist, *Novi List*

Moderator

Davor Glavaš, Director and Editor-in-Chief, BBC Croatia

CROATIA AT A GLANCE

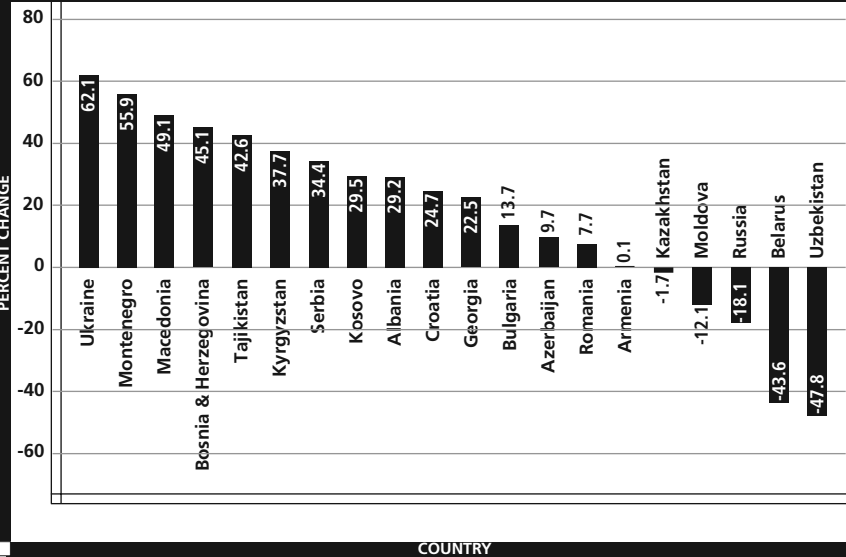
GENERAL

- **Population:** 4,495,940 *CIA World Factbook, June 2005 est.*
- **Capital city:** Zagreb (773,000, est. 2004)
- **Ethnic groups (% of population):** Croat 89.6%, Serb 4.5%, Bosnian 0.5%, Other: 5.4% *2001 Census*
- **Religions (% of population):** Roman Catholic 87.8%, Orthodox 4.4%, Muslim 1.3%, Protestant 0.3%, none 5.2% *2001 Census*
- **Languages (% of population):** Croatian 96%, other 4% *2001 Census*
- **Literacy rate (% of population):** 98.5% *CIA World Factbook, 2003 est.*
- **GDP:** \$50.33 billion *CIA World Factbook, 2004 est.*
- **President or top authority:** President Stjepan Mesic, Prime Minister Ivo Sanader
- **Next scheduled elections:** January 2010

MEDIA-SPECIFIC

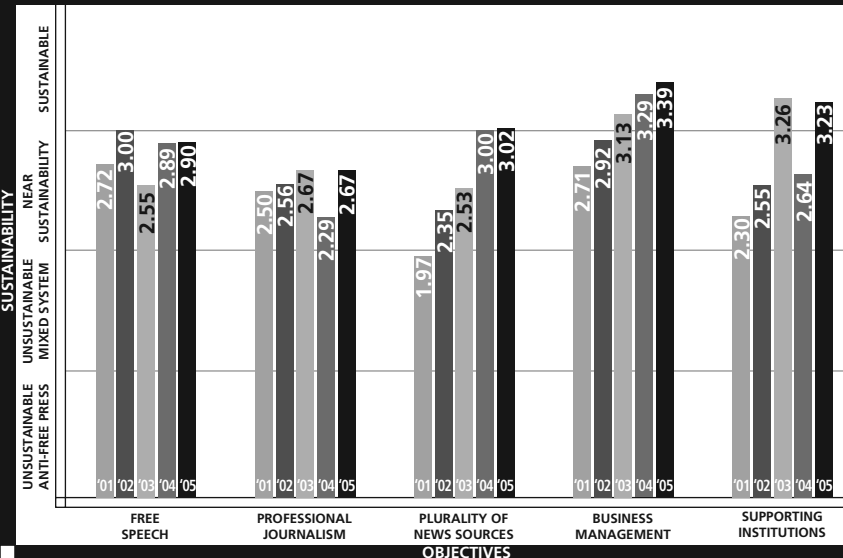
- **Newspaper circulation statistics (total circulation and largest paper):** There are no reliable figures on total circulation of the papers. The total circulation of daily newspapers is estimated at 500,000 to 550,000 copies a day.
- *Vecernji List* (Zagreb) sells 95,000 to 145,000 copies per day.

MSI AVERAGE SCORES—PERCENT CHANGE 2001–2005



- *Jutarnji List* (Zagreb) sells 70,000 to 110,000 copies per day.
- *24 Sata* sells 45,000 to 60,000 copies per day.
- *Slobodna Dalmacija* (Split) sells 45,000 to 55,000 copies per day.
- *Novi List* (Rijeka) sells 40,000 to 50,000 copies per day. *Croatian Journalists' Association*
- **Broadcast ratings (top three ranked stations):** HRT 1 (public television, first channel), HRTL (Croatian RTL), HRT 2 (public television, second channel), Nova TV (private)
- Narodni radio, Otvoreni radio, and HRT 1 radio are the most listened to radio stations. *Croatian Journalists' Association*
- **Number of print outlets, radio stations, television stations:**
- **Approximately 900 print outlets:** 14 daily newspapers (five national daily papers, nine local) and 46 weeklies (three major national political weeklies)
- **131 licensed radio stations:** Five stations have national coverage, and 126 operate regionally and locally
- Three national television stations (HRT, HRTL, Nova TV) and four national channels (HRT 1, HRT 2, HRTL, Nova TV); 16 television stations operate on the local or county level; cable television is provided by 21 licensed operators

MEDIA SUSTAINABILITY INDEX: CROATIA



- **Annual advertising revenue in media sector:** Approximately 4 billion kn (about \$650,000,000). An estimated 60% of the advertising income goes to broadcasters, 40% to print. *Croatian Chamber of Commerce and Croatian Association of the Advertising Agencies estimates*
- **Number of Internet users:** About 40% of the population uses the Internet at home or at work.
- **News agencies:** HINA, STINA, IKA. IKA (a Catholic news service) provides news only to Catholic media.



IMPORTANT PROGRESS WAS MADE AS WELL ON MEDIA REGULATION. THE KOSOVO PARLIAMENT WAS FINALLY ABLE TO PASS, AND THE UN'S SPECIAL REPRESENTATIVE OF THE SECRETARY GENERAL SIGNED, A LAW ESTABLISHING AN INDEPENDENT MEDIA COMMISSION.



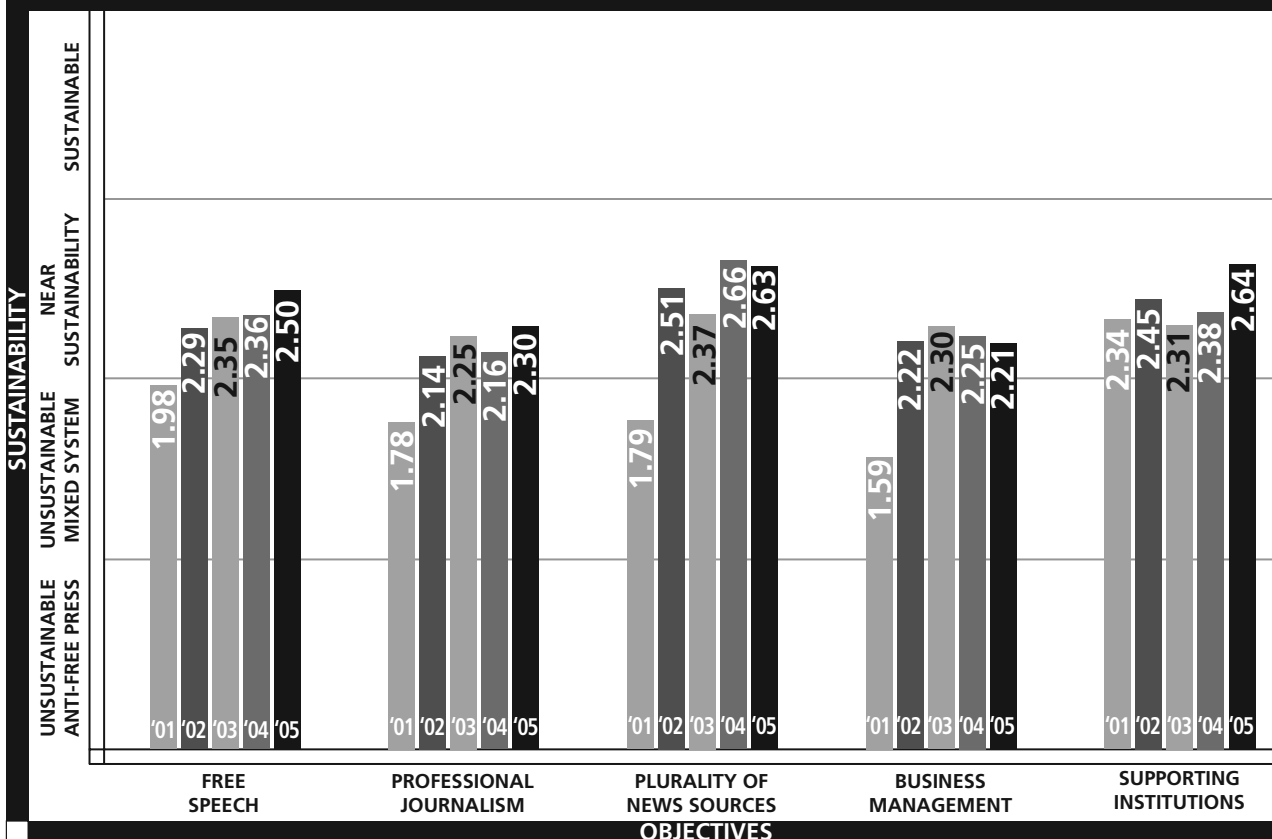
The long-awaited progress toward final political status of Kosovo was by far the lead story in this United Nations protectorate. Six years after NATO troops first entered the province and drove out the Serb military, the UN Security Council gave the go-ahead for status talks. A UN envoy, former Finnish President Martti Ahtisaari, was expected to begin a process of shuttle diplomacy among Belgrade, Pristina, and western powers.

The Security Council decision came after months of intensive speculation, as UN Envoy Kai Eide made several visits to Kosovo to determine whether the former province of Serbia had made adequate progress in meeting the political and social standards set by the UN. The standards process was dealt a serious blow early in the year when newly appointed and popular Prime Minister Ramush Haradinaj was forced to resign after being indicted by the Hague Tribunal. Much political in-fighting followed, and even as talks were finally expected to begin, the negotiating team, representing major political parties, was still struggling to establish a unified position. To add to the uncertainty, longtime Kosovo President Ibrahim Rugova, the leader of the negotiating team, was being treated for lung cancer.

Important progress was made as well on media regulation. The Kosovo parliament was finally able to pass, and the UN's Special Representative of the Secretary General signed, a law establishing an Independent Media Commission. Since the end of the war, broadcast media licensing and regulation has been the responsibility of the Temporary Media Commissioner (TMC), under authority of the UN and the Organization for Security and Cooperation in Europe (OSCE).

The new IMC will be responsible for bringing order to the crowded broadcast sector, where 118 broadcasters (including 23 television stations) serve a population of only two million people. The council of the IMC will include seven members selected by the Kosovo Assembly and the SRSG. The IMC will be charged with awarding new licenses to broadcasters (seven years for radio, 10 years for television). An OSCE report recommended a

MEDIA SUSTAINABILITY INDEX: KOSOVO



Unsustainable, Anti-Free Press (0-1): Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

Unsustainable Mixed System (1-2): Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

Near Sustainability (2-3): Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

Sustainable (3-4): Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

reduction in the number of stations but did not provide guidelines on determining who should survive. That and many other contentious issues will face the new IMC early next year.

The number of daily newspapers increased to seven during the year, sharing a miniscule total circulation estimated at approximately 25,000–30,000. Passage of the IMC law had an impact on the print sector as well. The TMC, which enforced a print code of ethics, through the levy of fines, will no longer have that power. A self-regulating mechanism was established when the newspaper publishers signed a press code of ethics and agreed to participate in a Press Council that will initially be supported by the OSCE. The Press Council is expected to hear complaints against publishers and journalists, determine the validity of complaints, and issue sanctions.

The greatest changes in the Media Sustainability Index (MSI) from 2004 occurred in the area of supporting institutions, which witnessed continuing improvement in the capacity of associations. Other changes were less significant, although free speech and professional journalism scores were noticeably higher. The professionalism scores, which rebounded after the media's much criticized performance during March 2004 riots, still reflect slow progress in developing professional journalism in Kosovo. The remaining two indicators, plurality of news sources and business management, were virtually unchanged. The business climate in Kosovo continues to be poor, although hopes are high that a resolution of the status issue will lead to outside investment and economic growth. If that occurs, and the new IMC finds a way to bring order to the broadcast licensing issue, there could be substantial improvements in the coming years.

OBJECTIVE 1: FREE SPEECH

Kosovo Objective Score: 2.50 / 4.00

In theory, free speech is embraced and practiced routinely in Kosovo, with few, if any, overt challenges or restrictions. But in practical terms, particularly for journalists, there are many impediments. Government and political leaders still seek to manage information by restricting access to public officials and documents. In the worst cases, free speech is limited by threats and violence against journalists and media outlets. Mimoza Kusari, who served as spokeswoman for former Prime Minister Bajram Rexhepi, said very bluntly that "most of our public officials have no respect for journalists; they use them only for their promotion when it comes

Legal and social norms protect and promote free speech and access to public information.

FREE-SPEECH INDICATORS:

- > Legal/social protections of free speech exist and are enforced.
- > Licensing of broadcast media is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against journalists or media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > State or public media do not receive preferential legal treatment, and law guarantees editorial independence.
- > Libel is a civil law issue; public officials are held to higher standards, and the offended party must prove falsity and malice.
- > Public information is easily accessible; right of access to information is equally enforced for all media and journalists.
- > Media outlets have unrestricted access to information; this is equally enforced for all media and journalists.
- > Entry into the journalism profession is free, and government imposes no licensing, restrictions, or special rights for journalists.

to the political campaigns, the elections. But when it comes to giving accountability to the people for what they do, they say it's their own business and they treat public money as their own."

The Kosovo MSI panel agreed that while there is broad support for free speech, there are practical limits, particularly when it comes to reporting on ethnic issues. Although the constitutional framework calls for rights consistent with the European Union, US Agency for International Development (USAID) Media and Civil Society Advisor Argjentina Grazhdani says the UN administration has promoted freedom of expression as a democratic rather than a legal concept "and this happened because of their fear of interethnic violence."

While it is widely accepted that broadcast licensing is apolitical, there is frustration that few licenses have been issued in recent years pending action on the IMC law. There is likely pent-up demand for new licenses, particularly in Pristina, where there is no television station licensed solely for local broadcast. However, most agree that considering the poor economy and the large number of stations already licensed, there

are practical and technical limitations to the number of stations that can be permitted to operate.

On the issue of tax structure, there is agreement that the media are treated the same as other businesses. However, not all thought that this was a good idea. Panelists representing media companies believe they should be given tax breaks, arguing that the practice is common in some European countries (such as reduced value-added tax [VAT] for print media).

“I want to see that investigations are moving and this is not happening when journalists are attacked or a crime is conducted against them,” said Fatmire Tërdevci.

The indicator that scored lowest for this objective concerns crimes against journalists or media outlets. There have been a number of well-publicized attacks on journalists in Kosovo, including

the murder of a *Bota Sot* journalist. Panel member Fatmire Tërdevci, an investigative journalist for the daily *Koha Ditore*, was shot and seriously wounded in 2004. Fatmire Tërdevci has received threatening calls in 2005 that refer to the earlier attack, but she says police have not acted. “When I reported them they did not relate it to last year’s attack. They want to treat it as a separate case, and I think this is a problem.” Fatmire Tërdevci says her case is not unusual. “I want to see that investigations are moving and this is not happening when journalists are attacked or a crime is conducted against them.” While there are no clear figures kept, journalists recount numerous cases of harassment, violence, and threats of violence against journalists.

Some panelists expressed a concern that police are not competent enough to investigate the crimes and that journalists are not the only ones being assaulted and threatened. But Virtyt Gacaferi, of the United Nations Development Program (UNDP) and a former journalist, said prosecution is also a problem. “I believe there are cases when the perpetrator is known, is an official, and no action is being taken.”

Another serious challenge to journalists is the potential for criminal prosecution for libel.

Although the law is not being used, the panelists believe it has a chilling effect on the practice of journalism. The prime minister’s office has undertaken an initiative to decriminalize the law, and the TMC’s media appeals board process has provided an alternative to criminal prosecution. Fines may be levied, but journalists have not been sent to jail.

In terms of practical impediments to professional journalism, access to public information continues to be a very significant issue. Journalists are regularly criticized in Kosovo for practicing protocol journalism, focusing on press conferences and staged events. But if reporters, like *Koha Ditore*’s Fatmire Tërdevci want to report independently, or investigate on their own, they will have a very difficult time obtaining access to public documents and officials. “We can only participate in press conferences” said Tërdevci, “and even if we go to the press conferences we can not ask a question which is not the topic of the conference.”

Although a law on access to public documents was passed, government workers can claim it is not applicable because institutions have not taken the next step: determining which documents should remain confidential. *Koha Ditore* editor Naser Miftari, formerly board president of the Association of Professional Journalists of Kosovo, says the problem applies to both local and central government: “The law is there, but it is meaningless. It stipulates in basic terms what public documents should be, but the government never made any effort to classify any of these documents.”

Although access to local documents and public information continues to be a big problem for journalists in Kosovo, access to international news and news sources is not. The same holds true for access to the profession, as there are no licensing or other restrictions on people who want to work as journalists.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Kosovo Objective Score: 2.30 / 4.00

This category dropped significantly in 2004 after reports by the OSCE and the TMC showed how poor reporting by some Kosovo-wide media contributed to the ethnic riots of March 2004. Overall, the scores rebounded in 2005, although the issue of journalists’ pay is still a cause for concern. Fatmire Tërdevci said journalism in Kosovo “has begun to meet professional standards in quality. The media is becoming more professional and responsible thanks to short-term trainings and study visits abroad. Hate language is rare; information is more balanced and well-sourced.”

The MSI panel found it difficult to reach a consensus on the issue of fair and objective reporting. Most members said the answer depends on the media outlet, the journalist, or the editor. Most did agree that the mainstream Kosovo-wide broadcast media deserved the higher marks, while most of the problems in this area

Journalism meets professional standards of quality.

PROFESSIONAL JOURNALISM INDICATORS:

- > Reporting is fair, objective, and well sourced.
- > Journalists follow recognized and accepted ethical standards.
- > Journalists and editors do not practice self-censorship.
- > Journalists cover key events and issues.
- > Pay levels for journalists and other media professionals are sufficiently high to discourage corruption.
- > Entertainment programming does not eclipse news and information programming.
- > Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- > Quality niche reporting and programming exists (investigative, economics/business, local, political).

could be attributed to smaller newspapers representing particular political interests or philosophies. Naser Miftari said the degree of fairness and objectivity also depends on the nature of the story: "There is a tendency to be more accurate and diverse in terms of getting both sides of the story in nonpolitical stories than in political ones."

The Director of News and Marketing for Kosovo-wide broadcaster RTV-21, Eugen Saraçini, agreed that the media that are least likely to act professionally tend to be the smaller newspapers with political allegiances. But as he pointed out, it is important to remember that they also tend to be less influential. RTV Tema owner Visar Hoti credited the new dailies *Express* and *Lajm* with bringing news sources of information to the market, and he said they "have also introduced a higher level and volume of investigative reporting."

The score for ethical standards also increased slightly in 2005. Naser Miftari believes that most news organizations had their own internal guidelines, but he predicts additional improvement with the industry's newly adopted print code of conduct: "There is a broad recognition of the ethical standards" Naser Miftari said, "with the print press adhering to the press code of conduct." However, IREX Media Advisor Avni Ahmetaj argued that the widespread use of use of "anonymous sources" was dangerous.

In Kosovo's poor economic environment, self-censorship is more often the result of financial fears than regulatory threats. Naser Miftari says those decisions are not made in the newsroom: "Often times it's not the editors that pressure the journalists; it is the managers or owners, and they are very straightforward in telling them who they can cover and who they cannot." That is not to say political influences don't play a role, too. In Kosovo, where government and international institutions are heavy advertisers, the intimidation may be political, but the threat is still economic: "It's the influence of marketing that comes from the government" said USAID's Argentina Grazhdani, "and they can use this money that goes to ads to control which newspaper they want to subsidize."

The panel agreed that in Kosovo, where protocol journalism is the standard, media are free to cover all events. But Naser Miftari pointed out that some media may decline because of political affiliations. Niche reporting is still not common in Kosovo, although most media outlets do have business reporters, representing the growth of this specialty. Others have added reporters who specialize in certain social issues. There was a consensus that the availability and quality of niche reporting has improved, but there is still little specialized reporting on such areas as crime, the courts, health, and the environment.

There is disagreement about the pay levels for journalists and whether they are enough to discourage corruption.

All panelists recognized salaries as low. Although monthly salaries for journalists may be only €200 a month or even less, that is still very competitive by Kosovo standards, according to some panelists. "In comparison with the average salary of Kosovo, it is higher," said Argentina Grazhdani. Others argued that the Kosovo average is dragged down by very low salaries in the public sector. Eugen Saraçini said his wife, a surgeon, could make more money at the television station by making coffee and doing odd jobs than she can by performing three or four operations a day.

Avni Ahmetaj said English-speaking journalists who have been trained in the profession often leave to take higher-paying jobs in banks and international

"There is a broad recognition of the ethical standards," Naser Miftari said, "with the print press adhering to the press code of conduct."

institutions. And he termed an “outrage” the practice of some local stations that take advantage of young people who want to enter the profession. “They work for six months and don’t get a penny,” said Avni Ahmetaj, “Then they become a sort of journalist but then must leave because it’s time to get a salary.” He says the station then finds someone else to work for six months as an unpaid trainee.

“It’s the influence of marketing that comes from the government,” said USAID’s Argjentina Grazhdani, “and they can use this money that goes to ads to control which newspaper they want to subsidize.”

The panel was not particularly concerned about the balance of entertainment and news on the broadcast stations. Although entertainment programs have become more numerous and popular in recent

years, the panel felt there was still a good balance between information and entertainment. But there was also specific criticism of the public broadcaster, which some felt should provide more informative and educational programming than the private commercial stations.

There is a considerable discrepancy between the stations in terms of their technical facilities. The public broadcaster is by far the best equipped, and at least one of the two private Kosovo-wide television stations has adequate facilities. Similarly, a few local stations meet technical standards, but most others do not. Many use outdated and poor-quality VHS equipment, and some must find creative but unconventional solutions. Avni Ahmetaj said that when he was asked by one owner to assess his local station in northern Kosovo, he found a toy jammed between a camera and tripod head. “I said what is the teddy bear doing, and he said, ‘Oh, that’s to keep the camera straight.’”

Print media generally have access to decent-quality equipment and to printing presses that produce suitable-quality editions. However, as with the broadcast sector, the local print media tend to be less well-equipped. In addition, with donor funds declining rapidly for media in Kosovo and with much equipment purchased by donors reaching the end of its useful life, there will be a need for greater investment by the media themselves, which will separate the financially better-off media from those struggling to make ends meet.

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Kosovo Objective Score: 2.63 / 4.00

There are many media voices in Kosovo, but research consistently shows that television is the overwhelming choice for people seeking news and information. Although the number of daily newspapers rose to seven in 2005, estimates on circulation have fallen to near 20,000, meaning only one person in 200 buys a newspaper on a regular basis.

The issue of “buying” may be the greatest contributing factor in the small newspaper circulation figures. The MSI panel, once again, believes the poor economy and unemployment estimates of more than 50 percent play a large role in determining the state of media in Kosovo. But they also hasten to add that poor circulation does not necessarily correspond to low readership. Newspapers are routinely passed among family members, neighbors, and coffee-shop customers. Poverty may prevent people from buying their own newspaper, but they may be readers nevertheless. There is only one distribution company; circulation figures are not reported, and it is impossible to know precise circulation data.

The picture is clearer with television. Quarterly viewer research clearly shows that large audiences tune in for nightly news programs on the three Kosovo-wide stations—the public broadcaster RTK and the private stations RTV21 and KTV. Many local television and radio stations also broadcast news and information programs. Few people have Internet at home, but access is available in public buildings and there are many Internet cafés with inexpensive rates.

There are no government restrictions to media access, but only 75 percent of the population can receive the Kosovo-wide stations because of technical limitations of the transmission system and the lack of funds for investment in expanding the network’s coverage.

In terms of the public broadcaster, the panel agreed that RTK reflected differing perspectives of the political spectrum, but only minimally. The public broadcaster does include views from the major political parties but does not reflect a broad range of opinion or alternative thought beyond the key parties. Virtyt Gacaferi said, “Sometimes the touch with the grassroots organizations and the worries of the people on the ground is hindered. You present the views of the stakeholders, but you forget about the ‘lower levels’ of society.” Argjentina Grazhdani added, “They try not to upset anybody. But being fair and not upsetting anybody, there is a big difference.”

Multiple news sources provide citizens with reliable and objective news.

PLURALITY OF NEWS SOURCES INDICATORS:

- > A plurality of affordable public and private news sources (e.g., print, broadcast, Internet) exists.
- > Citizens' access to domestic or international media is not restricted.
- > State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for print and broadcast media.
- > Independent broadcast media produce their own news programs.
- > Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates.
- > A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.

The public broadcaster has been at the center of several controversies, and the panel members felt they were very self-serving in reporting on those issues. For instance, the allocation of property owned by the former RTP (the state broadcaster prior to international oversight of Kosovo) has raised public controversies. RTK is a direct party to these controversies, as it occupies or controls most of this property. The private broadcaster KTV signed a contract with the Kosovo Trust Agency (which manages former socially owned enterprises) for use of former RTP space. RTK ordered security guards to prevent use of the space. Coverage of events like this were slanted to RTK's point of view in the view of most panelists.

The news agency KosovaLive was established at the end of the war and continues to provide news coverage to subscribing media. But few are willing to pay for the service, and the agency is on precarious financial ground. Members of the panel felt the agency provides professional and credible news coverage, but they said KosovaLive's service was too slow and too limited to be as valuable to the media as it might be.

Independent broadcasters do, for the most part, produce their own news programs with only the smallest local stations being the exception. The panel

found that independent broadcasters' news coverage and talk shows may include an "edge" not found on the public broadcaster. "This is particularly true of KTV," said Virtyt Gacaferi, "where there is a real debate with government officials."

Transparency of ownership is clear in the capital of Pristina, where the Kosovo-wide broadcasters are located but the small communities and villages, where the local stations broadcast, is what one panel member called "the grey zone." Although information about ownership was required as part of the licensing procedure, panel members said the small stations are not audited and the current situation is not clear. Visar Hoti said the stations must name shareholders, "but without a credible audit of those criteria in the overall media scene it is pretty unreliable."

The most widely known media owner in Kosovo is Veton Surroi, who is also the head of a political party. As a well-known politician he is frequently in the news, but Naser Miftari says the other media owners don't talk about each other. "I think that writing about other people regarding ownership is discouraged," Miftari said. "Those media could go against the other media in a never-ending struggle." Miftari said media ownership is not open for discussion, "so to that extent we are not transparent."

Reporting on social interests is limited, too, according to the panel. There is reporting on ethnic minority issues, although journalists who do so may be privately criticized by their colleagues. But Virtyt Gacaferi said the coverage of minorities is limited, and "the media lacks coverage of other minorities in terms of social belonging or sexual orientation."

Naser Miftari said the general public has grown increasingly frustrated because so much attention is given to the plight of minorities while the problems of everyday

life are ignored. Argjentina Grazhdani added that even that coverage is very limited and predictable: "They show this poor family and they are eating mud and then everybody feels guilty and they build him a house and that's not the point." She says there are few straightforward stories or programs on problems with medical care, raising children, or other health issues that can be educational. One panel member blamed the ongoing reliance on political protocol reporting: "We

"I think that writing about other people regarding ownership is discouraged," Naser Miftari said. "Those media could go against the other media in a never-ending struggle."

get Bajram Kosumi (prime minister)," she said. "Bajram Rexhepi (former prime minister) and whoever the next Bajram is. But we don't get life; we don't get that."

OBJECTIVE 4: BUSINESS MANAGEMENT

Kosovo Objective Score: 2.21 / 4.00

Business management scores were virtually unchanged again in 2005, although the panel discussion reflected general agreement that the media outlets were operating as efficient, professional businesses given the business environment. Fatmire Tërdevci agreed that "independent media are relatively well-managed businesses, but only a few of them allow editorial independence." She said most still showed an inclination to favor certain political or business interests.

Newspaper publishing and distribution in Kosovo can be represented by an inverted pyramid. On the one hand there is a selection of seven daily newspapers. There are fewer printing houses. But at the point of the pyramid is distribution, where there is only one company available to distribute papers to potential readers, Rilindja. The result can be higher distribution prices for publishers, and, because Rilindja refuses to release circulation figures for the newspapers, it also controls important data. "It is not public, and it is not transparent," says Virtyt Gacaferi. "And this then

influences the advertising market; it influences to whom the government should give advertising."

The issue of distribution was complicated even more in 2005 when municipal officials in Pristina removed kiosks from the city streets. Naser Miftari said most newspapers sold in Kosovo are sold in Pristina, and most of those were sold from the kiosks. "This will be a problem for the future because you don't have the independently known places where you can put your newspapers. That will be strictly up to the shopkeepers themselves."

Despite some concerns about production and distribution, most panelists agreed, at least moderately, that media outlets and supporting firms operate as professional businesses. There is, however, a wide range in business performance between the larger Kosovo-wide broadcasters and many of the small mom-and-pop broadcasters in the smaller towns.

There is also a wide array of revenue sources, some distinct to Kosovo. A recent OSCE report showed that many local television and radio stations are heavily subsidized by the military, through units of the multinational military force (KFOR) still stationed in Kosovo. Avni Ahmetaj said another source of support for broadcasters is the government. He told of one local station that was paid by the municipality for broadcasting its meeting. When other panelists suggested this was corruption, Ahmetaj disagreed: "You had the opposition who could speak, citizens could speak, and everyone could speak. Almost all of the local TV stations throughout Kosovo do this." He and other panelists said the municipality was simply compensating the local station for its production costs.

Naser Miftari said the financial relationship between government and media is not always so honest or transparent: "I have been approached by people asking me to write favorably about certain ministries in order to get advertising contracts, and I think this is the case with all the media." Although it's known that the government spends a great deal on advertising, it was agreed that this is not a subsidy, per se, because they are actually paying for a service.

The panel also generally agreed that advertising is the largest source of revenue for media and that the business is growing. Mimoza Kusari, former spokeswoman for the prime minister, said, "There are signs of improvement in the advertising business due to the awareness of businesses about contemporary marketing." Eugen Saraçini noted that subscriptions, for Kosovar Albanian Diaspora in Western Europe and the United States, are also increasing his station's revenue. He said small local stations can get by on

Independent media are well-managed businesses, allowing editorial independence.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets and supporting firms operate as efficient, professional, and profit-generating businesses.
- > Media receive revenue from a multitude of sources.
- > Advertising agencies and related industries support an advertising market.
- > Advertising revenue as a percentage of total revenue is in line with accepted standards at commercial outlets.
- > Independent media do not receive government subsidies.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor products to the needs and interests of audiences.
- > Broadcast ratings and circulation figures are reliably and independently produced.

much less revenue because their technical investments, staffs, and salaries are smaller. Ardita Zejnullahu of AMPEK said “dumping” is a problem in some local markets with multiple television stations: “You have one station in Prizren where you can advertise for one week for five euros.”

Advertising agencies are used by some media, but Eugen Saraçini says the local agencies are not well-developed. “All the nationwide stations have relationships with different foreign agencies, but here we have a lot of problems.” He said agencies may buy advertising on behalf of advertisers who fail to pay bills incurred by the agencies on their behalf. The result is a chain-reaction, ending with the broadcaster not getting paid. “With foreign agencies we don’t have these types of problems.” Dealing directly with distributors of international companies isn’t necessarily any better. Panelists said some distributors will take money for their parent company and claim to spend it all on advertising, but in reality they may pocket a large amount of the money.

There is a lack of market research in Kosovo, where the government is not even sure about the size of the population. But data on viewing of the three Kosovo-wide television stations is available. A private company, Index-Kosova, conducts quarterly research that some stations have put to good use. Radio-TV 21 has moved from third to first place in the ratings in less than two years, and Eugen Saraçini says the station found the surveys are a valuable tool: “Believe me, we use it very well in making the program scheme and on how to approach the viewers and the clients.” The ratings are only done for the Kosovo-wide stations, and local broadcasters must rely on things like public-opinion polls for what little data they do get. On the print side, Naser Miftari remarked that if market research was available there would not have been three new daily newspapers started in Kosovo in the past year.

As for the television ratings research, the panel expressed confidence in the independence of the company doing the work, but there was concern that the relatively inexpensive methodology (face-to-face interviews) might not be as accurate as possible. However, Saraçini said that advertisers accepted the results because their own data confirmed the local findings.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Kosovo Objective Score: 2.64 / 4.00

This objective received the highest overall score and the greatest degree of increase over 2004’s MSI. Panel members were generally positive about the

Supporting institutions function in the professional interests of independent media.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of private media owners and provide member services.
- > Professional associations work to protect journalists’ rights.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs that provide substantial practical experience exist.
- > Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
- > Sources of newsprint and printing facilities are private, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

contribution of associations that represent independent broadcasters and journalists. The highest marks reflect the panel’s view that both print and broadcast private media can operate without restrictions imposed by political or other interests, thanks in part to the advocacy and lobbying efforts of the associations.

AMPEK, the association that represents independent broadcast media in Kosovo, has not grown appreciably in the past two years and it still survives entirely on donor contributions. It has 35 members out of a potential membership of more than 100. But the panel agreed that AMPEK does a good job of representing the concerns of independent media and in lobbying on its members behalf. It has been an active participant in all media law issues before the Kosovo Assembly, UNMIK, and the TMC and is accepted by those institutions as a legitimate representative of the industry.

Three journalist associations exist in Kosovo, but the panel felt that only one, the Association of Professional Journalists of Kosovo (APJK) is functional. The association claims 400 non-paying members. APJK is quick to respond when journalists are arrested or their rights denied. However, Virtyt Gacaferi believes they should do more than react: “They should be more proactive in terms of developing journalism.” He says there should be a union of journalists “that would protect their rights in relation to employers.” Former

“You can train a person in journalism who doesn’t know journalism, but it’s harder to retrain a person who was poorly trained,” said Virtyt Gacaferi.

APJK board president Naser Miftari said that in order to turn the organization into a union they would need a feasibility study because “the

feedback we’ve had as an association is that the idea of having members pay a fee, even a minimal fee on an annual basis, is not plausible.” He says most journalists think the association is there to protect them if they have a need, but they don’t believe they have an obligation toward the association.

The nongovernmental organization (NGO) community gets lower marks, although the sector has used its influence in the development of laws that affect the media. Argjentina Grazhdani notes that freedom of expression in Kosovo is not a controversial issue, so the civil-society NGOs tend to become active because of certain issues. “The biggest issues were over open committee meetings, which affect media; freedom-of-information legislation, which affects media,” she said. “Are they doing a great job? No, because they are busy building their capacities as everyone else in this country.”

Journalism education in Kosovo received a boost with the opening of a master’s degree program at the Kosovo Institute of Journalism and Communication. But there will be space for only 20 students in a two-year master’s degree program. Undergraduate study is still available only at the unaccredited Faik Konica School, and although a new journalism program at the University of Pristina was announced, Naser Miftari notes that “they have no staff and no plan.” That’s not necessarily bad news to Virtyt Gacaferi, as a bad program can do more harm than none at all. “You can train a person in journalism who doesn’t know journalism, but it’s harder to retrain a person who was poorly trained.” And he says that while he believes the new masters program will be good, he is not sure the Kosovo job market can absorb the graduates.

Since the war there have been many short-term training opportunities for journalists, but Fatmire Tërdevci says that not all have been high-quality. Naser Miftari said journalists are lacking specialized training, “and there are very few organizations that provide that and it’s mostly conducted through in-house training, meaning that older journalists train younger ones.” Out-of-house trainings can be a problem, Fatmire

Tërdevci says, because editors don’t feel comfortable sending their journalists away for two or three days. “Their staff is quite limited, and they do not have the human resources to cover all the events.”

Eugen Saraçini says there have been training opportunities in journalism and sales, but “we never see trainings in how to use lighting systems, or how to use cameras. I would prefer to have people who are professionals to come to work with the media.”

The panel generally agreed that sources of newsprint and printing facilities are private and not subject to political control. The same was true for channels of media distribution, although some expressed concern about municipality plans to require licenses for future kiosk owners, where most daily papers are sold in Pristina. Local television transmitters and facilities are in private hands, and the Kosovo-wide transmission system is operated by an independent NGO, the Kosovo Terrestrial Telecommunications Network.

However, for broadcasters there is a potential problem with land use, as many transmitters are located on land of socially owned enterprises that face potential privatization. Internet access is unrestricted, with multiple service providers.

Panel Participants

Fatmire Tërdevci, Journalist, *Koha Ditore*, Pristina

Virtyt Gacaferi, Team Leader—Advocacy and Communication, UNDP, Pristina

Naser Miftari, Editor, *Koha Ditore* (former President, APJK), Pristina

Ramush Tahiri, Political Advisor, President of the Chair of the Kosovo Assembly, Pristina

Mimoza Kusari, Former Spokeswoman, Prime Minister’s Office, Pristina

Argjentina Grazhdani, Media and Civil Society Advisor, USAID Kosovo

Eugen Saraçini, Director of News and Marketing, RTV21, Pristina

Visar Hoti, Owner/Director, RTV Tema, Ferizaj

Ardita Zejnullahu, Executive Director, AMPEK, Pristina

Avni Ahmetaj, Television Media Advisor, IREX, Pristina

Moderator

Matt Shelley, Chief of Party, IREX, Pristina

KOSOVO AT A GLANCE

GENERAL

■ **Population:** 1.9 million *Statistical Office of Kosovo, 2003 est.*

■ **Capital city:** Pristina

■ **Ethnic groups (% of population):** Albanian 88%, Serbian 7%, other 5% (Bosniak, Roma, Turkish) *Statistical Office of Kosovo, 2003 est.*

■ **Religions (% of population):** Islam, Catholicism, and Serbian Orthodox are the main religions, but no reliable information exists.

■ **Languages (% of population):** Albanian 88%, Serbian 7%, other 5% (Bosniak, Roma, Turkish) *Statistical Office of Kosovo, 2003 est. derived from ethnic group statistics*

■ **GDP:** Projected €2,453 million *UNMIK*

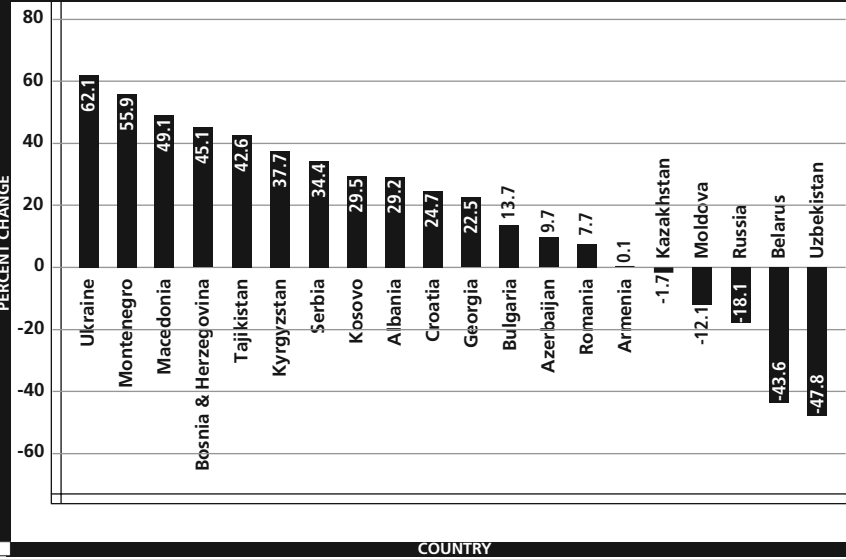
■ **Literacy rate (% of population):** 93%

Kosovo has not had a census since it became a UN protectorate, and population data are sporadically produced.

■ **President or top authority:** President Ibrahim Rugova, Prime Minister Bajram Kosumi

■ **Next scheduled elections:** Local elections 2006, general elections 2007

MSI AVERAGE SCORES—PERCENT CHANGE 2001–2005



MEDIA-SPECIFIC

■ **Newspaper circulation statistics (total circulation and largest paper):** Circulation statistics not available. Estimates place total circulation at 25,000 to 30,000 per day. *Koha Ditore* is the largest newspaper.

■ **Broadcast ratings (top three ranked stations):**

- **Television:** RTK, KTV, TV21
- **Radio:** Radio Dukagjini, Radio Kosova, Radio 21
Index-Kosovo third-quarter survey of 2005

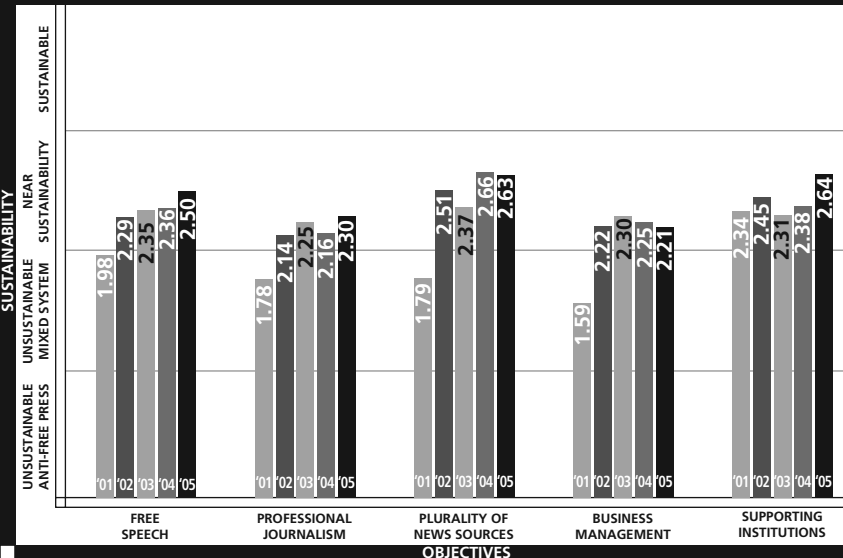
■ **Number of print outlets, radio stations, television stations:** Seven daily newspapers, two weekly newspapers; 23 television stations; 95 radio stations

■ **Annual advertising revenue in media sector:** €5 million to €7 million
Estimates from advertising agencies, IREX business consultants

■ **Number of Internet users:** Households with Internet service: 6%; people claiming daily use of Internet: 6%, people claiming frequent use: 5%
Index-Kosovo

■ **News agencies:** KosovaLive (independent), Kosovapress (aligned with political party PDK), QIK (aligned with political party LDK)

MEDIA SUSTAINABILITY INDEX: KOSOVO



A NEW LIBERAL LAW ON ELECTRONIC COMMUNICATIONS WENT INTO PLACE, AND A DRAFT LAW ON THE PERFORMANCE OF BROADCASTING ACTIVITY WAS PREPARED FOR PARLIAMENTARY DEBATE. THE GOVERNMENT ALSO INITIATED PREPARATIONS FOR CONSTITUTIONAL CHANGES THAT SHOULD PROVIDE THE FOUNDATION FOR CRITICALLY NEEDED JUDICIARY REFORM.



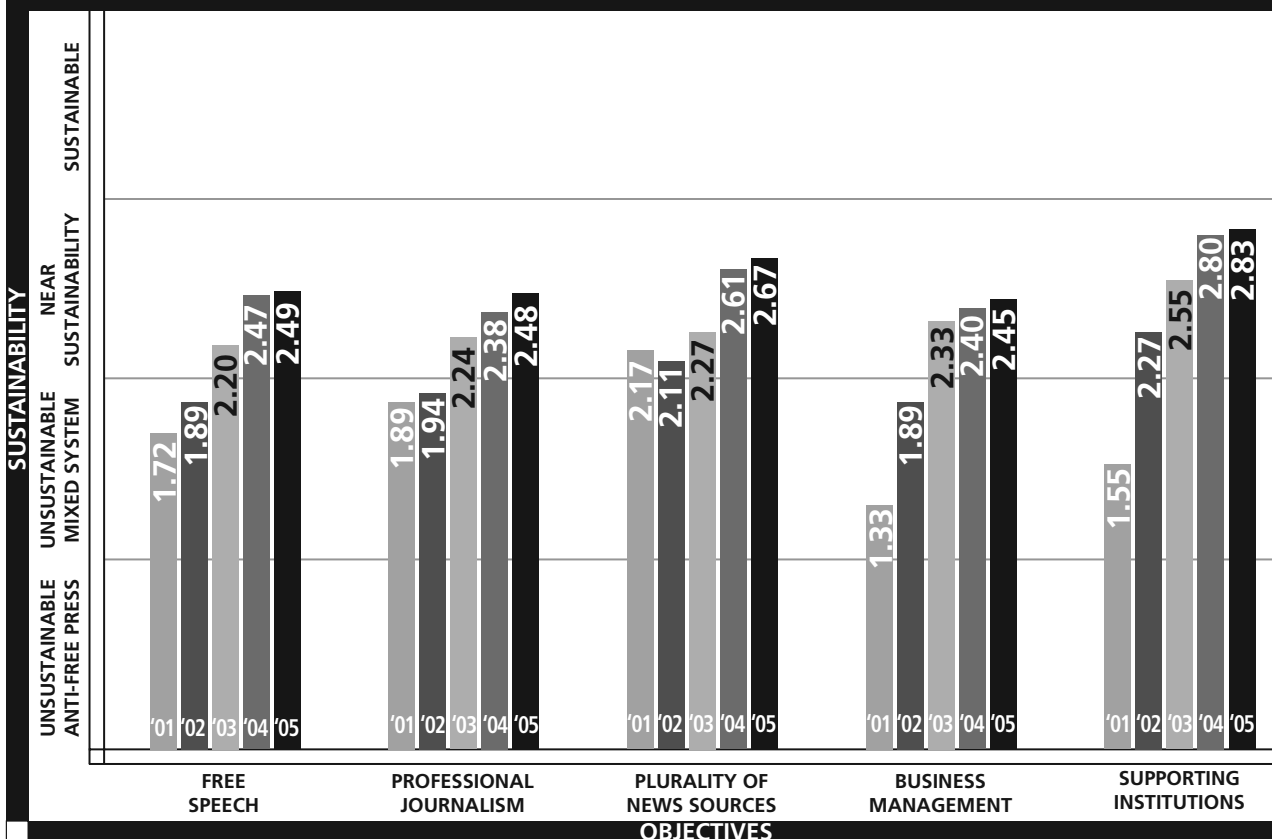
European integration procedures were the focus of 2005 in Macedonia. The key event was the completion of the questionnaire delivered by the European Commission (EC) to the Macedonian government, one of the key formal stages required for the process to move forward. This resulted in a wave of legislative activity as Macedonia started on major changes required in its laws, including those related to the media.

A new liberal Law on Electronic Communications went into place, and a draft Law on the Performance of Broadcasting Activity was prepared for parliamentary debate. The government also initiated preparations for constitutional changes that should provide the foundation for critically needed judicial reform. However, the Media Sustainability Index (MSI) panel detected no significant progress in the Macedonian media sector during 2005, with its overall ranking essentially unchanged at 2.58, compared with 2.53 in 2004. No regression was seen for any objective, but the greatest gain, for the professionalism of journalism, was only 0.10, to a ranking of 2.48 for 2005 from 2.38 for 2004.

Municipal elections held in March marked the start of the decentralization process in Macedonia. The ongoing transfer of powers from the central government to local authorities appeared to be proceeding relatively smoothly. There was potential for some serious problems to arise related to ownership of land and infrastructure as well as the organization of some services on the local level, such as education and health care.

The political situation appeared to have stabilized, and hawkish nationalistic rhetoric seemed to have been pushed away from public discourse. Over the course of the implementation of the Ohrid Framework Agreement, which ended fighting between government security forces and ethnic Albanian forces in 2001, it was evident that interethnic tensions remained. But their inflammatory potential appeared to have weakened as the agreement's last stages were put into force in 2005.

MEDIA SUSTAINABILITY INDEX: MACEDONIA



Unsustainable, Anti-Free Press (0-1): Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

Unsustainable Mixed System (1-2): Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

Near Sustainability (2-3): Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

Sustainable (3-4): Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

The performance of the Macedonian economy, however, did not see the same improvement. Macedonia remained a country with insignificant foreign investment and high levels of corruption—factors that undermine the stability of government institutions and efforts at reform. The MSI panelists suggested that corruption and poverty appear to be the biggest challenges for the democratic processes in Macedonia in the coming years.

OBJECTIVE 1: FREE SPEECH

Macedonia Objective Score: 2.49 / 4.00

The legal framework that secures freedom of expression derives from the constitution of the Republic of Macedonia. The large number of media outlets and the existing legislation suggest that freedom of expression is generally respected. However, there are still obstacles that limit media freedom. The MSI panelists said considerable work remains to be done in terms of media legislation and its implementation as well as the reform of the judiciary, and recorded no significant change in the ranking for the objective.

The lack of effective access-to-information statutes, the categorization of defamation and libel as criminal offenses, and the politicization of the licensing procedure for broadcasters were considered the three main problems. The sophisticated manipulation of the media conducted through the relations between media owners and political leaders also limit media freedom, panelists said.

The lack of a law on free access to information not only limits the media’s ability to conduct thorough reporting and fully inform the public but, by limiting the factual information available, also contributes to the tendency to prosecute journalists under defamation clauses in the penal code, panelists said. “It is unacceptable for the state to prosecute me on defamation charges while, on the other hand, its institutions are not legally bound to provide me with the information,” said Naser Selmani, a journalist at the daily *Vest* newspaper.

Furthermore, the government’s hesitation to introduce this legislation creates the danger of a new type of pressure on the media: the threat of prosecution on charges of disclosure of state or trade secrets and confidential information. The first case of this type was noted in 2004 when a journalist was brought to court on charges of disclosure of company secrets. The case became a more complex test of media rights when the company that filed the lawsuit offered to drop the case if the journalist involved would disclose the identity

of the source that provided the documents. The MSI panel agreed that the access-to-information law should be adopted as soon as possible, but said some major changes in the pending draft prepared by the Ministry of Justice were necessary to safeguard journalists’ sources.

Licensing for the broadcast media continued in 2005 to rely on the central government, and the law that would introduce changes in the procedures remained pending in the parliament. In addition, unlicensed media continued to create illegal competition in the already overcrowded media market. Nebojsa Karapejovski from TV Menada in Tetovo pointed out that there the licensing authorities adopt “a populist approach,” allowing large numbers of private electronic media that may create many information outlets but also produce sustainability problems in the market. The MSI participants agreed that the tax structure and market entry are fair and in line with the general standards applicable to other businesses.

There were no new recorded cases of attacks or other crimes against journalists or media outlets, with this kind of pressure falling to its lowest level for several

Legal and social norms protect and promote free speech and access to public information.

FREE-SPEECH INDICATORS:

- > Legal/social protections of free speech exist and are enforced.
- > Licensing of broadcast media is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against journalists or media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > State or public media do not receive preferential legal treatment, and law guarantees editorial independence.
- > Libel is a civil law issue; public officials are held to higher standards, and the offended party must prove falsity and malice.
- > Public information is easily accessible; right of access to information is equally enforced for all media and journalists.
- > Media outlets have unrestricted access to information; this is equally enforced for all media and journalists.
- > Entry into the journalism profession is free, and government imposes no licensing, restrictions, or special rights for journalists.

years. "The public in Macedonia is more and more sensible to the pressure on the free speech," said Erol Rizaov, editor-in-chief of the daily *Utrinski Vesnik* newspaper. Nonetheless, several cases from the past remained unresolved, such as the wire-tapping of journalists' communications that emerged in 2001 and has not been closed by the relevant court, and there is a general reluctance on the part of the government to tackle these problems institutionally.

Changes in the penal code mean government officials and people in the public eye no longer receive special protection from journalistic coverage compared with ordinary citizens. The last case prosecuted under the previous legislation was completed in mid-2005, when a journalist at *Utrinski Vesnik* was prosecuted by the public prosecutor on behalf of the ex-speaker of the parliament. Libel, however, remains a part of the Criminal Law.

There are no limitations imposed by the government or any other body on the availability of international media, or on entering the journalism profession.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Macedonia Objective Score: 2.48 / 4.00

The MSI panelists agreed that the level of professionalism in the media has not yet reached acceptable standards. In addition, said Naser Selmani, "There is some problem within the profession: The journalists believe that we don't need anybody to tell us how to do our work." Panelists detected numerous reasons for the lack of professionalism, among them inaccessible sources, little attention to fact-checking, market pressure, inexperienced journalists, and bias resulting from the open political affiliation of certain outlets. Salaries are low, creating the possibility of corruption penetrating the profession.

The reporting is described as generally aggressive but lacking in terms of credible and detailed sourcing. "The last media monitoring shows that there is a lack of named and identified sources of information, as well as increased use of anonymous sources," said Biljana Bejkova from the NGO Infocentre. "The lack of official sources forces us to write and base our reporting on anonymous sources, or not write at all," added Naser Selmani.

The panelists noted that there is a generalized fear of journalists among the public, and even ordinary people are anxious when asked to speak to the media. "The unfair treatment scares the people, and we can't blame them," said Roberto Belicanec from the Media

Development Center. "Journalism, in general, lacks proper editorial behavior and control ... A 22-year-old person with a microphone in his hand suddenly becomes a judge in the name of the public." With so many anonymous sources being used, journalism takes on an aura of speculation. According to the panelists, the absence of an access-to-information law contributes significantly to this situation.

The panelists noted that not only official institutions are closed, but also big businesses and other economic players. The pressure to use anonymous sources and little checked information also stems from the competition among media outlets and their understaffed newsrooms. "Now we enter the phase of aggressive journalism looking for exclusive news and readership or audience ratings. What worries me the most is that the audience is not reacting to such coverage," said Robert Popovski, the Secretary General of the Association of Journalists of Macedonia. Erol Rizaov said that although there is less and less self-censorship, the interests of big companies are more notable in most of the media.

A general ethics code is in place, developed by the Association of Journalists. The association established a self-regulation body in charge of overseeing compliance with the code, and the panel has been quite active in recent years. Its assessment of the media community tends to be conducted exclusively within the profession, however, and rarely extends to include the public in

Journalism meets professional standards of quality.

PROFESSIONAL JOURNALISM INDICATORS:

- > Reporting is fair, objective, and well sourced.
- > Journalists follow recognized and accepted ethical standards.
- > Journalists and editors do not practice self-censorship.
- > Journalists cover key events and issues.
- > Pay levels for journalists and other media professionals are sufficiently high to discourage corruption.
- > Entertainment programming does not eclipse news and information programming.
- > Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- > Quality niche reporting and programming exists (investigative, economics/business, local, political).

the discussion, panelists said. For their part, the MSI panelists concluded that the level of adherence to the ethical and professional standards is still rather low. It was the panel's opinion that the journalistic community should clearly indicate who "deserves" to be considered a journalist and who doesn't.

Generally speaking, the journalists do cover the key issues. The problem lies in the tabloid approach to the coverage and the fact that this approach is spreading to the mainstream media. "What was an excess in the past has become the mainstream now," said Aco Kabranov, editor-in-chief of information programs on TV Kanal 5.

Journalists' salaries have remained at the same level for several years and are not increasing, which creates a potential for corruption. "There are no proven cases of corruption amongst the Macedonian journalists, in spite of the fact that influences of certain political and business circles on some commentaries, opinions, and articles in the media are quite visible. In my opinion, it is impossible for the high level of corruption in the country not to be reflected in journalism," said Erol Rizaov.

The news remains the key programming for the major television stations. The entertainment presents no danger to the news because of two main factors: the highly politicized society and the low quality of the entertainment programs. Information programming on radio remains problematic because most stations in Macedonia have a music format and the public has not developed the habit of turning to radio as a valid source of news.

There is ongoing improvement in the technical working conditions in the print media, especially after the 2003 entrance of Westdeutsche Allgemeine Zeitung (WAZ) into the market. One of Germany's media empires, WAZ now owns three Macedonian dailies—*Dnevnik*, *Utrinski Vesnik*, and *Vest*—and has invested in new equipment, including newsroom systems. The broadcast media, television stations in particular, find themselves in a far worse position. "Huge numbers of television stations still work on the same equipment they had on the day they began broadcasting in the first place," said Aco Kabranov.

The participants in the panel agreed that the quality of specialized journalism is worth mentioning only in terms of business and economy coverage. The situation is the worst regarding film and literature criticism, and coverage of culture in general. The responsibility for that lies with the ownership of the biggest private broadcasters, the panelists said. With most broadcasters owned by big companies primarily in order for them to act as mouthpieces for these companies, the panelists said, it is quite natural that economic journalism was the only niche that developed over the years.

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Macedonia Objective Score: 2.67 / 4.00

There are multiple news sources available in Macedonia, and it seems at first glance that there is media pluralism in place. However, most of the media outlets are small municipal radio and television stations with insignificant shares of the market. The situation on the national level is somewhat different: There are a good number of relatively high-quality information and news programs and newspapers, but the number is beyond what the market can sustain. The penetration of the Internet is at about 10 percent of the population, which eliminates the Web as a news source for most of the population. There are only pioneering attempts to create online media, while the traditional media maintain Web pages that mirror their print editions. The cable television penetration in the country is at a relatively high percentage: almost one third of the households are connected on cable, which allows them to follow foreign programming. The circulation and sale of foreign press is low, but it is available.

Subject to the most comments by the MSI panel was biased coverage of topics related to the interests of

Multiple news sources provide citizens with reliable and objective news.

PLURALITY OF NEWS SOURCES INDICATORS:

- > A plurality of affordable public and private news sources (e.g., print, broadcast, Internet) exists.
- > Citizens' access to domestic or international media is not restricted.
- > State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for print and broadcast media.
- > Independent broadcast media produce their own news programs.
- > Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates.
- > A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.

media owners, particularly their political inclinations. But despite the evident biases in the media, the diversity of media allows news consumers to make up their own minds. The transparency of ownership is not a legal obligation for the media, but the public knows who owns each media outlet. One prevailing problem is the lack of transparency in terms of media financing. There is little knowledge of how the media finance their operations, and from what sources.

“The domestic media do not have a strategy for use of Internet as an information service,” said Roberto Belicanec.

The Internet, like radio, is not perceived as a source of information in the traditional sense of the word.

“The domestic

media do not have a strategy for use of Internet as an information service,” said Roberto Belicanec. There are no administrative measures to limit access to the Internet, but the price of Internet access, combined with the conservative, anti-technological mindset of the majority of the population, produces a “digital divide.” This makes the Internet information market too small to support the launch of specialized services. The other, traditional media are accessible and have a stable audience and readership. Television is the most influential source of information, followed by the print media. Radio is perceived more as entertainment media.

In terms of plurality of views on the main topics of the society, the panel agreed that such a plurality does exist. The problem is that it does not result from the professionalism of the media, but from the diverse ownership. To put it simply, the most powerful groups in the society own their own media or manage to influence the media through other means.

There are only two news agencies in Macedonia—MIA and Makfaks. MIA is state owned and is subsidized by the government budget, while Makfaks is a small private news agency that sells news to the media.

Almost all serious broadcasters have news departments that usually produce and broadcast two news programs daily. The problem with the quality of the news is due to mechanisms of the ownership control, which, from time to time, greatly influence the way certain topics are covered. The panel noted a new trend: The media are becoming vulnerable to the pressure that comes from business. “The influence is visible from the manner of coverage of a given event. We know in advance how certain media will cover certain topics,” said Kabranov.

The problem with the topics concerning minority groups arises from the way they are treated by the mainstream media, panelists said. “Minorities become visible in the media only when they make trouble,” said Belicanec. Nebojsa Karapejovski said “local private media produce more programs on minorities, but when they offer to exchange those programs with the national media, they are not interested.” Print and electronic media in the languages of minorities exist as independent media outlets, but they have a limited production capacity and audience.

OBJECTIVE 4: BUSINESS MANAGEMENT

Macedonia Objective Score: 2.45 / 4.00

The prevailing opinion is that the media market is overcrowded, which limits growth. There were no foreign investments in the media business in 2005. State institutions do not subsidize the media industry. Collection of the broadcasting tax, designed to finance the public service Macedonia Radio and TV and the Broadcasting Council regulatory body, is at its lowest level ever and is likely to decline further.

The general economic situation in Macedonia, the base for efficient and profit-generating operation of media outlets, is not improving. It is worth noting, though, that there were no cases of media outlets closing, which implies that the media are subsidized from some sources other than the market. It is impossible to estimate the real value of the advertising market with the present accounting and research systems in the country.

The supporting firms, the distribution and printing companies, have been privatized and provide relatively good support to the print media. All the participants agreed that there are no problems related to printing and distribution. There are several distribution networks in the country, as well as multiple options for printing of newspapers and magazines.

Media have various potential sources of revenues, but advertising is the main component. Yet the advertising revenue is not sufficient or sufficiently consistent, especially for smaller and local media. The advertising agencies cooperate mostly with the national broadcast media. “Advertising companies are not interested in the local media, regardless of the fact that they may have good ratings,” said Nebojsa Karapejovski. For that reason, media that serve local communities are in such a precarious situation in the market.

The large number of private media and the weak market resulted in a further decrease of advertising

prices during 2005. A significant number of broadcasters even resorted to violations of legal limits regarding the percentage of advertising in their programs.

The general opinion of the panelists was that advertising revenue is not enough to cover the costs of the media outlets, and they have to seek other sources of financing that can influence the independence of the industry. "It would be a different situation if the media outlets depended solely on advertising-generated income," said Roberto Belicanec.

The panelists agreed that advertising agencies in Macedonia do not work in a very professional manner. "Everything depends on them, so we are sometimes in a situation to broadcast low-quality programs only because of the advertisement embedded in the program," said Robert Popovski.

The government has stopped budget subsidies to print media. The broadcasting tax paid by all citizens is the main source of financing for MRTV, the public-service broadcaster. Ten percent of the funds collected through the tax are used to subsidize the production of "programs of public interest" by private broadcasters and production companies. The new draft of the broadcasting law, currently moving through parliamentary review, proposes to stop this type of financial support.

Independent media are well-managed businesses, allowing editorial independence.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets and supporting firms operate as efficient, professional, and profit-generating businesses.
- > Media receive revenue from a multitude of sources.
- > Advertising agencies and related industries support an advertising market.
- > Advertising revenue as a percentage of total revenue is in line with accepted standards at commercial outlets.
- > Independent media do not receive government subsidies.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor products to the needs and interests of audiences.
- > Broadcast ratings and circulation figures are reliably and independently produced.

There are no reliable market-research and audience ratings in Macedonia that could help managers formulate strategic plans and enhance revenues for media outlets. "The problem is the lack of trust in the results of the surveys," said Robert Popovski. "If there is no trust, the results become irrelevant." Even the existing research gets insufficient use at advertising agencies, and media business directors lack the skills to use ratings in their strategic plans. However, Roberto Belicanec said, "There is a positive trend in that there are surveys and there are first signs of actual use of the results." Panelists agreed that creation of a joint industry body focused on research would improve results.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Macedonia Objective Score: 2.83 / 4.00

The support system for the media, including industry associations and civil society organizations, has grown steadily during the past several years. Although the panel identified problems, the main trend remains highly positive. The nongovernmental organizations (NGO) and media associations have proved to be tough and respectful lobbyists, perceived as organizations with clear agendas that know how to deliver services and to protect the interests of their members. The same growth was evident in the supporting institutions that arise from the market, such as those providing distribution, printing, and transmission. They proved to be viable businesses in good economic condition.

Panelists said the two associations that represent print and broadcasting media, the Association of Print Media (APM) and the Association of Electronic Media in Macedonia (APEMM) are functioning and representing their members but could further increase their activities. Ljubica Angelkovska-Mangova, of TV Tera in Bitola mentioned that "APEMM should avoid the populist approach to its membership and should select serious broadcasters."

Robert Popovski said that AJM has transformed itself over the past four years into a new, focused association with a number of quality activities, such as the adoption of an ethics code, establishment of the Council of Honor, and other activities. "If we want more than that, we need to have a professional organization—not an organization that will function on a voluntary basis," he said.

The panelists generally agreed that there are a sufficient number of organizations connected to the industry and active in the field of support of free speech. However, they said that communication

Supporting institutions function in the professional interests of independent media.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of private media owners and provide member services.
- > Professional associations work to protect journalists' rights.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs that provide substantial practical experience exist.
- > Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
- > Sources of newsprint and printing facilities are private, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

between the media-related NGOs and the media industry are not satisfactory. "The media are not mirrored by the nongovernmental sector; the civic society should force the media to face their public responsibility," Roberto Belicanec said.

"Despite the increased competition in higher education in Macedonia, the Faculty of Journalism is still unable to educate quality journalists," said Erol Rizaov. Nonetheless, the general opinion is that enough training for journalists is available. The one-year journalism school offered by the Macedonian Institute for the Media was commended as quality training. The short-term training programs offer visible benefits to the media. Nebojsa Karapejovski, for example, said his station "is not the same after the in-house training organized by the International Media Fund." Ljubica Angelkovska-Mangova, said in-house training is the most needed form of insistence, but "unfortunately, the international community understood that fact only a couple years ago."

Trainings should not concentrate only on journalism because the growing industry has multiple other needs for its human resources. The panel emphasized that the international donors are withdrawing from the region and warned that financing of trainings could be jeopardized in the near future.

Regarding the sources of newsprint, printing facilities, and kiosks, all the participants agreed that they are

private, apolitical, and unrestricted. This is not the case with some Internet services and transmitters, which are limited. The panel agreed that in the near future, with the digitalization of broadcasting in Macedonia, the fact that the state-owned Macedonian Broadcasting Company owns the main network of transmitters in the country may create a disturbance in the market.

Panel Participants

Aco Kabranov, Editor-in-Chief, TV Kanal 5

Robert Popovski, Executive Secretary, Association of Journalists of Macedonia

Erol Rizaov, Editor-in-Chief, *Utrinski Vesnik* daily

Naser Selmani, Journalist, *Vest* daily

Sara Broughton, Head of Media Development Unit, OSCE

Zerijeta Jajaga, Editor-in-Chief, RFE/RL (Albanian-language section)

Roberto Belicanec, Director, Media Development Center

Ljubica Angelkovska-Mangova, Program Director, TV Tera, Bitola

Nebojsa Karapejovski, General Manager, TV Menada, Tetovo

Biljana Bejkova, Project Manager, NGO Infocentre

Moderator

Gazmend Ajdini, Senior Program Manager, IREX Europe

Observers

Melita Cokrevska, USAID

Vesna Nikodinoska, Program Manager, IREX Europe

MACEDONIA AT A GLANCE

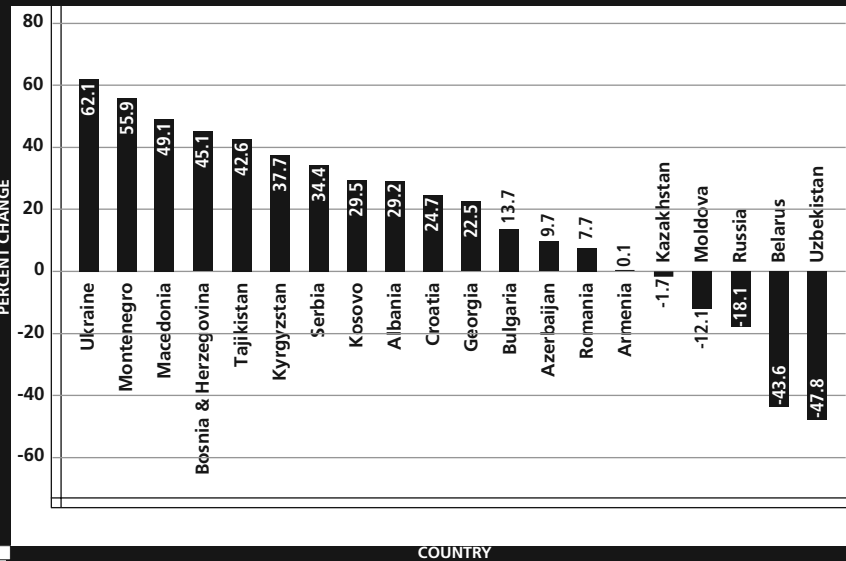
GENERAL

- **Population:** 2,022,547 *Statistics Bureau, Census 2002*
- **Capital city:** Skopje
- **Ethnic groups (% of population):** Macedonian 64.18%, Albanian 25.17%, Turk 3.85%, Roma 2.66%, Serb 1.77%, Boshnjak 0.84%, other 1.97% *Statistics Bureau, Census 2002*
- **Religions (% of population):** Macedonian Orthodox 64.78%, Muslim 33.33%, other 1.9% *Statistics Bureau, Census 2002*
- **Languages (% of population):** Macedonian 66.5%, Albanian 25%, Turkish 3.5%, Serbo-Croatian 1.2%, Roma 1.9%, other 1.9% *Statistics Bureau, Census 2002*
- **GDP:** 264,599 million Denars (1US\$ = 51 MK Denars) *Statistics Bureau, 2004 est.*
- **GDP per capita:** \$2,230 *Statistics Bureau, 2003*
- **Literacy rate (% of population):** 96.38% *Statistics Bureau, Census 2002*
- **President or top authority:** President Branko Crvenkovski
- **Next scheduled elections:** Parliamentary 2006

MEDIA-SPECIFIC

- **Newspaper circulation statistics (total circulation and largest paper):** No reliable sources regarding

MSI AVERAGE SCORES—PERCENT CHANGE 2001–2005



circulation. *Dnevnik* is the largest daily paper.

- **Top three ranked television stations:** A1 25.48%, Sitel 12.27%, MTV 1 8.25%

- **Top three ranked radio stations:** Radio Antena 5 14.1%, Kanal 77 7.18%, Macedonian Radio 1 5.01% *Strategic Marketing and Media Research Institute, September 2005*

- **Number of print outlets, radio stations, television stations:** Approximately 600 daily, weekly, biweekly, monthly, and periodical editions *Agency for Information* There are 161 radio and television

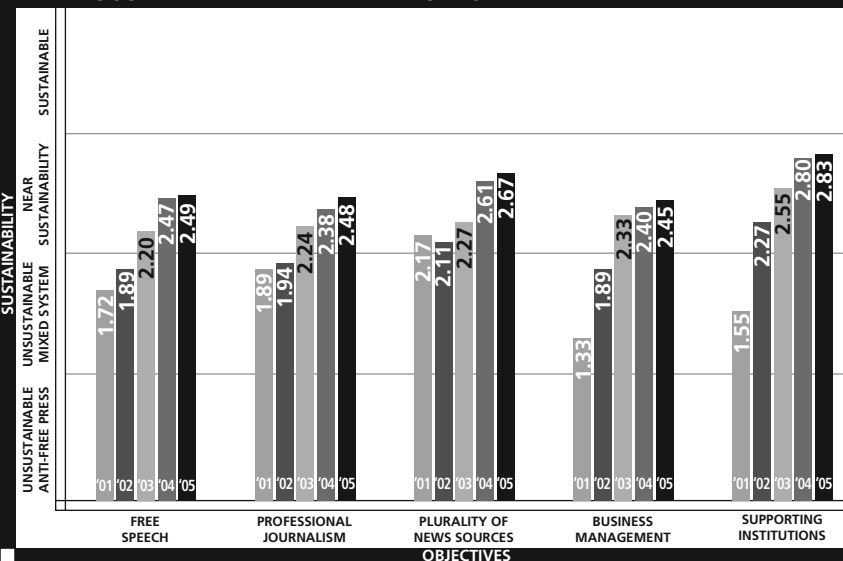
stations, 3 television channels, 29 local broadcasters, and 6 radio program services. Eight commercial broadcasters have concessions for national coverage. Five of them are television (A1, Sitel, Channel 5, Telma, AlSat), and three are radio (Channel 77, Antena 5, Radio Ros). There are 115 commercial broadcasters with concessions for local area coverage; 50 are television, and 65 are radio. *Broadcasting Council, October 2005*

- **Annual advertising revenue in media sector:** No accurate estimates available

- **Number of Internet users:** 126,000 *Sector for European Integration*

- **News agencies:** Macedonian Information Agency (public), MakFax (private)

MEDIA SUSTAINABILITY INDEX: MACEDONIA



THE MEDIA SECTOR DID NOT CHANGE SIGNIFICANTLY DURING 2005, THE MEDIA SUSTAINABILITY INDEX (MSI) PANEL CONCLUDED, ALTHOUGH THE LIKELIHOOD OF SIGNIFICANT CONSOLIDATION REMAINED EVIDENT CONSIDERING THE LARGE NUMBER OF OUTLETS COMPETING WITHIN THE SMALL MONTENEGRIN MARKET.

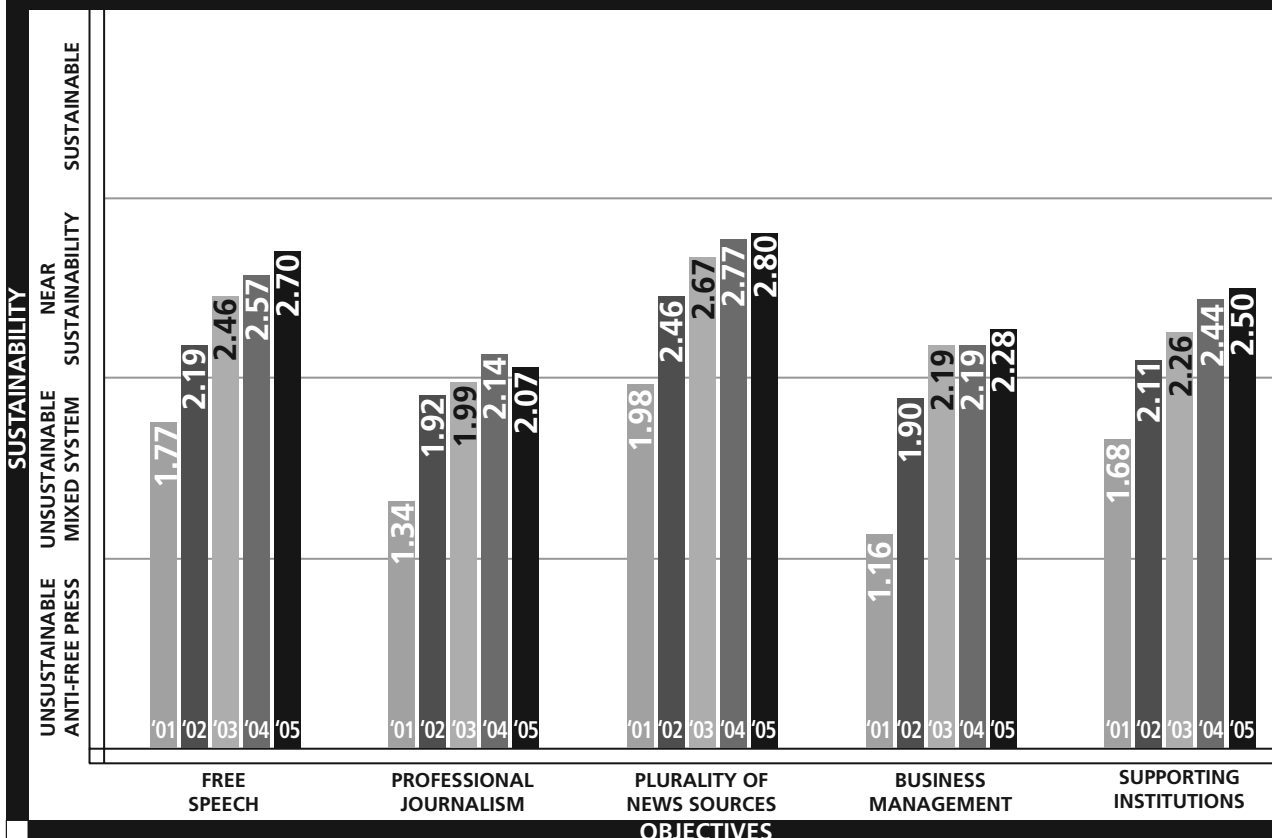


Although 2005 was a stable year politically in Montenegro, anticipation of a referendum on whether it should remain part of the State Union of Serbia and Montenegro animated the media. While the coalition government formed three years ago routinely exercised its power and the opposition carried out its parliamentary role, the media focused on the referendum expected during 2006. The economic transition in Montenegro moved into its final stages, with more than 80 percent of Montenegrin businesses expected to be in private hands by the end of 2005. Compared with 2004, the macroeconomic indices were improved, with GDP growth at 4 percent, inflation under 2 percent, a sustainable budget deficit, a stable bank sector, and significant increases in foreign investments. Noticeable social ills continue, however, with the poor making up 45 to 55 percent of the population.

The media sector did not change significantly during 2005, the Media Sustainability Index (MSI) panel concluded, although the likelihood of significant consolidation remained evident considering the large number of outlets competing within the small Montenegrin market. The slow transformation of the public broadcast company RTCG from a state-owned entity continued, impeded by the need for a new organizational structure and resistance to the required changes. The envisioned dismissal of up to 400 employees did not take place, further weakening the broadcaster's financial position. Problems with implementing media-related laws and the journalistic ethics code continued, and the economic situation of many media outlets and journalists themselves remained perilous.

However, significant steps forward occurred with the first open tender of broadcasting frequencies and the passage of a long-debated law on free access to information, which went into effect in November. Achievements within the private media sector also were apparent, along with the increasingly effective journalism education offered by the Montenegro Media Institute and the new Department for Journalism Studies.

MEDIA SUSTAINABILITY INDEX: MONTENEGRO



Unsustainable, Anti-Free Press (0-1): Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

Unsustainable Mixed System (1-2): Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

Near Sustainability (2-3): Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

Sustainable (3-4): Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

Considering both the ongoing problems and the specific advances, the MSI panel ranked the strength of Montenegro's media sector at 2.47, little changed from the 2004 ranking of 2.42 but showing no regression.

OBJECTIVE 1: FREE SPEECH

Montenegro Objective Score: 2.70 / 4.00

The MSI panel participants gave generally positive evaluations of existing media regulations and noted some improvements during 2005. However, problems with implementation remain, they said. One example cited was the failure of the Council of the Broadcasting Agency to follow the spirit of the law in terms of distribution of funds to the commercial broadcasters. The law envisages that 10 percent of public subscription fees should go to outlets, especially those with programming that serves the public interest but have less commercial potential. However, the agency uses territorial coverage criteria as the main determinant for distributing funds, minimizing the importance of programming. The result, panelists

Legal and social norms protect and promote free speech and access to public information.

FREE-SPEECH INDICATORS:

- > Legal/social protections of free speech exist and are enforced.
- > Licensing of broadcast media is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against journalists or media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > State or public media do not receive preferential legal treatment, and law guarantees editorial independence.
- > Libel is a civil law issue; public officials are held to higher standards, and the offended party must prove falsity and malice.
- > Public information is easily accessible; right of access to information is equally enforced for all media and journalists.
- > Media outlets have unrestricted access to information; this is equally enforced for all media and journalists.
- > Entry into the journalism profession is free, and government imposes no licensing, restrictions, or special rights for journalists.

said, is that the outlets with the largest reach, rather than the most publicly significant programming, get the largest shares, and high- and lower-quality broadcasters are treated the same.

“A tender for the allocation of frequencies was realized for the first time this year, and all media that applied and fulfilled the required conditions obtained the frequencies,” said Ranko Vujovic.

“The media law should be amended because the situation already requires that,” said Boris Darmanovic, president of the Association of Young Journalists. “At the time the law was adopted, it was predicted that the law could possibly be amended depending on the success of its implementation.” He recommended amendments to better regulate the election and replacement of the RTCG Council members and said the “mechanism of the managerial structure is too complicated for the public service.” In order to secure the independence of the council, varying durations are set for the mandates of the members. However, there is no established mechanism to enable replacement of those members who do not adequately fulfill the requirements of the position.

After lengthy debate and delay, a Law on Free Access to Information was adopted in October 2005 that included virtually all the provisions sought by the media community and represented a significant step forward long sought by journalists. MSI panelists said the lack of an access-to-information law had been the main remaining flaw in the reform of the regulatory environment for media. The law was passed by a margin of 38 to 13, with one abstention. It contains an article restricting access to government information if its disclosure could jeopardize national security, defense, security, and various commercial and privacy interests. Putting the law into practice will show whether it adequately serves the public, or if these exemptions are too broad and subject to interpretation, observers noted.

Panelists from the electronic media noted that the Broadcasting Agency now uses a liberal approach to the allocation of frequencies, and, so far, there were no significant problems in implementation of this policy. In March 2005, for the first time, Montenegrin broadcasters received frequencies through a free, open tender requiring only that they show they met technical preconditions and were not affiliated to any political party. “A tender for the allocation of frequencies was realized for the first time this year, and all media that applied and fulfilled the required conditions obtained

the frequencies,” said Ranko Vujovic, coordinator of the Union of the Independent Electronic Media. “This is important and represents a big step forward.”

Implementation of the libel statute was in accordance with the 2003 criminal code revisions, according to the panelists. Although the code eliminated imprisonment as a possible sentence for libel, panelists agreed that fines of up to €14,000 were very high. “Those penalties should not cause the media closure, but they should enable a fair satisfaction,” said Sasa Brajovic, a media expert. “It is necessary to find a balance.” Also, panelists noted that it remains the obligation of the journalists to prove their innocence. The courts still reflect conservative attitudes with regard to the responsibility of the journalists, and, as a result, journalists are fined following rather dubious judicial proceedings. The panelists noted, however, that some court cases stem from unprofessional, opinion-laced journalism and in general there are not an overly large number of lawsuits or prosecutions.

The May 2004 murder of Dusko Jovanovic, editor of the opposition daily *Dan*, continued to haunt the Montenegrin media community. The trial was under way in late 2005 of Damir Mandic, a former karate champion and alleged organized crime figure who was arrested in June 2004 and charged with driving the car used in the slaying. There were no other attacks on journalists reported by the panel.

As has been true in previous years, the MSI panel concluded that despite evident improvements in the media regulatory environment, there remain concerns about implementation. “Media laws are excellent, and the Journalistic Code is good too,” said Branko Vojcic, president of the Journalistic Self-Regulatory Body. “The legal framework is mostly of good quality, modern, and guarantees the freedom of information. The question arises as to whether the set of media laws is fully implemented.” As an example, the panel mentioned the failure of the state broadcaster to carry out fully the steps, such as staff cuts, required to complete the transformation to a public system.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Montenegro Objective Score: 2.07 / 4.00

Montenegrin journalism still does not achieve an adequate level of professionalism, and journalists are not ready to respect their own ethics codes, according to the MSI panel. In contrast with past years, the problems are not as much with the ability of the press to function freely but more with the quality of the media that do exist. The publishing of falsehoods and

Journalism meets professional standards of quality.

PROFESSIONAL JOURNALISM INDICATORS:

- > Reporting is fair, objective, and well sourced.
- > Journalists follow recognized and accepted ethical standards.
- > Journalists and editors do not practice self-censorship.
- > Journalists cover key events and issues.
- > Pay levels for journalists and other media professionals are sufficiently high to discourage corruption.
- > Entertainment programming does not eclipse news and information programming.
- > Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- > Quality niche reporting and programming exists (investigative, economics/business, local, political).

half-truths is common enough to influence directly the trust of the public in the media and discredit journalists, a situation detected in opinion polls.

The limited influence on the media community exercised by the Journalistic Self-Regulatory Body concerned the MSI panel. This body, charged with overseeing implementation of the professional code of conduct, was formed by all the media associations in Montenegro and regularly issues reports on violations. However, media organizations for the most part are not willing to publish corrections or to admit that mistakes were made. With the self-regulatory panel not meeting the goals set for it, a review needs to be conducted, the panelists said. “The Journalistic Code was signed by all journalists associations, but few (media outlets or journalists) respect it,” said Branko Vojcic.

Despite the shortcomings in professional standards, however, the panel noted cases of effective work within the media. Examples noted included the focus on investigative journalism by outlets such as the weekly *Monitor* newspaper and Radio Antena M, and increased solidarity among media when it is necessary to defend the credibility of the profession.

Self-censorship is still rife and an important impediment to quality journalism. On the one hand it is a legacy of the past, and on the other it is caused by the absence of protection of journalists against arbitrariness from media

owners at a time when jobs are scarce. Self-censorship remains an obvious problem at former state-owned media outlets such as the broadcaster RTCG and the daily newspaper *Pobjeda*. Although there is no longer state or political party control at these outlets, journalists have not embraced thinking freely about the issues they cover. The MSI panelists said there appears to be the impression among some journalists that reporting in the old-fashioned way is safer for two reasons: It does not require much effort, and it does not provoke anyone.

Many private media were founded for political rather than business reasons, Branko Vojcic said. "The owners dictate the editorial policy, but without a direct interference. Usually, submissive editors are being engaged through whom the required editorial approach is realized."

Salaries vary and are dependent on the financial strength of a particular outlet. In general, only key editors are well paid. For example, TV CG editors have salaries up to €1,500, while a typical journalist's salary might be €300. In private media, salaries may be higher, but the problem in these cases is that owners often do not pay adequate social insurance.

Except at the daily newspaper *Vijesti*, which is partly owned by a major German media company, and a very few digitally equipped television stations, most outlets, including the biggest broadcaster RTCG, work with inadequate and outdated equipment. It is almost a rule that owners hesitate to invest in technical facilities, thinking that there is little payoff from such costs, panelists said.

Panelists continued to note as they had in previous years that entertainment programming is increasingly emphasized to the detriment of more serious educational and informative programs. "In public-service broadcasting, there is not a good balance between the informative and entertainment programs," said Duska Micunovic, program editor at TV Montenegro. "We are deficient in entertainment programs and cannot round out the program production as a whole." The panelists recommended that the educational standards of journalists themselves be improved and an "ambiance" conducive to an editorial policy more focused on cultural, educational, and informative programming be created.

The panelists underlined the need for ongoing education of journalists and encouraged the technical modernization of the profession. The importance of having the first generation of future journalists currently studying at the new journalism department of the Law School in Podgorica and the continuing activities of the Montenegrin Media Institute were

noted by the panel. "According to the surveys, the problem is that 60 percent of the journalists were not educated at any journalism school," said Branko Vojcic. "That data point to the major deficiency that exists in the journalistic profession."

"The Journalistic Code was signed by all journalists associations, but few (media outlets or journalists) respect it," said Branko Vojcic.

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Montenegro Objective Score: 2.80 / 4.00

The general attitude of the MSI panel is that the Montenegrin media field is oversaturated. As a result of the accelerated recent development, there are about 40 private radio stations, 16 television outlets, and four dailies—all competing to serve a population of approximately 670,000. While the multitude of outlets assures there is a certain plurality of information sources, the MSI panelists were concerned that quantity did not necessarily produce quality. Many outlets use the same

Multiple news sources provide citizens with reliable and objective news.

PLURALITY OF NEWS SOURCES INDICATORS:

- > A plurality of affordable public and private news sources (e.g., print, broadcast, Internet) exists.
- > Citizens' access to domestic or international media is not restricted.
- > State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for print and broadcast media.
- > Independent broadcast media produce their own news programs.
- > Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates.
- > A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.

“New York with its population has about 40 radio stations, and Montenegro with its 670,000 citizens has 25 radio stations,” said Ranko Vujovic. “This speaks for itself when observing that the quantity of media does not correlate with professional journalism.”

agency sources and have poorly developed networks of correspondents. In addition, the ratio of media per capita, above that of most more-developed countries, is not sustainable over the long term.

“New York with its population has

about 40 radio stations, and Montenegro with its 670,000 citizens has 25 radio stations,” said Ranko Vujovic. “This speaks for itself when observing that the quantity of media does not correlate with professional journalism.”

In the Montenegrin case, the large number of outlets cannot guarantee diversity of information. “The problem is a large number of media and journalists,” said Darko Sukovic, editor-in-chief of Radio Antenna M. There are too many journalists, but only a few professionals. The current quantity does not correspond to the quality in production or what is required for professional reporting.”

There is only one local news agency, the Montenegro Independent News Agency (MINA), which competes with several agencies from Serbia. MINA, accompanied by a few electronic and print outlets with reasonably substantial reporting staffs, represents the main news sources for citizens.

Access to domestic and international media is not administratively restricted. Finances impose limits, however, for both individuals and media outlets, particularly for buying print media and using the Internet. Internet use is estimated at less than 15 percent of the population.

Montenegro has said farewell to state-owned media. A series of laws set out the process for transformation of the state radio and television system into the public broadcaster RTCG. There is an independent Council consisting of 11 members representing civil-society groups and an independent management board selected through a public tender. The former state daily newspaper *Pobjeda* is implementing a privatization plan, with a delayed public tender expected to be published during 2006.

Through its transformation, RTCG has made significant progress in reducing state influence and political bias in its programming, increasing the

diversity of voices available from this important source. Branko Vojcic noted significant increases in programs produced in-house by RTCG. “This is the achievement that should not be forgotten when appraising the entire situation in RTCG,” he said. Examples include “Otvoreno,” a magazine-style show where hot social issues are discussed, *Pecat*, a magazine of small investigative pieces, and “Plus Minus,” a program on economics and business.

With regard to private media, the MSI participants said transparency of ownership is better than in the previous years. Although speculation persists, there has been a clear achievement in the publication of several studies that outline ownership structures. Ranko Vujovic said there is no serious concern about media ownership concentration in Montenegro, although the possibility continues to exist that the current legal framework would allow concealment of the true controlling interests. Additionally, the panel said a particular problem concerning the sustainability of the media sector is the lack of serious direct foreign investment in Montenegrin media. The only serious foreign investment was made when the German media giant WAZ bought 50 percent of the shares in the daily newspaper *Vijesti*. There is an expectation that the former state daily *Pobjeda* may attract foreign investment when it is privatized because the company has valuable assets.

The panel agreed that in the next few years, it can be expected that the number of media houses will be reduced as the market consolidates to a more sustainable size. But the panelists also said that this process may not have a detrimental impact on the credibility or diversity of the media sector. Instead, they said, the surviving outlets will become stronger and more professional through their own business approaches and the donor-based model of financing will cease to exist.

OBJECTIVE 4: BUSINESS MANAGEMENT

Montenegro Objective Score: 2.28 / 4.00

The MSI panelists agreed that the media business remains largely unprofitable in Montenegro. Excluding several outlets such as the dailies *Vijesti* and *Dan*, TV IN, Antenna M, and MBC TV, the majority of the local and national media face business problems. A majority of the media outlets face constant threats to their solvency, and this leads to problems with their development plans. This in turn drastically affects the working status of the journalists, whose jobs may be in jeopardy and who often are not covered by the social

Independent media are well-managed businesses, allowing editorial independence.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets and supporting firms operate as efficient, professional, and profit-generating businesses.
- > Media receive revenue from a multitude of sources.
- > Advertising agencies and related industries support an advertising market.
- > Advertising revenue as a percentage of total revenue is in line with accepted standards at commercial outlets.
- > Independent media do not receive government subsidies.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor products to the needs and interests of audiences.
- > Broadcast ratings and circulation figures are reliably and independently produced.

insurance. “The media were not founded following the logic of the media and the market, but according to the logic of politics,” said Branko Vojicic.

Although some independent media outlets survived largely thanks to the financial support of the foreign donors, others succeeded in building from that base. Radio Antena M and the daily newspaper *Vijesti* successfully combined program content and commercial activities. MBC TV used technical assistance for development and advanced in the market by building on a sound business plan and a prudent application of survey results, although it has not entered the top tier of stations.

Consolidation of the market is under way already, with some outlets that did not respect market mechanisms already closed, such as the weekly *Onogost*, or showing indications of impending failure through diminished programming or content. The situation is particularly complex within the crowded electronic media field, according to the MSI panel. In addition to the managerial and commercial problems—the limits of the advertising market, weak staff, and lack of investment—there also is an unwillingness to join together media houses even if that could contribute significantly to their survival and further development.

While donor support remains at certain media holdings, it is clear this form of aid is ending and cannot be counted

on to sustain business operations. “There are no more foreign donations for the media foundations,” Sasa Brajovic said. Montenegro’s policy of directing a portion of public television subscription fees to private media provides key support to some outlets, panelists said.

Human-resources management at media outlets remains a problem aggravated by the weak financial situation at many of them, the panel said. Montenegrin media employ more than 3,000 workers, a third of them at private outlets. Many of those employed at non-state media do not have legal working status, with owners not paying social insurance, health insurance, and other taxes to the state. “That problem has to be eradicated if we want the journalists to perform their work according to the law; and that means that the owners of the media houses should finally comply with the provisions that regulate labor rights,” said Tanja Knezevic, a journalist with the daily *Republika*.

The size of the Montenegrin advertising market is not known precisely, but estimates range up to €7 million per year. Media outlet managers do not yet value the results of market research and broadcast ratings. Some have claimed that poor ratings are the result of their competition’s efforts to undermine their market position. Panel members said this is beginning to change, however, as the outlets’ poor commercial situations force managers to look for new methodologies. However, lack of resources also means that the outlets cannot order surveys, and there are fewer and fewer international organizations able to subsidize research on their behalf.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Montenegro Objective Score: 2.50 / 4.00

The general assessment of the MSI panelists is that the professional associations and unions charged with representing the interests of journalists are not yet effective. There are three associations—the Association of Young Journalists, the Association of Journalists of Montenegro, and the Association of Independent Journalists of Montenegro—and two trade unions, but they do not produce significant results in terms of improving the professional conditions for journalists, according to the panel. The associations either do not function or their membership is so reduced that it consists essentially of the managerial teams. “The journalistic associations exist only on the paper and do not have influence on the situation in the media sphere,” Tanja Knezevic said. “It is a problem that there is no proper journalistic union. The journalists

Supporting institutions function in the professional interests of independent media.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of private media owners and provide member services.
- > Professional associations work to protect journalists' rights.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs that provide substantial practical experience exist.
- > Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
- > Sources of newsprint and printing facilities are private, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

are left alone in protecting their rights. This remains the major problem that most affects the social and legal status of the journalists.”

By contrast, there are positive examples of associations representing the business interests of the media houses, in particular the Union of the Independent Electronic Media (UNEM). UNEM was a very active member of the working group that drafted the new law on free access to information and continues to work on an anti-monopoly draft law for submission to the government to be considered during 2006. UNEM also has a pool of lawyers helping journalists and media outlets, including defense against libel allegations.

Regarding the other institutions important for the Montenegrin media sector, the panel highlighted the contribution of the Montenegro Media Institute through its educational and professional development programs. The lack of effective university journalism education has been overcome to some extent by the creation of the Department for Journalism Studies at the Law School, panelists said.

The panel discussed the controversial role of the Broadcasting Agency, which is of great importance for the electronic media as the sector's independent regulator. According to the assessment of the electronic media representatives, the agency needs to improve its policies regarding allocating the portion of subscription

fees going to private media outlets in order to offer more support to those supplying the highest-quality programming. “The criteria for the allocation of finances from the RTV subscription fees are unfair, to say the least,” said Darko Sukovic. “We know of cases where large portions go to broadcasters that do not produce their own programs, or the quality of their programs is questionable. On the other side, serious radio stations, in their efforts to work professionally, face difficulties.” The panel also noted the importance of the agency regarding the creation of a quality plan for frequencies and their allocation.

In Montenegro there is no monopoly in the distribution and printing sectors. Almost all big newspapers—*Vijesti*, *Dan*, and *Pobjeda* among them—have their own printing facilities and distribution systems. *Vijesti* also has a network of kiosks where its own and other publications are offered. The panel also noted clear achievement in the area of Internet presentation of newspapers. Some outlets are already requiring subscriptions to Web editions, or are planning to introduce this.

Panel Participants

Duska Micunovic, Program Editor, TV Montenegro

Darko Sukovic, Editor-in-Chief, Radio Antenna M

Jasmina Kocalo, Editor, TV MBC

Mili Prelevic, Editor, *Dan* daily newspaper

Tanja Knezevic, Journalist, *Republika* daily newspaper

Ranko Vujovic, Coordinator, UNEM

Branko Vojcic, President, Journalistic Self-Regulatory Body

Boris Darmanovic, President, Association of Young Journalists

Sasa Brajovic, PDA Information Assistant, Consulate of the United States

Moderator

Rade Bojovic, Media d.o.o.

Observer

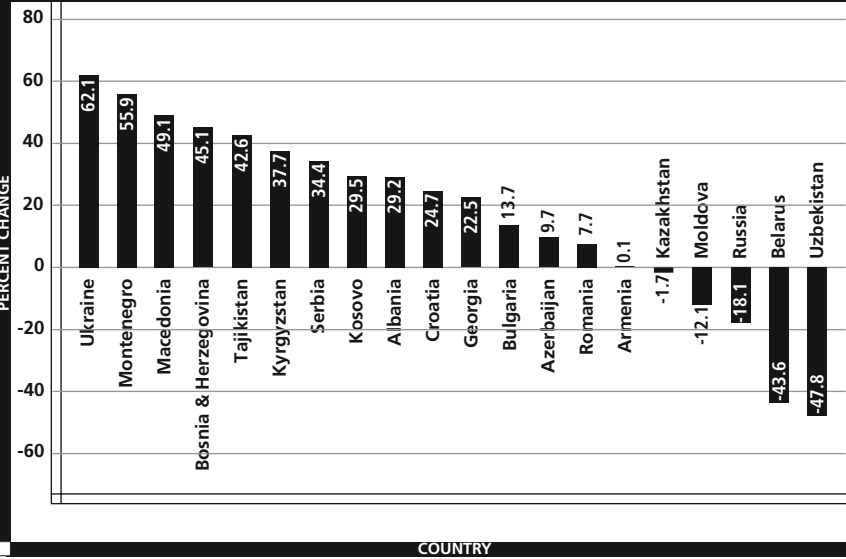
Vesna Banovic, Senior Media Advisor, IREX

MONTENEGRO AT A GLANCE

GENERAL

- **Population:** 650,575 *State Union of Serbia and Montenegro*
- **Capital city:** Podgorica
- **Ethnic groups (% of population):** Montenegrin 43%, Serb 32%, Bosnian 8%, Albanian 5%, Muslim 4%
- **Religions (% of population):** Orthodox 74%, Muslim 18%, Catholic 3.5%, Atheist <1%
- **Languages (% of population):** Serbian 63%, Montenegrin 22%, Albanian 5%, Bosnian 2%, Croatian <0.5%
- **GDP:** €1 billion *2002 Statistical Office Montenegro*
- **Literacy rate (% of population):** 97.65% *Census 2003*
- **President or top authority:** President Filip Vujanovic, Prime Minister Milo Djukanovic
- **Next scheduled elections:** Parliamentary, October 2006

MSI AVERAGE SCORES—PERCENT CHANGE 2001–2005



MEDIA-SPECIFIC

■ **Newspaper circulation statistics (total circulation and largest paper):** Since none of the four daily papers publish circulation data, it is difficult to estimate accurate numbers. However, it is approximately 55,000 to 60,000 copies. Two of the largest papers, *Vijesti* and *Dan*, circulate around 20,000 copies each. *Monitor* weekly circulates 5,000 copies.

■ **Broadcast ratings (top three ranked stations):** TV Pink, TV Crne Gore, TV In *Strategic Marketing Survey, September 2004*

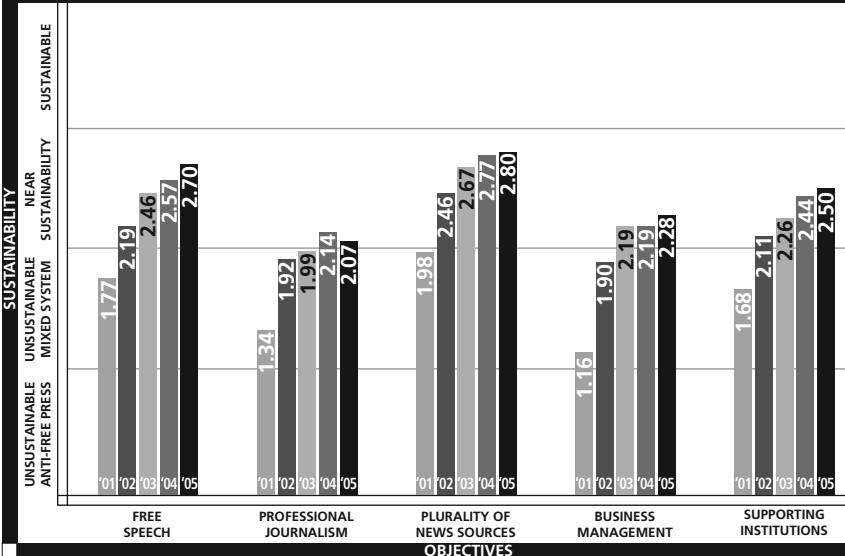
■ **News agencies:** MINA

■ **Number of print outlets, radio stations, television stations:** 108 media: 45 print (including many periodical papers), 15 television stations, 43 radio stations, four online media, one news agency *Montenegro Media Institute, 2004*

■ **Annual advertising revenue in media sector:** €7 million to €10 million

■ **Number of Internet users:** 16% of population *Internet Crne Gore data*

MEDIA SUSTAINABILITY INDEX: MONTENEGRO



OVERALL, THE MEDIA SUSTAINABILITY INDEX (MSI) PANEL CONCLUDED THAT THE GENERAL SITUATION FOR THE MEDIA IMPROVED DURING 2005. THE NEW GOVERNMENT IS WEAKER, LESS OBSESSED BY ITS IMAGE, AND MUCH LESS INCLINED TO DRAW UP GLOOMY STRATEGIES AGAINST MEDIA THAN ITS PREDECESSOR.

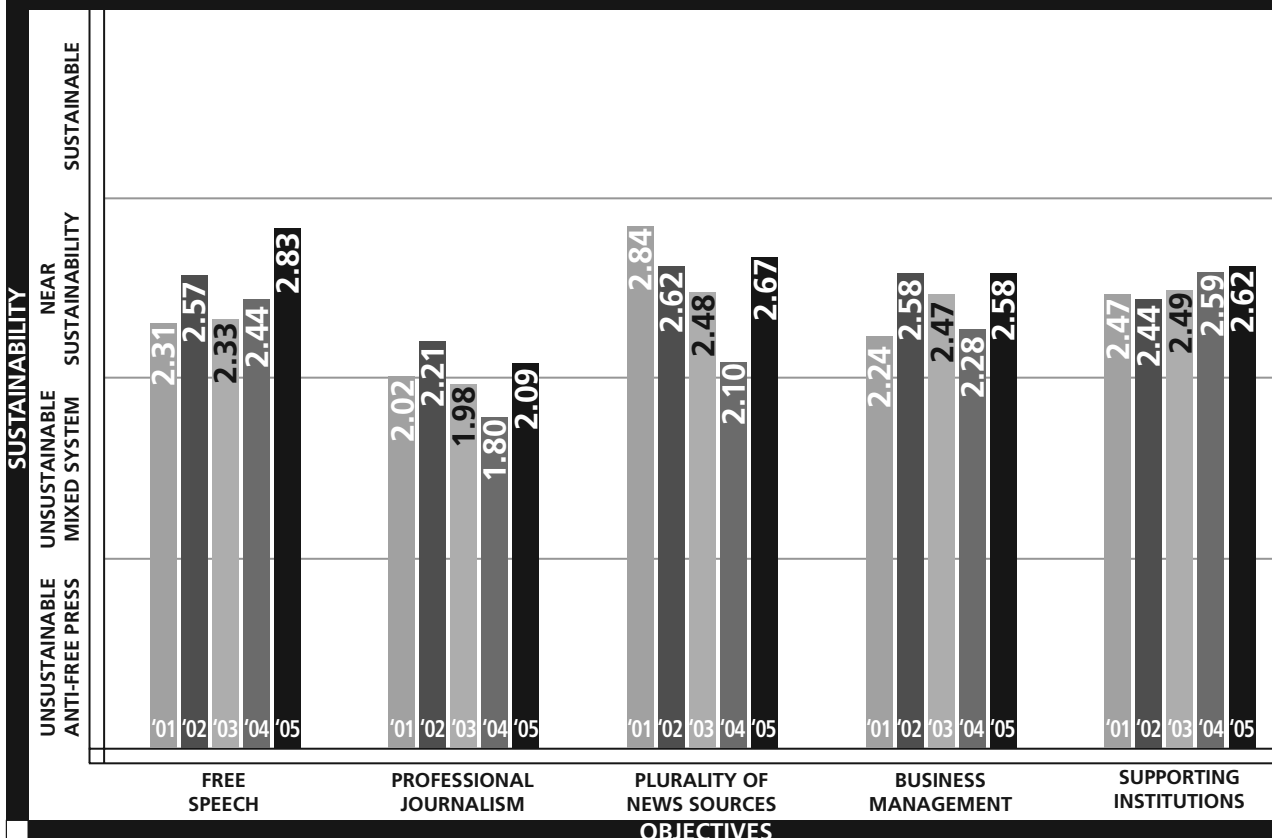


In 2000, the former communist Ion Iliescu and his Social Democrat Party (PSD) returned to power in Romania, and press freedom became a concern even as the country's post-Soviet economic growth was finally taking off. The media were especially affected by the approach of Prime Minister Adrian Nastase, who sought control using both political and economic leverage. Media independence in Romania became a focus for international organizations during 2003 and 2004. But at the end of 2004, Nastase lost the presidential race in a dramatic runoff against Traian Basescu. The new authorities pledged support for media freedom and curtailed previous practices that harmed the media market. However, conflict among the ruling coalition partners and discord between President Basescu and Prime Minister Calin Popescu-Tariceanu gave the impression of a chaotic and feeble government. Criticism in the media sharply increased during 2005.

Overall, the Media Sustainability Index (MSI) panel concluded that the general situation for the media improved during 2005. The new government is weaker, less obsessed by its image, and much less inclined to draw up gloomy strategies against media than its predecessor. With political intervention no longer the main danger, the Romanian media is now addressing more systemic threats, including an opaque and concentrated ownership, a shortfall in revenues due to a poor advertising market, and the proliferation of publications and stations without clear economic resources to support them. Professional ethics remain a problem, not for lack of such codes but because they are not properly implemented. The public discussion of sensitive issues such as the relationship between journalists and media outlet owners represent important steps forward, but they still have to produce practical results.

The MSI panel reported improvement in Romania's media sector across all the objectives for 2005, with the overall evaluation progressing from 2.24 in 2004 to 2.56 in 2005. The most significant advance was registered in the increasing variety of news sources available to citizens. Specifically, the panelists noted the new law enacted in 2005 to deal with subsidies received by the media in the form of advertising contracts from government institutions that amounted to hidden leverage.

MEDIA SUSTAINABILITY INDEX: ROMANIA



Unsustainable, Anti-Free Press (0-1): Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

Unsustainable Mixed System (1-2): Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

Near Sustainability (2-3): Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

Sustainable (3-4): Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

OBJECTIVE 1: FREE SPEECH

Romania Objective Score: 2.83 / 4.00

When the new government was formed at the end of 2004, the appointment of the human-rights activist Monica Macovei as Justice Minister was a surprise. She was reputed to be one of the toughest media lawyers in the country, and she defended freedom-of-speech cases in the European Court of Human Rights. In October 2005, she proposed a new set of amendments to the penal code with positive changes for journalists, including total decriminalization of insult and libel. The draft immediately encountered significant opposition in parliament, and Ioana Avadani, the executive director of the Center for Independent Journalism, said that despite some progress in terms of laws and regulations, freedom of expression is not an established or protected social value. However, the MSI panelists saw enough progress to register an advance in the ranking for this objective.

Panelists expressed mixed opinions about the fairness of the licensing process, which is controlled by the National Council of Broadcasting (CNA), an autonomous body subordinated to the parliament. Eleven members are appointed by the president, the government, and the parliament. Iulian Comanescu, chief of the media department within the *Evenimentul Zilei* newspaper, said, "Anything can happen during the process of granting licenses. It does not inspire confidence." Mihai Vartosu, a leading advertising industry executive, said his evaluation is more positive: "The number of scandals has decreased, and I think that at least the current legislation allows a fair and apolitical granting of licenses." Ioana Avadani, executive director of the Center for Independent Journalism, noted that even applicants who had previously differed with the CNA had received licenses, although conceding that only the smaller, less attractive licenses remained on offer.

The CNA has said it would take into account some political criteria in the allocation process in order to maintain balance among various forces. However, panelists rejected this approach. Ioana Avadani said: "By attempting to do something good, the CNA takes on some political referee prerogatives not prescribed by the law."

Market entry for a media business is as difficult as it is for any other enterprise. The value-added tax (VAT) is lower for newspapers and books, and panel participants agreed that taxation does not pose a problem for media outlets.

Violent attacks against journalists raised significant concerns in 2003 due to several major cases. No new

violence was reported in 2005, although the 2003 attack on Ino Ardelean, a journalist from Timisoara in western Romania, remains unsolved. Razvan Martin, who surveys abuses of journalists for the Media Monitoring Agency, said: "There are fewer situations than last year, when there was a lot of nervousness as it was an electoral year. There were no more beating cases, but situations of harassment still occurred—including, for example, confiscations of cameras."

Public media include four channels of Romanian Television, four radio channels, and the news agency Rompres. The president, the parliament, and the government appoint the boards of national radio and television stations under a 1995 law. An intense public debate took place in 2005 about various projects to change this law. Amid accusations of political interference by the previous government, the new parliamentary majority changed the boards and the directors for public radio and television, a move that panelists supported in 2004. A dispute occurred within the government coalition on naming new members. President Basescu refused to designate representatives until the law was changed, but

Legal and social norms protect and promote free speech and access to public information.

FREE-SPEECH INDICATORS:

- > Legal/social protections of free speech exist and are enforced.
- > Licensing of broadcast media is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against journalists or media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > State or public media do not receive preferential legal treatment, and law guarantees editorial independence.
- > Libel is a civil law issue; public officials are held to higher standards, and the offended party must prove falsity and malice.
- > Public information is easily accessible; right of access to information is equally enforced for all media and journalists.
- > Media outlets have unrestricted access to information; this is equally enforced for all media and journalists.
- > Entry into the journalism profession is free, and government imposes no licensing, restrictions, or special rights for journalists.

new boards were installed by other coalition members and opposition parties.

All the stakeholders agreed that the old law has to be changed. At least three varying drafts were submitted to the parliament during 2005. The first one, proposed by the Hungarian Party, a minor coalition partner, was essentially cosmetic but was passed by the Chamber of Deputies, one of the parliament's two houses, using an emergency procedure, although it was sharply criticized by the civil society. The second one, proposed by D.A. Alliance, a major coalition partner, was debated publicly and amended by the watchdog nongovernmental organizations (NGOs). Finally, the third one was submitted by the opposition PSD in order to undermine the first project. By the end of the year, the D.A. Alliance and PSD both had agreed to withdraw their projects pending negotiation of a consensus solution. Civil-society organizations urged the Hungarian Union to withdraw its project prior to it reaching the Senate floor. Ioana Avadani, representing the Center for Independent Journalism during the negotiation process, said the party's project is very weak in protecting political independence.

Mihai Vartosu, a leading advertising industry executive, said his evaluation is more positive: "The number of scandals has decreased, and I think that at least the current legislation allows a fair and apolitical granting of licenses."

The Romanian parliament adopted a new penal code that was supposed to be enforced from June 2005. It eliminated prison terms for defamation, allowing only criminal fines, decriminalized slander,

introduced good faith as a defense for journalists, and reversed the burden of the proof of truth. Dissatisfied with some provisions wishing to eliminate completely calumny from criminal penalty, the government suspended implementation of the new code and came up with another draft. As a consequence, the old, Communist-era code is still in force. Panelists disagreed about whether the new version would muster the support needed to pass. The current director of the Romanian Helsinki Committee, Diana Calinescu, observed: "There were no cases of penal sanctions for journalists, but we had judges imposing huge sums as damages for expressing opinions."

Romania adopted a Freedom of Information Act in 2001. The implementation process proved to be

difficult, with the unreformed administration, narrow-minded officials, and a "culture of secrecy" proving to be roadblocks. The law does not clearly address the so-called national companies that operate through the government budget, but the new government has said it will propose to change the law to allow greater transparency. Another issue is that the model contracts that the Public Procurement Law provides for include confidentiality clauses, Martin said.

Media outlets have unrestricted access to international news and news sources, and there is no need for a special license to practice journalism in Romania. The Romanian Press Club, an association of publishers and editors, discussed calls for issuance of certificates for journalists. Many were concerned this could mean the introduction of restrictions to entry into the profession, given the influence of the club, and the issue was not resolved.

To gain access to certain institutions, journalists need accreditation issued by the authorities. Under FOI laws, accreditation can be cancelled by the authority only if a journalist seriously disrupts an institution's activities. If the accreditation is cancelled, the outlet for which the journalist works designates a replacement. The penalty cannot be applied to the media outlet itself. Despite this clear provision, there are still cases when institutions retaliate for what they consider negative reporting by forbidding access.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Romania Objective Score: 2.09 / 4.00

The MSI participants generally expressed dissatisfaction with the quality of reporting. "The main cause is the journalists' laziness—they do not contact all the sources," said Adrian Voinea, who leads the editorial teams at two newspapers and a radio station. Others noted the continued presence of reporters' opinions in their articles.

There are professional codes developed by various organizations and associations, and during 2005, the journalism community started to debate how to adopt a unified code. The most prominent codes are those adopted by the Convention of Media Organizations (COM) and by the Romanian Press Club (CRP), and several panelists expressed optimism that the discussion would produce results. Others considered the progress too limited. Journalist Iulian Comanescu said: "The CRP's code exists, but is not well-known and even less applied. It is a common situation to give bribes to newspapers. And a lot of weaker newspapers practically live from bribes."

Journalism meets professional standards of quality.

PROFESSIONAL JOURNALISM INDICATORS:

- > Reporting is fair, objective, and well sourced.
- > Journalists follow recognized and accepted ethical standards.
- > Journalists and editors do not practice self-censorship.
- > Journalists cover key events and issues.
- > Pay levels for journalists and other media professionals are sufficiently high to discourage corruption.
- > Entertainment programming does not eclipse news and information programming.
- > Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- > Quality niche reporting and programming exists (investigative, economics/business, local, political).

This situation is not limited to print media. The well-known OTV station presents shocking material virtually nightly, promoting an extremist and rather paranoid view through its unbalance coverage. Fines by the Broadcasting Council have had no effect, as the owner of the station is financed by various sponsors—obscure or controversial businessmen who pay in exchange for being invited often to the studio where they can talk for hours without being interrupted. In June 2005, the extremist politician C.V. Tudor acknowledged at a party meeting that he paid OTV for making “propaganda.” Ioana Avadani, who defended the station in 2003 when authorities abruptly withdrew its license, said that in 2005, “everybody can live on the market, if the market sustains them. The problem with OTV is not that the programs are bad, but that it has no legitimate means to live from.”

By contrast, in October 2005, Mihai Munteanu, a journalist at *Evenimentul Zilei* newspaper, publicly denounced the attempt by a businessman to offer him gifts so that he would not write about the man’s controversial dealings with state institutions. The case was particularly significant because the man’s wife was an aide to the president, and she ultimately had to resign. The same *Evenimentul Zilei* published an article accusing Justice Minister Monica Macovei of drinking excessively at a public meeting. As the article lacked evidence and the witnesses denied the allegation, Mrs. Macovei, a popular minister, was defended by public opinion. Pressed also by

the Romanian Press Club, *Evenimentul Zilei* conducted an internal investigation and in August published another piece recognizing the mistake and apologizing.

In August 2004, President Basescu appeared on public radio accusing “one journalist” of threatening him with negative coverage. This blackmail was motivated by the prosecution of a business partner of the respective journalist. The president’s statement created an uproar, and everybody recognized the “anonymous” journalist as Sorin Rosca Stanescu, a media mogul controlling three newspapers. The president confirmed that he was referring to Stanescu, who later said the interaction was just a friendly conversation. The Romanian Press Club issued a statement saying that it could not take a position due to lack of evidence.

Panelists agreed that 2005 saw a change in the situation regarding self-censorship. “The taboo subjects seem to have disappeared, the multitude of current subjects concerning the government are public, and there is a clear difference from the former PSD government, which imposed silence on many issues,” Ioana Avadani said. Problems remain, however. On many occasions, the interest of the owner is visible in the content’s biases. However, Brindusa Armanca, a reporter for *Ziua* newspaper, also sees signs of journalists’ good faith, albeit a bit oddly manifested: “A journalist that knows a certain subject cannot appear in his newspaper gives it to another journalist from a paper which will print it.”

Razvan Martin said advertisers also try to influence coverage: “I had discussions with editors, and almost all of them mentioned pressures made upon them by advertisers. For example, Porsche organized a test drive during which an accident occurred. Phone calls were made so that this did not appear in the media.” But Mihai Vartosu said he had not heard of such cases “where actually there is a direct correlation between reporting and the granting of advertising budgets. It is very risky to do that. It is an issue of public image.”

Mihai Vartosu says he is a content consumer: “I think what I read is in correlation with my image of Romania.” But other panelists are less satisfied. “Here are still subjects that are not dealt with, discussions are not documented regarding important issues like European integration or NATO,” Razvan Martin said. Ioana Avadani said this resulted from “the poor training of journalists to comprehend and properly cover these issues.”

In September 2005, the Romanian Press Club started a debate on regulating the relations between journalists and owners. Pay levels remain unsatisfactory, panelists said. Because advertising is a better-paid industry, Mihai Vartosu says that a lot of journalists are being hired at

his firm: "I have the conviction that all those leaving their profession do it because of the money or the manner they are forced to work in." Other panelists observe the difference between the Bucharest-based media and local outlets, while Iulian Comanescu said there is a real gap because "journalists between 25 years and 35 years cannot be easily found in the media. The middle-aged journalists, who joined the profession in their early years, left to work in other fields."

The panelists uniformly complained about the increased quota of entertainment in media products. "The news isn't news anymore; anecdotes are what is demanded," Iulian Comanescu said. However, a good sign is that three televisions specializing in news are present on the market.

Panelists did not perceive the technical capacity of media as a problem, given the broad access to high technology in Romania. However, Adrian Voinea said the majority of newsrooms do not have legal software.

The market of niche publications is developed and continues to grow. Specialized magazines for IT, autos, women, fashion, and pets are strongly market-oriented and flourish.

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Romania Objective Score: 2.67 / 4.00

There are an increasing number of news sources available to Romanians, and the MSI panelists registered the continued growth during 2005. More than 15 Bucharest-based daily newspapers are on the market, and the kiosks in main cities generally offer three to four dailies. The state television network has four channels, and private broadcasters have opened since 1993. Three television stations specialize in news, although their audiences are quite small. Urban areas are well serviced by cable systems offering a wide range of channels, and the firms have begun to penetrate the rural areas as well, with European Union (EU) data for 2005 showing that 58 percent of the population can access cable television. In addition, satellite transmission is increasingly reaching rural areas at prices comparable to cable subscriptions.

Concentration of media ownership is a concern, however, according to the MSI evaluators. For example, Dan Voiculescu, owner of Antena 1, the second-largest commercial television station, also leads the small Conservative Party, which depends on its presence in the media industry to maintain its place in the alliance with the former and current governments, the panelists said. Recently, Voiculescu launched an additional television station specialized in news programs. Three

Multiple news sources provide citizens with reliable and objective news.

PLURALITY OF NEWS SOURCES INDICATORS:

- > A plurality of affordable public and private news sources (e.g., print, broadcast, Internet) exists.
- > Citizens' access to domestic or international media is not restricted.
- > State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for print and broadcast media.
- > Independent broadcast media produce their own news programs.
- > Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates.
- > A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.

other major media holdings have developed around other controversial figures such as Adrian Sarbu, Cristian Burci, and the Micula brothers. In addition, in 2004, a powerful trade union created its own media empire, buying the most prominent news television station, a radio station, and two dailies.

The 2005 EU study of Romania's television sector concurred that the lack of transparency regarding the capital behind the stations is a major problem. For example, an investigation questioned cash transfers allegedly from the Romanian state budget to the media mogul Cristian Burci. The same report also said that an increasing number of media outlets have registered under offshore jurisdictions where ownership is difficult to uncover, apparently to conceal their ownership more effectively. "There are serious suspicions that the true owners are hiding behind fictitious names that appear in the offshore ownership of some newly arrived broadcasters, such as Realitatea TV, Global Media, or Radio Kiss FM," the EU report said.

President Basescu participated in a September meeting with the Convention of Media Organizations and stated there that the Romanian media are controlled by various interest groups. The MSI panelists differed on whether this and other discussion of the issue

represented progress during 2005. George Ene, general secretary of the Romanian Press Club, said the president's statement "shows that, actually, the ownership in media is transparent, because we know who holds what. It's a first step—anyway more than last year." Others were less optimistic, suggesting that no steps were being taken to remedy the situation.

Panelists agreed that consumer access to media in Romania is not a problem. The legislation sets no restrictions on foreign news, with access limited only by high prices. About 19 percent of the population has access to the Internet, according to 2005 data from the EU.

Despite the failure to reform the law on public radio and television, the panelists noted some progress during 2005 on the editorial side of both networks. Razvan Martin, who monitors editorial independence of television stations, said opposition voices had a greater presence on state television during the year, compared with 2004. "There is a more solid balance between political actors, especially if we look at the subjectivity factor," he said. "We prepared a report, 'Televisions Grew Teeth,' in which we show that criticism regarding the current regime on television has increased compared with last year."

The new governing coalition formed a parliamentary committee to investigate the situation at public outlets. The final report issued in May 2005 concluded that from 2000 to 2004, public radio and television both failed to ensure a plurality of views within their news reports and manipulated reporting to eliminate negative coverage of the government led by Adrian Nastase. The report also observed the "anticipative obedience" of journalists whose work indicated they were trying to anticipate what the government would like to see broadcast. The representative of Nastase's party boycotted the committee meeting and refused to accept its report, which was not followed by any measures or punitive steps against the management of the two networks.

Ioana Avadani, who had sharply criticized Romanian state television for political bias, was part of a jury that selected a new chief of its news department in 2005. She said the process showed institutional transparency had improved. "I was a member of this jury, and nobody called me to indicate a direction," she said. This was the first time this important position was filled using an open procedure, and, as a result, the outcome won widespread acceptance. The panelists expressed hope that the selection mechanism would become permanent.

The state-owned Rompres news agency is controlled by the parliament, but its market position is poor. The most important agency is the privately owned Mediafax, controlled by Adrian Sarbu but with a company registered in Holland with secret shareholders as the formal owner. Some panelists expressed doubts about Mediafax's professionalism, suggesting it is connected to the former ruling party. "It is very biased," said journalist Iulian Comanescu. "They make pro-PSD analyses and distribute them to other media outlets."

All television stations produce their own news programs, as do most radio stations. One panelist said there had been some reduction in local news production because of the affiliation of local stations to national ones. Most local stations produce only two hours of their own programming daily.

There are no restrictions on coverage of social issues, "except the journalists' lack of appetite for these subjects," Ioana Avadani said. However, Razvan Martin said there are "ignored categories: rural areas, women, older people, teenagers. The way the first Romanian gay parade was reflected in the media was as a sensational scoop."

OBJECTIVE 4: BUSINESS MANAGEMENT

Romania Objective Score: 2.58 / 4.00

Romanian media are gradually but steadily becoming more and more market-oriented, the MSI participants agreed. Only a few newspapers function as real businesses, however, and public television and radio are historically badly managed. All print media have problems with inefficient service from the Romanian Post Company, which handles subscription-based distribution. For direct sales distribution, the market is still dominated by the formerly state-owned company Rodipet, which still delays payments even after being privatized in 2003. Despite the problems, however, George Ene said the general impression that the media industry does not offer opportunities for profit is incorrect: "In 2004, a single newspaper reported a profit of \$1 million!"

The print media depend too much on sales. The situation is better for the large newspapers in Bucharest, where the advertising market is more developed. But the panelists estimated that the portion of revenues raised from sales, as opposed to advertising, was at 60 to 80 percent for most papers. The state radio and television stations have three sources of funding: state subsidies covering the cost of transmitters and relays, compulsory subscriptions, and advertising.

Independent media are well-managed businesses, allowing editorial independence.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets and supporting firms operate as efficient, professional, and profit-generating businesses.
- > Media receive revenue from a multitude of sources.
- > Advertising agencies and related industries support an advertising market.
- > Advertising revenue as a percentage of total revenue is in line with accepted standards at commercial outlets.
- > Independent media do not receive government subsidies.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor products to the needs and interests of audiences.
- > Broadcast ratings and circulation figures are reliably and independently produced.

Many international advertising agencies are active in Romania, including McCann Ericsson, Saatchi & Saatchi, and Young and Rubicam, and they handle about 80 percent of advertising spending despite the large number of indigenous agencies. The overall market remains poor in comparison with Western Europe. Mihai Vartosu estimates total advertising revenues at about €200 million, with €130 million going to television, €40 million to print, €10 million to radio, and €20 million to other venues. The Bucharest-based media traditionally received almost all the big advertisers' business, but panelists said the situation has been improving during the past two years for local media. Adrian Voinea said the local newspaper he manages has seen ad revenues increase during the past two years from about \$16,000 to \$80,000.

There are no direct subsidies for media outlets in Romania. There have traditionally been two types of hidden subsidies—advertising paid by state institutions and the rescheduling of debt owed to the state budget—but panelists said progress had been made on both during 2005. The new government stopped the informal policy of buying good coverage through advertising contracts and invited a group of NGOs to develop proposals for better regulation. The Center for Independent Journalism led this coalition in pressing successfully for amendments to the Public Procurement Law, creating special procedures for public advertising contracts that are more transparent

and accountable. The European Commission commended these changes as the key advance for freedom of expression in Romania during 2005.

Many state entities that used to spend a lot of money for advertising campaigns with no clear outcome stopped this practice. This has had economic repercussions for some media outlets and led to concern that the government was not putting its case forward, unleashing unjustified criticism. Ioana Avadani rejected this suggestion: "Since so many public institutions lived an entire year without advertising, it means that it was not bought for its purpose but it was a form of subvention of the media ... Where there was the case, advertising continued to be made—for example, the campaign for the new fiscal code or for social tariffs for holidays."

In 2003, the Ministry of Finance published a list of companies owing money to the state that showed all the national television stations carried debt, either directly or through other companies with the same owners. The 2005 numbers published by the ministry showed that only the owner of Prima TV, the third commercial television station, remained in debt but had signed a rescheduling agreement. The Romanian Press Club, which includes all the major media outlets, changed its internal regulations during 2005 to require each member to make a statement about any debt to the state. Members that owe money but do not agree on a payment schedule would be suspended from the association, but the first filings indicate no major problems, George Ene said.

Market research is available, albeit at a price too high for some outlets and not put into practice at others, the panel agreed. The Romanian Audit Bureau of Circulation (BRAT) was founded in 1998 as an independent, non-for-profit organization. Many advertising agencies have a certificate issued by BRAT as a recondition for allocating any advertising to a print outlet. Through the broadcast law adopted in 2002, the state intervened in the broadcast rating system by allowing the CNA to select a single rating system, which is currently in place. The system functions as a private association of television stations and advertisers, and only its members have full access to the collected data.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Romania Objective Score: 2.62 / 4.00

Although the journalistic community in Romania remains generally skeptical of joining a union, important steps were made in 2004 and 2005. MediaSind, a federation of unions with more than 8,500 members including not only journalists but also

technical staff from state radio and television and printing facilities, has become increasingly active. In 2004, it signed a collective labor agreement for the media industry that establishes the clause of conscience—a special regulation that should allow journalists to obey only their consciences and to refuse owners’ interventions—as one of the fundamental labor rights for journalists. One panelist questioned whether the contract is applied across the industry, and another said that MediaSind puts itself in a “delicate position” by protecting so-called journalists working at, for example, the Ministry of Transportation.

The CRP gathers the most important media owners, publishers, and media directors. It also has a section for individual journalists, but this is less visible. CRP collaborates with watch-dog NGOs on shared concerns, such as regulating government advertising and advocating for a new law on public media. Another important actor is the Association of Local Press Editors (APEL), which brings together the regional outlets not represented in the CRP. Broadcasters have their own organization called ARCA, but it does not deal with editorial matters.

The most important NGOs are the Center for Independent Journalism (CJI), the Media Monitoring Agency (MMA), the Romanian Helsinki Committee, and the Pro Democracy Association. They act as an informal coalition to defend press freedom, keep international observers

informed, and place media concerns on the agenda of donor and multilateral organizations.

From this has emerged the Convention of Media Organizations in Romania (COM), including 40 organizations from across the country. “We are still very few,” Razvan Martin said. “In the advocacy campaign for a new law for public television, our lack of power was obvious.”

“In the advocacy campaign for a new law for public television, our lack of power was obvious.”

There are 20 journalism university programs across Romania, private and state. The average number of students per class is 60, so a huge number of graduates flood the market every year. “As long as the law regarding education ties the funds received from the state to the number of students, we will have diploma factories,” Ioana Avadani said. Students do not receive sufficient hands-on training, despite a required annual three-week “practical training” at professional newsrooms. “There is a gap between universities and the industry,” said Iulian Comanescu. “Universities look with disdain upon the industry, and the latter with skepticism on the universities.”

After the 2001 closing of an institute run by the BBC, the CJI remained the only short-term training provider. CJI provides courses for journalists and journalism students, but also for students in related fields such as political science, economics, and law. It also provides targeted assistance to media outlets and hosts visiting professionals from abroad. More than 5,000 journalists and other media professionals and students have attended CJI programs since November 1994. The MediaSind union announced in late 2005 its intention to start a journalism institute. “There are no internal trainings within the companies, though there are a lot of people in newsrooms that don’t even know how to write in Romanian,” Iulian Comanescu said.

Panelists agreed that newsprint and printing facilities are widely available. Most of the newspapers own presses to reduce costs. A single newsprint factory exists in Romania, owned by a high-profile businessman and politician, but the panel did not consider this a problem because it is run as a straightforward business.

Kiosks for media distribution are, in principle, independent and free. The largest print media distribution company, the former state-owned Rodipet, remains inefficient and has delayed payments to media outlets often. Some panelists expressed concern regarding the concentration of Internet providers and cable distribution firms, which has reduced consumer choice.

Supporting institutions function in the professional interests of independent media.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of private media owners and provide member services.
- > Professional associations work to protect journalists’ rights.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs that provide substantial practical experience exist.
- > Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
- > Sources of newsprint and printing facilities are private, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

Panel Participants

Ioana Avadani, Executive Director, Center for Independent Journalism, Bucharest

Razvan Martin, Program Coordinator, Media Monitoring Agency, Bucharest

Brindusa Armanca, Journalist, *Ziua* newspaper, Bucharest

Adrian Voinea, Editor, *Gazeta de Sud*, Craiova

Liviu Avram, Journalist, *Bucharest*

Mihai Vartosu, Regional Managing Director, Grey Advertising Agency, Bucharest

George Ene, General Secretary, Romanian Press Club, Bucharest

Iulian Comanescu, Journalist, *Evenimentul Zilei*, Bucharest

Moderator

Cristian Ghinea, Journalist, *Dilema Veche*, Bucharest

Observer

Liana Ganea, Media Monitoring Agency, Bucharest

ROMANIA AT A GLANCE

GENERAL

- **Population:** 21,673,000 (July 2004)
- **Capital city:** Bucharest
- **Ethnic groups (% of population):** Romanian 89.5%, Hungarian 6.6%, Roma 2.5%
- **Religions (% of population):** Orthodox 86%, Catholic 4.7%, Reformats 3.2%, Greco-Catholics 0.8%
- **Languages:** Romanian (official), Hungarian, German
- **GDP:** €58.9 billion (2004)
- **Literacy rate (% of population):** 97.4% for population over 10 years old
- **President or top authority:** President Traian Basescu
- **Next scheduled elections:** Parliamentary 2008, presidential 2009

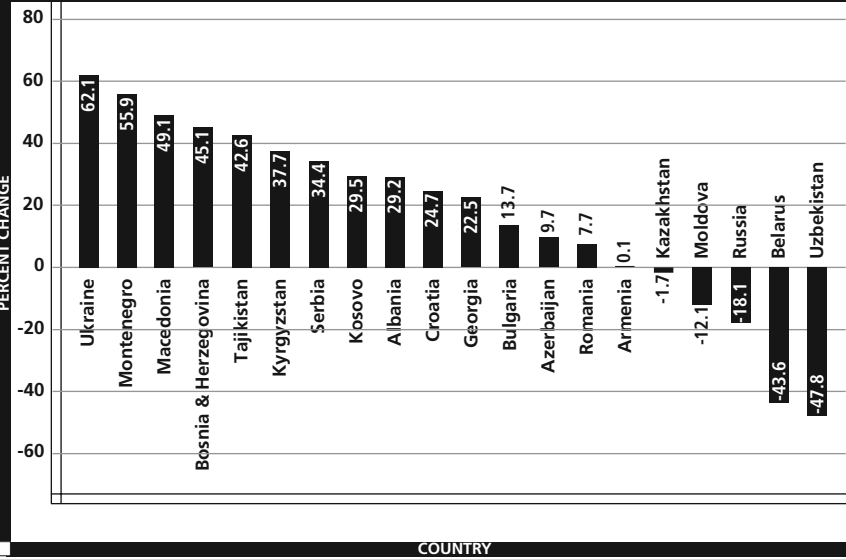
MEDIA-SPECIFIC

■ **Newspaper circulation statistics (total circulation and largest paper):** The newspapers registered by the Audit Bureau of Circulations (BRAT) in 2005 sold a total of 1,051,189 copies each day. *Audit Bureau of Circulation, October 2005*

Libertatea, the largest paper, sold 251,834 copies.

■ **Broadcast ratings (top three ranked stations):** Pro TV, Antena 1, Acasa TV
TNS-AGB

MSI AVERAGE SCORES—PERCENT CHANGE 2001–2005



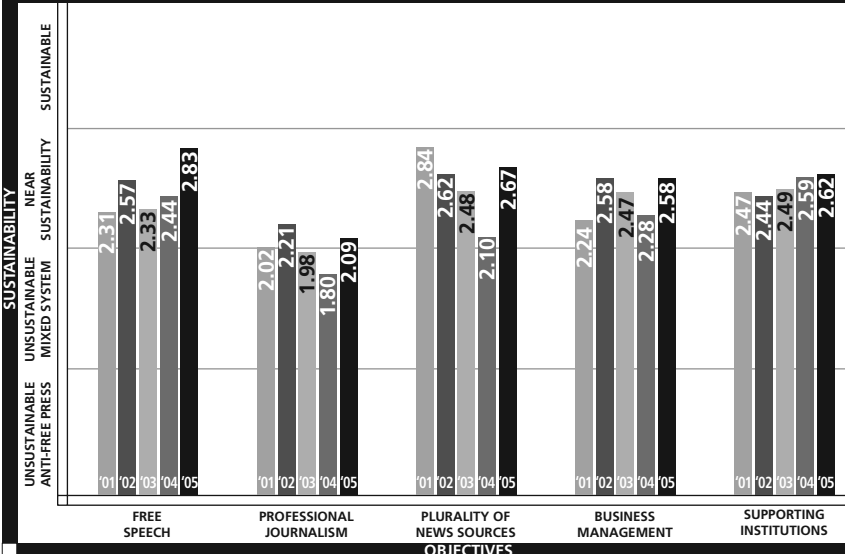
■ **Number of active print outlets, radio stations, television stations:** Over 1,000 print outlets; according to the National Broadcasting Council, 519 radio stations and 189 television stations were licensed (2004), but not all of these actually function.

■ **Annual advertising revenue in media sector:** €200 million (television €130 million, print €40 million, radio €10 million, other €20 million) *Mihai Vartosu, director of ARMA (Romanian Association for Measuring Audiences)*

■ **Number of Internet users:** Approximately 4 million *“Television Across Europe: Regulation, Policy and Independence”—Romanian chapter, EU Monitoring and Advocacy Program, 2005*

■ **News agencies:** Mediafax, Rompress, AM Press, Romnet, AMOS News

MEDIA SUSTAINABILITY INDEX: ROMANIA



SIMILAR PROBLEMS AND CHALLENGES FACE THE MEDIA SECTOR: 2005 WITNESSED THE STOPPAGE OF BROADCAST PRIVATIZATION, THE REASSERTION OF INTERFERENCE BY THE STATE AND POLITICAL PARTIES IN MEDIA MANAGEMENT, AND INCREASED PERSECUTION OF JOURNALISTS AND MEDIA ENTITIES BY LOCAL AND STATE POLITICIANS.



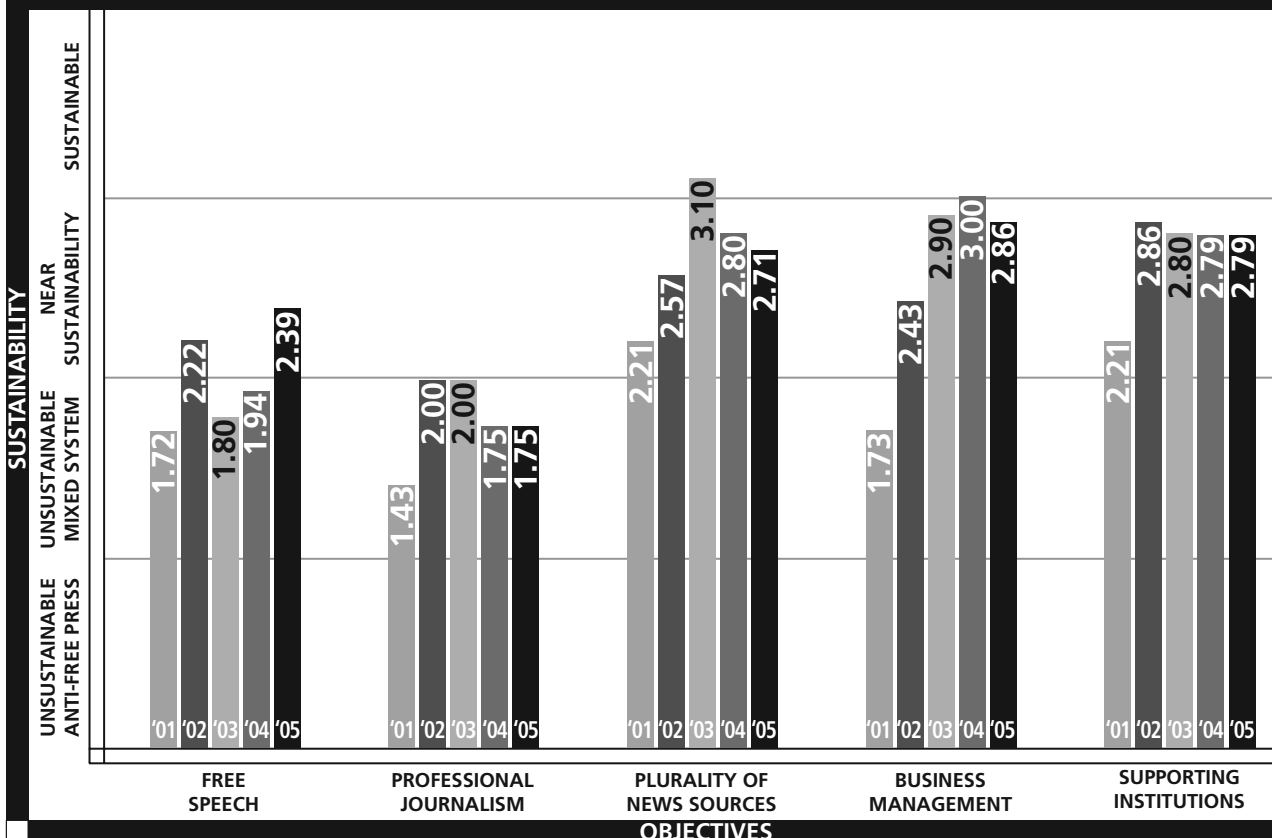
Five years after the departure of the Milosevic regime, Serbia continues to cope with the transition to democratic and market systems. The country struggles to pass through difficult political and economic crises as it tries to emerge

from the Milosevic years and more than a decade of international isolation and stalled reforms. In addition to the normal transition issues, Serbia must face serious issues affecting the very nature of the state, such as the future of its federation with Montenegro and resolution of the status of Kosovo. In addition, Serbia remains under pressure from the international community, which is seeking full cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY). At the same time, radical forces in Serbia are using the ICTY as a rallying cry against democratic forces. Against this backdrop, serious economic problems, including severe and widespread poverty, threaten Serbia's ability to develop into a modern European state.

The key transition challenges therefore still remain from previous years: improving democratic mechanisms; reducing bureaucracy and combating corruption; boosting private-sector development and improving the investment climate; and restructuring and privatizing major public-sector companies.

Similar problems and challenges face the media sector: 2005 witnessed the stoppage of broadcast privatization, the reassertion of interference by the state and political parties in media management, and increased persecution of journalists and media entities by local and state politicians. In 2004, one of the most serious, long-lasting problems was the inefficiency of the Broadcast Council and the government's failure to redistribute frequencies in a fair and impartial manner. This occurred despite the earlier introduction of laws aimed at providing guidelines for the issuing of frequencies. The stalemate continues, and licensing has not happened. The tabloidization of the media, considered by the Media Sustainability Index (MSI) panel in 2004 to be the most distressing phenomenon of that year, may be even worse in 2005, with growing use of intolerant and racially abusive content. Tabloids are heavily engaged not only in sensationalist,

MEDIA SUSTAINABILITY INDEX: SERBIA



Unsustainable, Anti-Free Press (0-1): Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

Unsustainable Mixed System (1-2): Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

Near Sustainability (2-3): Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

Sustainable (3-4): Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

unfair, and unbalanced reporting, but also in actively and knowingly fabricating lurid political scandals, character assassinations, and witch hunts against selected individuals.

These negative developments were fortunately accompanied by improvements in other sectors of the media. The Freedom of Information Act began to be implemented, access to foreign information sources is now absolutely free, and the Broadcast Council finally started to work, albeit with extremely modest results. Additionally, the privatization of state-owned print media did move ahead. Market leaders in professional news and public-affairs programming continue to play important roles in the market. National media such as B92, Beta and FoNet, Vreme, Danas, and Nin, and many local and regional media serve not only as serious sources of news and information but as examples of professional journalism for the media market.

OBJECTIVE 1: FREE SPEECH

Serbia Objective Score: 2.39 / 4.00

In 2005, there were improvements in free speech over the previous year as important legislation began to be implemented. These improvements included amendments to the Broadcast Law, allowing the Broadcast Council to begin operating; an access-to-public information law began implementation; improved tax treatment of media; and a regulated advertising market. At the same time, serious problems remain: Political interference continues and is increasing at the local level, libel remains in the criminal code, and licensing has still not started despite progress toward that goal.

The legal protection of free-speech rights improves slowly from year to year in the opinion of the panelists. The parliament passed amendments to the Broadcast Law and passed an Access to Public Information Law. With the amendments to the Broadcast Law, the Broadcast Council began to function. After two years of prevarication, a Law on Advertising was passed and provided clarification on advertising content regulation, bringing some measure of certainty to media. In addition, the Ministry for Culture finally published the long-awaited deadlines for privatization of electronic media in a parliamentary decree. As Goran Vladkovic, owner of OK Radio in Vranje said, "All of the laws in favor of media passed, thanks to the pressures from the Free World on the Serbian Government. The government did not want these laws but had to pass them under outside pressure."

The licensing of broadcasters remains an area where Serbia lags far behind the rest of Central and Eastern Europe. Licensing has still not progressed, and no regulations even exist for prospective licensees to follow. The only positive move this year was the Broadcast Council's recent invitation for media to apply for registration as a step toward licensing. However, the hundreds of broadcasters in Serbia continue to operate in uncertainty.

Despite the problems with licensing, market entry is not unduly restricted in other ways and the tax structure is similar for other industries. The one exception provides favorable tax treatment to print media, which pay only an 8 percent value-added tax (VAT), compared with the normal rate of 18 percent.

Unfortunately, according to the Independent Journalists Association of Serbia (NUNS), 2005 saw more attacks on journalists, including physical assaults. NUNS also believes that the number of threats made against journalists is increasing. The media community judged investigations into these assaults and threats as insufficient or nonexistent. As

Legal and social norms protect and promote free speech and access to public information.

FREE-SPEECH INDICATORS:

- > Legal/social protections of free speech exist and are enforced.
- > Licensing of broadcast media is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against journalists or media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > State or public media do not receive preferential legal treatment, and law guarantees editorial independence.
- > Libel is a civil law issue; public officials are held to higher standards, and the offended party must prove falsity and malice.
- > Public information is easily accessible; right of access to information is equally enforced for all media and journalists.
- > Media outlets have unrestricted access to information; this is equally enforced for all media and journalists.
- > Entry into the journalism profession is free, and government imposes no licensing, restrictions, or special rights for journalists.

“All of the laws in favor of media passed, thanks to the pressures from the Free World on the Serbian Government. The government did not want these laws but had to pass them under outside pressure,” said Goran Vladkovic.

Suzana Jovanic of the Open Society Fund noted, “Criminal acts against journalists are not prosecuted. This is a very dangerous situation.”

State media remain in a

preferential position, as they receive money directly from the state and have the ability to receive substantial advertising income. In 2005, obligatory subscriptions for the state broadcaster were introduced, but how this financing will ultimately affect state broadcasting remains to be seen. Panelists judged that while Radio-Television Serbia (RTS) has improved, it cannot be seen as a public broadcaster, free from political interference and serving the public. At the local level, state media remain as privatization stalls and local politicians interfere in editorial control.

Libel remains in the criminal code, but jail sentences have been removed as punishment and only financial penalties may be imposed. However, the harmful practice of making journalists prove they are not guilty, instead of the presumption of innocence, stays in the legislation. The MSI panel also observed that judges are not trained sufficiently to deal with libel cases and therefore are not implementing Serbian laws in light of the country’s recent ratification of the European Convention on Human Rights. As Dragoljub Zarkovic, editor-in-chief of *Vreme*, stated, “Journalists accused of libel can expect different treatment depending on which judge tries their case. Most judges do not know the laws relating to libel. My proposal is that judges should go for additional education.”

The beginning of implementation of the law on Access to Public Information occurred in 2005. Panelists generally contend that the law represents a step in the right direction toward opening public records to the media and public. However, the law does impose an onerous requirement for notification, and the government maintains the right to censor any document requested. In practice, the law has not yet shown substantial benefits. Local media in particular have real problems getting any official information, especially if it is delicate and does not favor politicians or the parties in power in their municipalities. Svetlana Kojanovic from *Cacanski Glas* (Cacak) argues that “journalists in the local media are especially burdened

by complicated procedures to get official statements from Serbian state representatives and often are prevented from doing their job professionally.”

Entry into the journalism profession remains unrestricted by either government or professional bodies representing the journalism community. Some expressed concern that there are no professional qualifications or training needed to enter the profession, resulting in reporters who either ignore or are ignorant of basic ethical standards. As Nebojsa Spajic of the Executive Group noted, “Paradoxically we can give the highest mark to the possibility of entering the journalist profession. But this situation has its negative side because here in Serbia literally anybody can become a journalist, so our professional standards drop to the lowest levels, including reporters with low levels of literacy, whilst also having high levels of prejudice and vulgarity.”

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Serbia Objective Score: 1.75 / 4.00

Looking across the entire media sector, 2005 witnessed stagnation in the level of professionalism of independent media compared with 2004. In 2004, the MSI pointed to a generally low skill level across the profession, poor ethics, and self-censorship. The stagnation the panel agreed on did not represent a clear consensus on the

Journalism meets professional standards of quality.

PROFESSIONAL JOURNALISM INDICATORS:

- > Reporting is fair, objective, and well sourced.
- > Journalists follow recognized and accepted ethical standards.
- > Journalists and editors do not practice self-censorship.
- > Journalists cover key events and issues.
- > Pay levels for journalists and other media professionals are sufficiently high to discourage corruption.
- > Entertainment programming does not eclipse news and information programming.
- > Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- > Quality niche reporting and programming exists (investigative, economics/business, local, political).

level of professionalism. Some focused on the growth of tabloid journalism as a serious threat to the profession, while others felt that this threat was overrated. However, all were clear that Serbia is witnessing two divergent trends in the journalism profession. On the one hand, tabloid journalism continues its spread, and this form of unprofessional and unethical reporting weighted down the overall scores as the more professional media continued to show improvements in the practice of journalism. This core of professional media committed to ethical, balanced, and informative reporting remains influential among decision-makers and opinion-makers, while the tabloid media appeal to large segments of the general public. What this will ultimately mean for Serbian journalism remains to be seen, but the profession has begun to organize against the worst excesses of tabloid journalism, seeking to apply a system of ethics and standards.

Nebojsa Spajic indicated that “research completed in the last 12 months showed that many journalists are not aware of the most basic ethical principles, and what is worse is that that the situation has not improved over the last two years.” However, the impact of tabloid journalism should not alter the reality that the standards of journalism have been improving among the general media, due in part to training courses organized by Serbian media organizations and donors. Ethics are better understood, and professional standards are improving. The panelists believed that many journalists and editors do not possess the skills to cover the dramatic nature of events unfolding in this society or in the region. Dragoljub Zarkovic points to the lack of depth in coverage: “The problem of reporting on Kosovo, especially using an analytical approach, is nonexistent. This is a serious problem.”

There is also a danger that there will develop a race for the lowest common denominator. Svetlana Kojanovic alluded to this by indicating that “circulation, number of viewers, number of listeners, and people-meters have become the basis for calculating success in this profession.” Dragoljub Zarkovic also indicated that this remained a potential problem: “The problem is not with extreme media but the fact that the business world does not support good media. Business loves primitive media.”

Self-censorship continues to be an issue, albeit one that takes on different forms. It is widely believed that there are no political pressures on editors of national media but that pressures from business circles are growing. At the same time, editors indicate that some people try to pay to have articles written about them, while others try to pay to stop things being written about them.

Self-censorship continues at national and local levels but may be particularly acute in the local media.

This self-censorship does not affect, on face value, coverage of key events and issues. They are covered by most media. However, the quality and complexity of much of the coverage is doubtful due to self-censorship, lack of professional skills, and social pressures against certain coverage. As Marina Fratucan, the CEO of URBANS Productions in Novi Sad, notes, “We go to Kosovo when it is possible, but publishing our stories was blocked out by most media.”

At the same time, there is slow improvement in niche reporting and programming. However, investigative journalism is an area under pressure, since many journalists refuse to work on serious stories for their basic salaries and since there is not enough technical or financial capacity for serious investigative journalism.

One of the problems facing the profession and making improvements more difficult remains the low level of pay for most journalists. The average salary of journalists in Serbia has not been higher than \$300 per month for years. This opens journalists to corruption and also drives many talented people out of the profession.

While tabloid journalism is a continuing concern, it is widely accepted that the balance between entertainment and news and information programs stayed the same in 2005 as in

previous years. While in 2004 panelists believed that RTS increased entertainment at the expense of news, they believed that the balance did not change in 2005. Local media are introducing more news, a fact appreciated by the audience, but the quality of many news programs is questionable. It should also be noted that traditional political programs are undergoing somewhat of a transformation. More of these shows are borrowing their ideas and styles from the world of entertainment.

A problem that will face local media and their ability to produce quality news is the declining quality of their technical facilities and equipment. While most Belgrade-based media have modern technology in use,

Nebojsa Spajic indicated that “research completed in the last 12 months showed that many journalists are not aware of the most basic ethical principles, and what is worse is that that the situation has not improved over the last two years.”

local media lag far behind in this respect. Now that the process of donor withdrawal of funds for Serbia is well under way, the ability of provincial media to replace and upgrade this equipment remains problematic. This, combined with the particularly low levels of pay at the local level, makes local media the most endangered of all media in Serbia.

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Serbia Objective Score: 2.71 / 4.00

The MSI panel agreed that the situation remained much the same as in 2004, if even slightly worse for some of the indicators. In purely numerical terms, Serbians enjoy access to a wide variety of news sources. Hundreds of broadcasters providing news exist in Serbia's unregulated broadcast sector. Private stations exist at local, regional, and national levels. The state broadcaster, RTS, continues to be a major news source and local municipally owned media (more than 150) compete with local private media. The print sector offers dailies, weeklies, and local and regional newspapers. There are no restrictions on foreign news sources, either broadcast or print.

However, this numerical plurality does not necessarily mean there is quality, nor does it mean unfettered access by the general population. State and municipal broadcasters face outside pressures but also are pressured to maintain the status quo and follow the majority opinion toward major events and issues. Income levels continue to limit the ability of large parts of the population to buy print media regularly. Varied offerings, including foreign media on cable and satellite remain expensive, as does Internet access due to a state monopoly on the transmission system. As Marina Fratucan noted, "Internet, cable and satellite TV, foreign publications, everything is available to everybody if they have the means to pay for it. The question really is what part of the population has the prerequisites to receive any of this varied information."

Panelists noted a general misunderstanding about the role of public-service broadcasting, both in the commentary provided by a wide range of media outlets and in society at large. It is not viewed as a potential source of independent and unbiased news and public-affairs programming, but rather as something that should follow public opinion and, among a large segment, one that should represent the state interests. This, in turn, contributes to lack of public concern over the lack of an apparent public-service ethos at RTS. Slobodan Kremenjak noted, "Instead of filling

the gaps that commercial broadcasters do not cater for, RTS has started competing with them. The output practically resembles commercial stations' program schedules much more than it resembles public-service broadcasting." Voja Zanetic of Mozaik Marketing Agency follows this point as well: "RTS does not invest in cultural and educational programs as much as they should as a public service, simply because it has not become a public-service broadcaster and also—it has nothing to invest."

Local municipal media remain an important source of news for the population and remain under municipal ownership since planned privatization has been stalled for the past two years. While many of these outlets were important sources of professional news during the Milosevic era, when opposition-controlled municipalities allowed editorial independence, there has been a growing trend, noted also in 2004, to restrict their ability to operate as public-service media. Nebojsa Bugarinovic, the president of NUNS noted that "municipal politicians often feel these outlets are their own PA system."

Serbia has two high-quality private news agencies, Beta and FoNet, and the state-controlled Tanjug continues its operations, drawing the majority of its resources

Multiple news sources provide citizens with reliable and objective news.

PLURALITY OF NEWS SOURCES INDICATORS:

- > A plurality of affordable public and private news sources (e.g., print, broadcast, Internet) exists.
- > Citizens' access to domestic or international media is not restricted.
- > State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for print and broadcast media.
- > Independent broadcast media produce their own news programs.
- > Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates.
- > A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.

from the government. The agency then competes in the poor Serbian market with Beta and FoNet, whose quality is generally rated better than Tanjug's. The poor economic situation in Serbia continues to hinder the ability of the news agencies to invest and expand their operations. Zlata Kures of Beta argues, "Most of the media outlets are not able to pay what is a realistic price for news agency services. and Beta is forced to lower its prices to the level of meager day-to-day survival. This income from the market is not enough to cover its running costs." In addition, Zlata Kures argues that there is not an appreciation for news agency services since there is a "strong tradition" of these services being provided free of charge.

While the news agencies are widely used in Serbia by both print and broadcast media, most outlets providing news do produce their own programming. Panelists noted that it was not a matter of programming being produced, but the quality of that programming that reduced citizens' access to diverse sources of professional news. Svetlana Kojanovic explained, "The enormous number of media on offer in Serbia unfortunately does not mean the information presented is reliable and well balanced. Even an average recipient recognizes easily who is the owner of an outlet—be it the state or local administration, a businessman or a politician—because that outlet has no distance or critical approach toward the owner. This problem is extremely present during pre-election campaigns." Some quality news is distributed via networks or rebroadcasts (ANEM, B92), which helps improve the situation.

Panelists felt that there remained some distance to go until one can say a broad spectrum of social interests are reflected and represented in the media. Many of the panelists felt religious, social, economic, or political perspectives are not truly represented, as publications and broadcasters tend to focus on what is favored by the ruling political parties and their allies. Public media have not done a good job of meeting the needs of minorities. The key RTS slogan, "national TV," rings hollow in a country where a large percentage of the population belongs to national minorities. They seem pitifully served by their "national TV." A void has also developed in the area of educational and cultural programming that should be provided by RTS. Panelists felt that "ghetto-ization" of minority programs appears to be the solution for state broadcast schedulers, as they insist that minority-language programs exclude the majority of Serbian-only speakers. At the same time, one panelist noted that "minority-language media outlets also do not have pluralism, nor do they show plenty of tolerance for otherness. In major media, the interest for minority

issues doesn't really exist. Hate mail and other threats are still appearing in national newspapers when it comes to covering minority issues, even when this includes covering others such as ethnic or gender issues."

For private media, the issue of media ownership continues to be a concern. Media companies are registered according to the law, but the "data" submitted are not always reliable and there is no obligation to report the origin of any investment. At the same time, it is believed that there is no clear monopolization of the market. One panellist noted that "Serbia is one of the rare countries in the region where plurality of media ensured there has been no monopolization of the media market—and this is very good for Serbia's media future. In television we don't have any conglomerate prevailing, so there is a lot of diversity."

OBJECTIVE 4: BUSINESS MANAGEMENT

Serbia Objective Score: 2.86 / 4.00

The situation in business management remained essentially the same as in 2004, with some circumstances in the business environment getting tighter, making media outlets' work across Serbia even more difficult. The media industry, although under many pressures, operates reasonably efficiently

Independent media are well-managed businesses, allowing editorial independence.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets and supporting firms operate as efficient, professional, and profit-generating businesses.
- > Media receive revenue from a multitude of sources.
- > Advertising agencies and related industries support an advertising market.
- > Advertising revenue as a percentage of total revenue is in line with accepted standards at commercial outlets.
- > Independent media do not receive government subsidies.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor products to the needs and interests of audiences.
- > Broadcast ratings and circulation figures are reliably and independently produced.

and professionally. Media receive revenue from a variety of sources, but the overwhelming problem is the economy, with a generally low level of financial liquidity. As Svetlana Kojanovic argued, "With the current state of the economy in this country, it is highly improbable that any media outlet is able to resemble a proper business! Private media owners usually deal in other, more profitable activities outside the media to make their real money. Disloyal competition and an oversaturated market are still here, so the majority of media is very dependent on the few financial 'Almighties,' which in turn directly limits the independence of editorial policy."

There is a concern over which outlets are most sustainable. Marina Fratucan believes they are not the most independent. "There are no truly completely independent media. Those that are nearest to this profile are, unfortunately, not profitable businesses." However, many do believe that sustainability is in sight for even the most professional news media that have relied to a large extent on donors. Dragoljub Zarkovic notes that "more than ever the pressure is to place as many ads as possible in the media, which is a healthy source of income. Much of the media is approaching a position to generate a substantial part of their income from the market."

The advertising industry in Serbia is even more developed than the media sector. Affiliates of foreign agencies operate in the country, and local agencies also compete. Many media have developed relationships with ad agencies as well as their own advertising departments, if proactive selling is not always the norm. However, the advertising industry is experiencing some disturbances, caused by the introduction of the Advertising Act at the end of 2004. This act banned advertising for cigarettes on radio and television and placed restrictions on alcohol advertising. Both were major sources of revenue for the agencies and the media, causing a change in the market. Another important new feature of the market is the fierce ratings clash between RTS and TV Pink, the top-rated commercial station. This will have an impact on advertising across the market.

As a rule, private media do not receive government subsidies, but there remain shades of doubt posed by some panelists about state institutions acting as advertisers. Charity, education, and health campaigns run by various Ministries along with the advertising produced for the National Lottery have considerable budgets, and they might be used to condition the news agendas of some media outlets, according to some panellists.

The use of professional market research and ratings is now regular and familiar in Serbia. Broadcast ratings are produced on a daily basis, thanks to the introduction of people-meters, and regular market research occurs at the national level. For print media, however, there are no reliable circulation figures produced. While sophisticated research does exist across Serbia, many media cannot afford to commission research themselves and many even cannot afford to buy results of regular surveys offered to all media.

There are an increasing number of media professionals who are well aware of the role of research and its use. Media planners and program schedulers are getting more interested in local research results and national databases. The research agencies, from their side, are trying to make their products more available and affordable. As Nebojsa Bugarinovic said, "Using the services of marketing and research agencies has become a necessity instead of a fantasy." However, the use and interpretation of research data remains problematic in some instances. Sometimes confusion results from different agencies providing competing data using different methodologies. In addition, the use of out-of-context quotations from research results adversely colors the perception of research results.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Serbia Objective Score: 2.79 / 4.00

Little change, positive or negative, was seen on average for supporting institutions. Serbia has a substantial number of media-support nongovernmental organizations (NGOs), media training institutions, and trade and professional associations of relatively long standing. However, there was little substantive change in their capacity or activities during 2005, while some human-rights and free-speech NGOs alienated major segments of the media community with their battles against live transmission of the Hague Tribunal proceedings and intense criticism of some reporting.

Trade associations for print and broadcast media exist and provide advocacy for the rights of their members and training in journalism and business management. The Association of Independent Electronic Media (ANEM) remains one of the leading associations with a high international profile, legal support for members, advocacy efforts for broadcasters' rights, and a training center for members. A leading print media association remains Local Press, which represents regional media. In particular, it helped local media prepare for the new tax system that allowed for tax rebates.

Supporting institutions function in the professional interests of independent media.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of private media owners and provide member services.
- > Professional associations work to protect journalists' rights.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs that provide substantial practical experience exist.
- > Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
- > Sources of newsprint and printing facilities are private, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

The Independent Journalists Association of Serbia (NUNS) is judged to be the most professional of the two major journalists' associations, with the Journalists' Association of Serbia (UNS), the former state association, being seen as less effective and independent and less supportive of the rights of journalists. While totally reliable figures are not available, approximately one third of journalists belong to NUNS, one third to UNS, and one third to no association at all.

NUNS claims 2,300 members and regularly participates in advocacy efforts in cooperation with other associations and NGOs, offers training on an ad hoc basis, and offers legal support to journalists. It also continued to pressure authorities on investigating the murders of journalists Slavko Curuvija and Milan Pantic. However, many in the media see NUNS as relatively weak. Svetlana Kojanovic argues that "there is still no bidding for frequencies and licenses and no collective labor contracts. So it is clear that journalist associations lack a significant impact and are seen as weak organizations and the government is using this to its advantage." Human-rights groups such as the Helsinki Committee and more specific institutions such as the Media Center also offer support for the media and advocate for free-speech rights, often in cooperation with organizations such as NUNS and ANEM.

In many respects, journalism education in Serbia can be seen as progressing, but at the same time the overall average is being watered down through at least a dozen questionably licensed journalism schools. Vesna Sladojevic, deputy editor-in-chief of RTS, asks: "Has anyone recently employed a good journalist coming from any of these schools? The state is making a huge mistake by licensing private, commercial universities without any control on the content and quality."

The centerpiece of formal journalism studies, the Department of Journalism at the Faculty of Political Sciences in Belgrade University, continued to upgrade its courses in 2005. After opening a radio studio, the television studio has been equipped and is now in use. This continues to move the faculty away from theoretical studies and toward a practical approach to journalism education. Public-relations studies and newspaper photography studies have been introduced, and cooperation and exchange with international journalism degree programs has started.

Short-term training is important at present as Serbia seeks to improve its existing core of journalists. However, it was noted that only a small percentage of people are being trained when counted against the enormous number of media outlets throughout Serbia. But short-term courses and seminars are being offered by organizations such as NUNS, ANEM, the Media Center, and international donors and NGOs. However, the reliance on donor support may be creating a false market, as Suzana Jovanic notes: "The numbers are deceiving. We don't have realistic indicators of trainees' and managers' attitudes while this education is free of charge, while the donors are paying for it."

The newsprint and printing industry are still unrestricted but under major threat of monopolization, particularly in relation to distribution networks, which are owned by foreign investors and local tycoons. Internet access bears the limitations associated with the monopoly over telephone lines controlled by the state postal service. Cable television channels are not regulated legally at all, and the state, through its broadcaster RTS, still owns and operates the hardware and infrastructure for transmitters. While there were no apparent instances in the print or broadcast sector of abuse by those controlling the distribution, the potential monopolization of printing and distribution and RTS control over much of the terrestrial transmission sites and infrastructure raises concerns that these levers could in the future be used against independent media.

Panel Participants

Svetlana Kojanovic, Director and Editor-in-Chief,
Cacanski Glas (Cacak)

Slobodan Kremenjak, Lawyer, Law Firm of Zivkovic &
Samardzic

Nebojsa Bugarinovic, President, Independent
Journalists' Association of Serbia

Voja Zanetic, Marketing Specialist, MOSAIK Marketing
Agency

Suzana Jovanic, Media Specialist, Open Society Fund

Zlata Kures, Deputy General Director, BETA News
Agency

Marina Fratucan, Chief Executive Officer, Independent
TV Production Group URBANS (Novi Sad)

Dragoljub Zarkovic, Director and Editor-in-Chief, *Vreme*

Darko Brocic, Director, AGB

Vesna Sladojevic, Deputy Editor-in-Chief, Radio-
Television Serbia

Goran Vladkovic, Editor-in-Chief, OK Radio (Vranje)

Moderator

Nebojsa Spajic, Senior Consultant, Executive Group

Observers

Sam Compton, Chief of Party, IREX ProMedia

Goran Cetinic, Media Advisor, IREX ProMedia

Dragen Kremer, Media Advisor, IREX Promedia

SERBIA AT A GLANCE

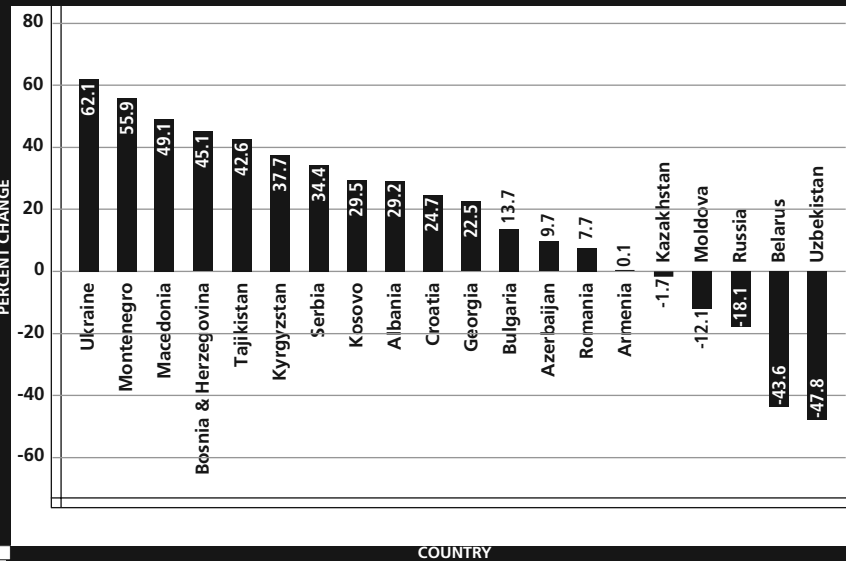
GENERAL

- **Population:** 7,498,000 *SMMRI*
- **Capital city:** Belgrade
- **Ethnic groups (% of population):**
Serb 82.86%, Hungarian 3.91%, Bosniak 1.82%, Roma 1.44%, Yugoslav 1.08%, other 8.89% *Federal Statistical Office*
- **Religions (% of population):**
Orthodox 65%, Muslim 19%, Roman Catholic 4%, Protestant 1%, other 11% *CIA World Factbook*
- **Languages (% of population):**
Serbian 88.3%, Hungarian 3.8%, Bosnian 1.8% *Federal Statistical Office, 2002*
- **GDP:** \$20.4 billion (2004 est.) *SMMRI*
- **Literacy rate (% of population):**
96.3% (According to the last Federal Statistical Office census, there are 3.7% illiterate inhabitants older than 10 years.)
- **President or top authority:**
President Boris Tadic
- **Next scheduled elections:** Local elections 2007

MEDIA-SPECIFIC

- **Newspaper circulation statistics (total circulation and largest paper):**
No accurate information available
- **Broadcast ratings (top three ranked stations):**
 - **Television:** TV RTS 1, TV PINK, TV BK
 - **Radio:** Radio Beograd 1, Radio S, Radio B-92
- **Number of print outlets, radio stations, television stations:**
Approximately 1,500
- **Annual advertising revenue in media sector:** \$95 million (estimated real value) *AGB Nielsen*
- **Number of Internet users:** 22% of inhabitants older than 18 years
- **News agencies:** BETA, FONET, TANJUG

MSI AVERAGE SCORES—PERCENT CHANGE 2001–2005



MEDIA SUSTAINABILITY INDEX: SERBIA

