

MEDIA

SUSTAINABILITY

INDEX

2004



IREX

"JOURNALISTS' REPORTING CAN OFTEN BE INFLUENCED BY FINANCIAL INDUCEMENTS LEADING TO SELF-CENSORSHIP. AGAINST THIS BACKGROUND, THE STATE HAS TOLERATED THE ACCUMULATION OF SIGNIFICANT ARREARS BY A NUMBER OF THE LARGEST MEDIA COMPANIES, INCLUDING MOST MAJOR PRIVATE TV STATIONS," ACCORDING TO THE 2004 EUROPEAN COMMISSION'S REGULAR REPORT ON ROMANIA.



Romania, the largest country in Southeastern Europe, had a variable evolution after the fall of communism. Economic reforms were slow, and democratization met numerous obstacles. A center-right coalition governed from 1996 until 2000, when former communist Ion Iliescu and his Social Democrat Party (PSD) returned to power. Although economic growth progressed and Romania is expected to become a full European Union (EU) member in 2007, the past four years evidenced serious backsliding in terms of democratization—and press freedom was one of the main victims. The PSD, with Prime Minister Adrian Nastase at the helm, took a generally authoritarian approach, seeking to maintain control through pressure on the media, nongovernmental organizations (NGOs), and the courts.

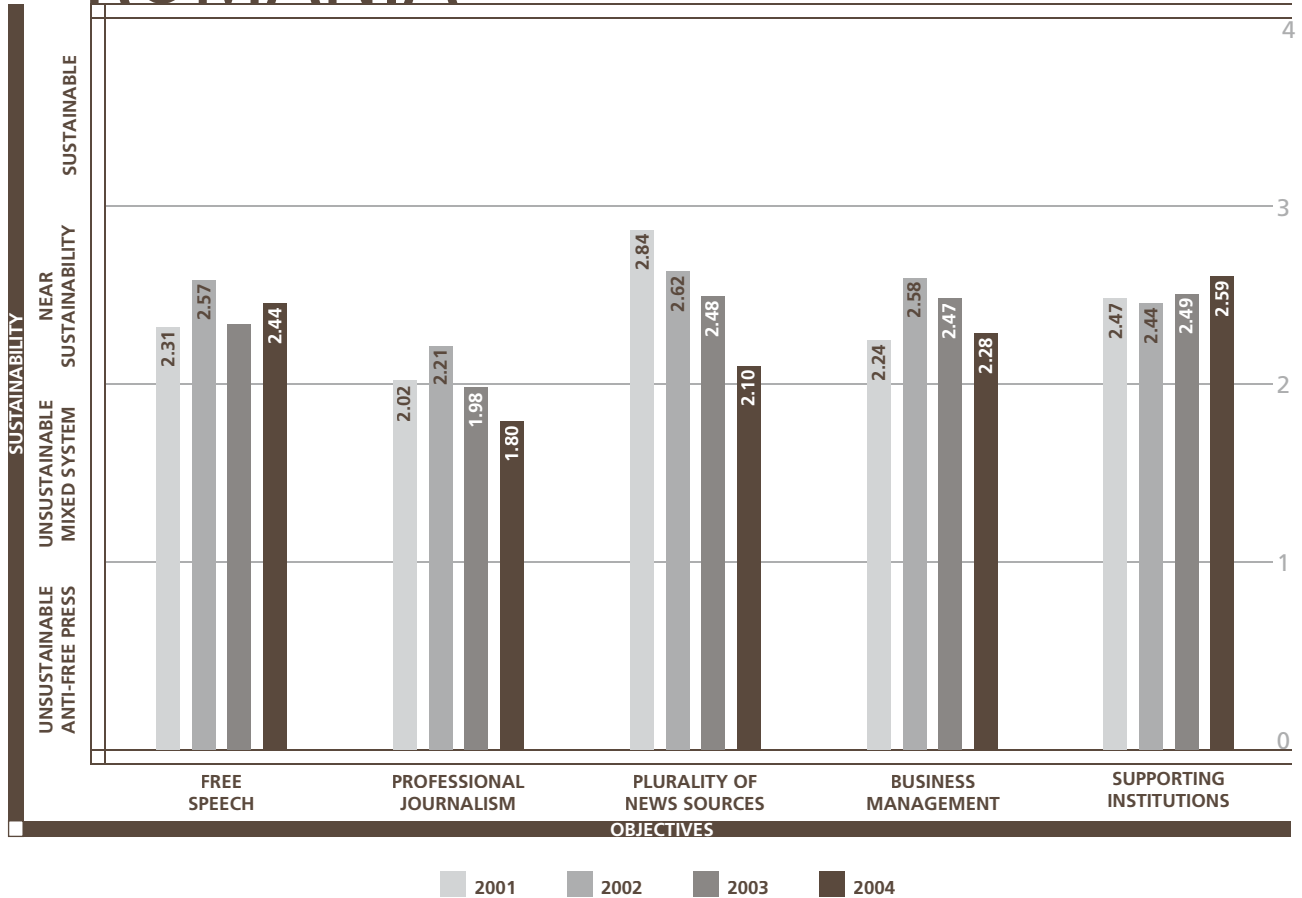
During 2003 and 2004, media independence in Romania became a concern for international organizations. Freedom House evaluated the country's press as "partially free," and the 2004 edition of the European Commission's regular report on Romania underlined the major problems: "Journalists' reporting can often be influenced by financial inducements leading to self-censorship. Against this background, the state has tolerated the accumulation of significant arrears by a number of the largest media companies, including most major private TV stations. Such a situation may compromise editorial independence, and media-monitoring studies have observed that the TV news is notably less critical of the government than the written press. Over the reporting period, cases of serious physical attacks against journalists have increased. Investigative journalists for local papers have been a particular target. This is a disturbing trend, and, to date, investigations have had limited success."¹

Presidential and parliamentary elections were held in November 2004, and the ruling party spent the period leading up to the vote trying to induce positive media coverage and keeping the opposition off the media agenda. In November, the minutes of a PSD leadership meeting surfaced that showed explicit guidelines had been issued to quash any media criticism of the government. Throughout the year, Prime Minister Nastase and the

¹ 2004 Regular Report on Romania's progress toward accession, Commission of the European Communities, October 2004.

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.

PSD remained the real stars of television news, while opposition leaders were attacked on air. Nonetheless, Nastase lost the presidential race in a dramatic run-off against Traian Basescu, the popular mayor of Bucharest and leader of the opposition. Although Basescu became president, the PSD maintained a strong position in the parliament and the new government started its work vulnerable to political instability.

The negative trends identified by the Media Sustainability Index (MSI) panel in 2002 and 2003 continued through 2004. Particularly acute is the reduced plurality of media available to Romanians. The country made some progress in establishing the legal norms of free speech by changing the penal code as it relates to libel and slander. But the MSI panel noted that independent media receive government subsidies through advertising paid from the state budget under contracts that are awarded arbitrarily. The panelists also expressed heightened concern about self-censorship, partisanship in the state media, and the lack of transparency in media ownership.

OBJECTIVE 1: FREE SPEECH

Romania Objective Score: 2.44 / 4.00

Article 30 of the Romanian Constitution guarantees freedom of expression, but it includes a prohibition against “defaming the country and the nation.” The penal code, applicable until revised statutes take effect in June 2005, punishes such defamation with a prison sentence of six months to three years. “Although there is no known court case, the very existence of that provision has been a deterrent for freedom of speech,” said panelist Manuela Stefanescu, a representative of the Romanian Helsinki Committee.

The new law also completely deletes libel as a felony but still lists calumny as a felony, although it eliminates the potential of a prison sentence. “We came pretty close to European legislation, and the legal structure is better,” said Virgil Nitulescu, an advisor for the Culture and Media Commission in the Chamber of Deputies. The new code introduces good faith as a defense for journalists and reverses the burden of the proof of truth.

Other legislation continuing to threaten freedom of expression includes the 1991 law on national security, which contains vague definitions of “national security” that could be interpreted as including virtually any information. The 2002 law on classified information reinforced the secretive approach inherited from the Communist regime. These laws contradict the 2001 Freedom of Information Act and the 2003 Sunshine

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.

Law. “Unfortunately, the laws on national security and classified information are too strictly interpreted, while those on free access to public information and transparency are not fully implemented. There are no consequences for officials who infringe on them,” Stefanescu said.

The MSI panelists questioned whether free expression is important to Romanians. “Freedom of speech is valued only by a limited category of the population (the intelligentsia).

“We came pretty close to European legislation, and the legal structure is better,” said Virgil Nitulescu.

Violations of this freedom have little or no impact on the public at large,” said Stefanescu.

Broadcast media licensing is controlled by the National Council of Broadcasting (CNA), which is based on a French model. The CNA has operated since 1992 and is subordinate to the parliament. The 11 members are appointed by the president, the government, and the

Chamber of Deputies and the Senate. Their terms were extended in 2004 from four to six years, a move presented as reducing political influence on the panel by extending the council tenure beyond parliamentary terms.

Panelists said, however, that political influence persists within the Council, and some complained about

“We are talking about investigative reporters, (and) it is obvious that these reporters cannot feel secure in Romania,” said the Helsinki Committee’s Manuela Stefanescu.

corruption in the licensing process. In 2004, panelists noted, the CNA tried to limit the number of licenses owned by political interests, but politics soon dominated the process. Alexandru Lazescu, who runs a network

of local radio stations, said, “Licensing is a process in which political involvement is obvious. I got a license for a radio station in Focsani. The current president of the CNA supported me in order to maintain more balanced media there.” Afterward, Lazescu said, the Council president was reproached by regional representatives of the PSD, which had lost its media monopoly in the area. In another case, however, Lazescu said only two licenses were awarded to opposition-linked owners, just enough to show the ruling forces did not receive all the permits. “The entire process is now more politicized than corrupt,” Lazescu said.

Market entry for a media business is the same as for any other enterprise. After advocacy by the Romanian Press Club, representing mainly media directors and owners, the value-added tax (VAT) for newspapers and books was reduced. In 2003, the government eliminated the 3 percent local tax on advertising, and the 2002 Law on Broadcasting eliminated special taxes for broadcasting paid by the television and radio stations. Panelists agreed that the commercial law applied to the industry is not a problem.

The government’s formal “to do” list drawn up in preparation for EU integration includes resolving all cases of attacks on journalists. A report due May 31, 2004, on progress in this area remained outstanding at the end of 2004, although the government restated its promise to complete the investigations after the EU country evaluation was issued in November. “In negotiations with the government, we were promised this report, with a specified deadline for it to be presented, but again nothing happened,” said Ioana Avadani, from the Center for Independent Journalism.

Among the pending cases is one from 2003 in which Ino Ardelean, a journalist from Timisoara in western Romania, was seriously injured by unknown assailants. “We are talking about investigative reporters, (and) it is obvious that these reporters cannot feel secure in Romania,” said the Helsinki Committee’s Stefanescu. Razvan Martin, a panelist from the watchdog Media Monitoring Agency (MMA), said, “Compared with last year, even though the attacks were not that severe, there were the same number and only a few of these cases have been solved by the police.” A MMA draft report states: “A large number of these attacks were perpetrated by politicians, public officials, or authorities, even law-enforcement officers. During the electoral campaigns, several candidates behaved aggressively against the press.” However, Adrian Voinea, who operates a regional newspaper and radio station, said he saw more interest on the part of authorities. “I think they were moving faster this year. One of my men was beaten, and the police were moving faster after a public scandal occurred. But initially they did not react.”

There were no cases reported in 2004 of local officials acting against critical media outlets, apparently because the PSD had warned regional leaders that their actions were damaging Romania’s image internationally.

Many journalists and media institutions are brought to court or forced to pay huge fines in moral damages. A 2004 MMA survey showed that 28 of the 100 journalists interviewed have been sued at least once for libel or slander. However, the panelists did note some positive developments. “Something is changing in the courts,” Voinea said, recalling a case in which his editor won a suit involving the former president of a regional council. “The judgement was based on European precedents,” he said.

State media include Romanian Television (TVR), composed of one main television channel and three smaller stations, four radio channels, and the news agency Rompres. No print media are state-owned. The president, the parliament, and the government participate in appointing the boards of the national radio and television stations. The news agency was moved from the Public Information Ministry to formal control by the parliament in 2004, but bad management and political influence have damaged its credibility, and it is a weak player in a market clearly surpassed by the privately owned Mediafax agency.

The panelists agreed that “public” media are not a reality in Romania, and that the state-owned outlets represent an arm of the government, regardless of who is in power. “They are tightly controlled and do not dare to criticize

the government,” said Stefanescu. “Moreover, they intentionally mislead the public (for instance through their coverage of negotiations for EU accession). Powerful businesses close to the ruling party interfere with editorial content and management of public media.” She noted that a scandal involving the oil refinery RAFO controlled by leaders of the PSD was virtually ignored in the state media during the election campaign.

On a more encouraging note, in December a young reporter working with TVR gave an interview describing cases in which the management asked him to avoid sensitive issues dealing with the government. Six other TVR journalists later confirmed the interference and pressure. In both cases, management rejected the allegations and nothing changed, although a disciplinary investigation against the reporter is ongoing. Panelist Brîndusa Armanca, the former director of the local branch of Romanian Public Television in Timisoara, was fired two years ago after she invited opposition leaders to appear on her program. She said that during 2004 “the influence of politics on public media increased, and I don’t think that the influence of private businessmen diminished. The electoral campaign led to increasing pressure on TVR to become a pro-government station. Its dependency on the government and the prime minister is what defines it. I appreciate the public declarations of some of the journalists, who confirmed that they have a spine.” (TVR management claimed Armanca was fired for disciplinary reasons, and a legal case is pending.)

Also during 2004, journalists at Romanian Public Radio (SRR) complained publicly about editorial pressure and censorship imposed by the top management of the station. They described a newsroom where political interests filter the news programming and specifically mentioned the distorted presentation of the European Parliament report on Romania, censorship of any criticism of then-Prime Minister Adrian Nastase, and excessive praise of the PSD. The National Council of the Audiovisual recommended in April that the SRR respect its duty to provide media pluralism and implement its own ethics code to ensure editorial independence.

Romania adopted a Freedom of Information Act in 2001, but implementation remains a problem with a “culture of secrecy” prevailing. Specifically, the law does not clearly address the so-called national companies that operate through public funding even though they are registered as commercial companies. Also, in May 2004, the Senate voted on an internal memorandum classifying information regarding expenses related to senators’ travel, procurement contracts, attendance lists, and salaries. The Center for Independent Journalism (CJI) began negotiations with

the government in November 2004 to change FOI laws to reflect the principle of “public money equals public information.” Although the government responded favorably, negotiations were delayed by the elections.

Journalists can benefit from existing FOI laws, but few know how. Panelists also observed that judges are deciding more FOI suits in favor of journalists. Some cases gain public support, encouraging a speedy trial. CJI sued the government for refusing to provide an internal memo that requested public institutions ask for the prime minister’s approval before issuing advertising contracts. CJI won, but the appeal is pending.

“Freedom of speech is valued only by a limited category of the population (the intelligentsia). Violations of this freedom have little or no impact on the public at large,” said Manuela Stefanescu.

Media outlets have unrestricted access to international news and news sources. However, Voinea noted that Internet businesses are consolidating, which may create a near monopoly. “In Craiova, for example, the RDS company is dominating the market even though its quality is rather poor. Obeying a political demand, they recently bought the last independent network,” he said.

There is no need for a special license to practice journalism in Romania. Journalists need accreditation to enter certain institutions, and FOI laws specify this can be cancelled only if a journalist seriously disrupts government activities. The penalty can be applied only to the specific journalist, not the media outlet as a whole, but in 2004 the Permanent Bureau of the Senate withdrew the accreditation of *Romania Libera* after the daily published an article on a Senate sex scandal. The Senate rescinded its decision after protests by the industry.

Some politicians occasionally propose a press law to regulate the profession, but free-speech proponents reject this idea, afraid of what might be included. With a new parliament in place, some panelists expected the discussion to start again. “We noticed that the most difficult period for the press, from the legal point of view, is at the beginning of each new mandate. New members of parliament arrive with new ideas and a new set of rules for the media. I believe that in 2005 it would be more difficult from this point of view,” said Nitulescu.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Romania Objective Score: 1.80 / 4.00

Panelists concluded that the quality of journalism is badly affected by interference from owners and politicians. Manuela Stefanescu of the Romanian Helsinki Committee described a gloomy media landscape: "A majority of media outlets side with the government, and some still dare to expose the wrongdoings of the officials. Public television is fully controlled by the ruling party and the government. In addition, two privately owned televisions (Pro TV and Antena 1) sided with the government. Pro TV...owes huge sums in unpaid taxes. Payments have

been repeatedly rescheduled (and possibly pardoned) by the government.

"We all practice self-censorship," said Voinea.

Antena 1 became a staunch supporter of the PSD and a hostile critic of the political opposition after its owner, also the chair of a small political party, joined the ruling coalition. Of the numerous small private television stations, only one (Realitatea TV) tries—and partially succeeds—to be objective. But it has limited coverage, and ratings give it only 3 to 4 percent. Of the print media, only a few daily publications such

as *Evenimentul Zilei* or *Cotidianul* and weeklies like *Academia Catavencu*, *Dilema Veche*, or *22* dare to expose government wrongdoings. Local newspapers are either totally controlled by the PSD or are forced to close down due to harassment."

The electoral year exacerbated the situation, and panelist Ioana Avadani, of the Center for Independent Journalism, detected "an 'overcorrection' phenomenon, with some journals turning themselves into opposition journals in order to compensate for the general lack of criticism." Some independent newspapers felt frustrated enough to become open enemies of the government, including *Evenimentul Zilei*, a favorite of middle-class, urban, and well-educated Romanians outraged by government corruption and abuses. With the mainstream media supporting the government, and the few others turned into open "enemies" and harassed, objectivity was the main victim of the electoral year.

A variety of professional codes have been developed, but the journalism community has failed to adopt any one and most journalists do not think these documents are significant. Some progress was made by the Convention of Media Organizations (COM), which gathered 36 outlets together in 2003 and adopted a Code of Ethics. For the moment, however, it lacks effective implementation. The Romanian Press Club, one of the most influential associations, adopted a code but failed to impose it on its own members. Regional editor Adrian Voinea said, "Some are trying to respect the provisions, while others totally neglect them. You wonder then who can solve this situation?"

Panelists agreed that self-censorship is common. "We all practice self-censorship," said Voinea. "It is a problem for both editors and journalists. Self-censorship has economic causes for any serious newspaper. For instance, advertising paid by the state. If I wrote something bad about the railroad company, I won't receive advertising contracts. When I wrote about the National Printing House, they canceled the contract. I reached the conclusion that we could live without writing about the National Printing House."

Alexandru Lazescu, owner and editor of local publications and radio stations, said the state advertising contracts have a negative effect on editorial independence even at private outlets. "The government says that only 8 percent of advertising revenues are paid by the state. Even so, these funds are distributed unevenly. Some receive much more than others, irrespective of economic criteria. For example...*Evenimentul Zilei* received \$500,000 from public institutions and state companies in 2003. In 2004,

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 government was upset by the newspaper's criticism and canceled the contracts."

Political control over local media was refined by the PSD, according to meeting minutes that surfaced and were considered authentic by all the MSI panelists despite the denials of the party. The minutes said that each PSD leader was responsible for getting positive coverage from specific outlets. Prime Minister Adrian Nastase was alleged to have said in the minutes, "Each of us has to put on paper 10 names of political analysts to be recommended for television and radio stations."

In 2004, a young Timisoara journalist, Malin Bot, published a book describing the daily pressure exerted by politicians and owners on media. One case involved Eugen Sasu, an investigative reporter whose father-in-law was pressured about his agriculture business by the authorities before Sasu gave up and left his career. Sasu's investigative reporting partner, Ino Ardelean, was severely beaten and left unconscious in the street in a still-unresolved case. Brindusa Armanca said Bot had no chance of work in Timisoara and joined a re-launched Bucharest newspaper, *Cotidianul*, that gathered "inconvenient" journalists as a sort of media refugee camp. "It is hard to find a job after you have become known as a person with your own principles and ideas," Armanca said.

These constraints undercut the media's ability to cover key issues, such as corruption. There is not a single investigative broadcast on any television station; the last two, one on TVR, the other on Antena 1, have been halted during the past year. Few newspapers publish investigations on a regular basis, and the most aggressive paper, *Evenimentul Zilei*, is hurt by internal conflict between the ownership, the Swiss Ringier company, and journalists who claim it struck a deal with the Nastase government to mute critics.

The Romanian Center for Investigative Journalism was formed as an NGO by young investigative reporters working for different publications. Research it conducted in 12 cities in 2004 concluded that investigative journalism is disappearing from local media. Similarly, the Bucharest branch of Freedom House analyzed 60 local newspapers and found an overwhelming majority publish only neutral or positive information about the authorities.

Estimates of average salaries for journalists ranged from €120 to €130 per month to €200 to €250 and even more for Bucharest-based outlets. While some panelists believed low wages encourage corruption and make ethical choices difficult, Voinea rejected the connection: "If you don't want to take a bribe, you will

not take it. It does not matter how high your salary is." Most salaries still are at the will of the owners, which often try to avoid taxes by paying a small official salary supplemented by undeclared cash. "This prevents journalists from accessing credit, from making long-term financial arrangements, and from having a certain stability," said Armanca.

Panelists agreed that the main television stations increasingly focus mainly on entertainment. In 2004, a smaller television station, Realitatea TV, turned to all-news programming and "serious" content. Two years ago, a larger television station made a similar move but stepped back after a few weeks.

Panelists did not perceive the technical capacity of media as a problem, although local outlets lag behind those in Bucharest. Most newsrooms have computers and Internet access, and most radio and television stations use digital technology.

Panelists also agreed that niche journalism developed during 2004, especially regarding finance and business information and women and home-design magazines. Specialized magazines are strongly market-oriented and tend to flourish. "The media is following the demands of a more and more sophisticated society. Still, this development is controlled, and the areas where criticism is likely to appear see their freedom limited," Ioana Avadani, of the Center for Independent Journalism said.

"It is hard to find a job after you have become known as a person with your own principles and ideas," Brindusa Armanca said.

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Romania Objective Score: 2.10 / 4.00

In 2004, more than 15 Bucharest-based daily newspapers were on the market, and in any other main city, three or four were available. Almost a hundred magazines and monthly publications are distributed nationwide. The increase in private broadcasters also continues. Antena 1 began its on-air transmissions in Fall 1993; Tele 7 ABC channel started in 1994, but has declined recently. PRO TV went on air in December 1995, and Prima TV joined the market in 1997. Smaller television stations operate in the countryside. In 2001, two new television channels opened in Bucharest: B1

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.

TV and Realitatea TV. Another, National TV, appeared in 2003, and in 2004 the same owner opened an all-news channel, N24. More smaller stations operate in the countryside. The market is dominated by state television and two of the private channels, Antena 1 and ProTV.

Virgil Nitulescu of the media committee at the Chamber of Deputies, said, "The cable companies reached rural areas, but to no good end, because there is nothing interesting to see on TV."

Realitatea TV, which switched its format to all-news and talk shows in 2004, has changed ownership many times and is run currently by a somewhat shadowy company controlled

by the powerful trade-unions of the national oil company's workers. However, the station became more professional after a new team was appointed in Fall 2004, significant investments were made, and an agreement was signed with CNN. Its competitor in the television news market is the newly launched N24.

However, N24 has had problems signing distribution contracts with the cable networks, which its journalists suspect result from a political blockade.

The state broadcaster has four television channels, one of which is received countrywide, and four radio channels covering news, culture, youth, and music. Urban areas are served by cable companies, but the state broadcaster has had a nearly captive audience in many rural communities. The Cable Communication Association (CCA) reported that 3.5 million households, or about half, are connected to cable television. The cable industry is very concentrated and became more so in 2004, with the seven companies active in 2002 now consolidated as three. The subscription cost remains low at about €4.2 per month—the CCA said it is the lowest in the region, followed by Bulgaria at €5—but is expected to rise. In 2004, an agreement between the cable companies, seeking new markets, and the government led to the decrease in connection costs, which facilitated expansion of cable service to the villages. This development was considered positive by the MSI panelists, but Virgil Nitulescu of the media committee at the Chamber of Deputies, said, "The cable companies reached rural areas, but to no good end, because there is nothing interesting to see on TV."

A 2004 survey showed that 73 percent of Romanians consider television as their main source of political information, while 8 percent specified newspapers and 6 percent radio. However, most television news programs focus on accidents, entertainment, celebrity scandals, and the like. Politics elicit only marginal viewer interest, and a report² issued by the MMA showed that Prime Minister Adrian Nastase captured 47 percent of all appearances by political leaders. The same report showed the prime minister and the president were the only politicians receiving almost exclusively positive and neutral coverage, and journalists rarely asked questions about official statements.

Most television channels relegated themselves to being government propaganda mechanisms. Dan Voiculescu, the owner of Antena 1, the second-largest commercial television station, is also the leader of the Romanian Humanist Party (PUR), a minor partner with the ruling PSD until 2003. Since then, PUR has changed its alliances a couple of times, switches that were reflected in the political coverage of Antena 1 and *Jurnalul National*, a daily belonging to the same media company. PSD openly acknowledged in a press release³ that it needed PUR for

² Media Monitoring Agency, "Power vs. opposition—TV coverage," September 2004.

³ August 31, 2003

its media empire: "When the cooperation agreement between PUR and PSD was signed, an important argument was that Mr. Voiculescu already owned Antena 1 and the daily *Jurnalul National*."

Prima TV, the third major private channel, remained a pro-government station during 2004. In 2002, the Transportation Ministry was reported to have allocated \$6 million worth of public funds through a small provincial television station to an advertising firm owned by the manager of Prima TV, but there was no serious investigation and nobody was held responsible.

The bias in television coverage forced the National Council of Broadcasting (CNA) to issue a March 2004 resolution urging television stations to fulfill their obligations to accurately inform the public. The CNA imposed a "tiers rule" to maintain balanced coverage of the executive branch, the parliamentary majority, and the opposition. However, its monitoring methods raise some questions. For example, Nastase's media appearances are counted alternately as head of the government and as a political-party president. The monitoring counts only the "direct comments" (meaning the voice inserts) of the politicians. Thus, if a 10-minute package about a government meeting includes only 15 seconds of sound bites, this is recorded by the monitors as "15 seconds for the government," according to Ioana Avadani, director of the Center for Independent Journalism.

More than 40 percent of Romanians live in rural areas where the Internet is an undiscovered world, despite the government's effort to connect all schools. "The vast majority of villagers and most of those living in small towns do not even know what a computer looks like," said Manuela Stefanescu, of the Helsinki Committee. In addition, the print media in rural areas are not very affordable, and the distribution system is rather slow, with newspapers often reaching readers a day or more late. Razvan Martin, from the MMA, noted that rural areas generally supported Nastase and the PSD during the 2004 election, in contrast with urban areas that backed the opposition.

The state broadcaster does not contribute to the plurality of news sources available to Romanians by presenting balanced coverage, according to the MSI panel. In April 2004, during a Reporters Sans Frontières (RSF) delegation visit to Romania, General Secretary Robert Menard declared: "No well-meaning person could say that public radio and television reflect in an equitable manner the political life in Romania."⁴ The statement generated debate among journalists, some

⁴ www.revistapresei.ro, April 2, 2004.

of whom said they had to distort newscasts, and the state radio management, who rejected the charges and accused the journalists of discrediting the institution for personal reasons. Later, RSF reported that amid the election campaign, "state television TVR1 turned its news bulletin into an open campaign against (opposition leader) Traian Basescu. Out of 16 stories in the newscast, 15 covered the issue of the call to annul the elections. But

"The vast majority of villagers and most of those living in small towns do not even know what a computer looks like," said Manuela Stefanescu, of the Helsinki Committee.

only one presented Basescu's viewpoint, while all the other personalities interviewed (journalists, analysts, and politicians) opposed the idea." The general director of TVR rejected the allegations, citing National Council of Broadcasting monitoring that showed balanced coverage.

In December 2004, Romanian TV reporter Alexandru Costache, age 26, publicly questioned the "umbilical cord" that he said linked the state broadcaster to the PSD and Nastase. He claimed he had been ordered to remove parts of Election Day footage showing the opposition presidential candidate casting his ballot. Six other journalists working for Romanian TV confirmed Costache's allegations and gave similar examples. The Ethics Commission of TVR investigated and ruled that most of the accusations were true, leading the general director to promise a reorganization of the news department.

The MSI panel did credit the state broadcaster with attempting to provide some cultural broadcasts, although many were criticized as boring. "TVR doesn't even cover the gap left by the commercial television stations regarding the education of the public," said Nitulescu. "They created TVR Cultural, where they exiled the cultural and educational programs that almost disappeared from the main channel."

The most important news agency is the private Mediafax, now the main news provider to all media in Romania (public or private), although the \$300 to \$800 monthly fee is prohibitive for small local media outlets. Mediafax is part of the same media conglomerate as PRO TV, but panelists expressed their concern about lack of clarity in Mediafax's ownership structure.

There are no legal provisions regarding transparency of media ownership. The 2002 broadcasting law stipulates that one owner cannot dominate the market, defined

as a share exceeding 30 percent, and that an individual or a firm can have an ownership stake in only one station. The first study on media ownership in Romania was completed in 2004. Produced by the South East European Network for the Professionalization of the Media (SEENPM), "Media Ownership and Its Impact on Media Independence and Pluralism" included a chapter on Romania showing media outlets owned by ghost companies registered in tax havens or in countries that allow anonymous shareholders, such as Holland or Switzerland. After the study was released, the National Broadcasting Council asked every licensed operator to provide data regarding shareholders, but the president, Ralu Filip, recognized later that the material submitted was woefully incomplete.

The panelists said they knew of no resistance to including social issues in coverage, or any harassment of journalists writing about minority-group issues, and that there were minority-language media. They did note that Roma remain underrepresented in the media, and that ethnic origins tend to be mentioned when a member of a minority group is charged with a crime.

OBJECTIVE 4: BUSINESS MANAGEMENT
Romania Objective Score: 2.28 / 4.00

Romanian media are becoming gradually more market-oriented. And in fields where political interest is negligible, such as information technology and architecture, media can flourish commercially. However, only a few media outlets function as real businesses within a corrupted and overcrowded market. MSI

panelist Adrian Voinea, an editor from eastern Romania, said, "You fight in vain to be efficient. You are in the same market as those who are not efficient and don't care about

"Rescheduling the debt of media owners owed to the state budget means disguised subsidies," said panelist Manuela Stefanescu.

it because they have other businesses." Many owners have other businesses and inject funds into media operations they view as means to burnish their images or as instruments of pressure to obtain contracts, especially when public money is involved.

Within the broader print media industry, presses are generally profitable and many newspaper companies have their own, which also print advertising materials

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.

or books. All print media have problems with the Romanian Post Company, which handles subscription distribution but is slow and inefficient. Direct sales are dominated by the formerly state-owned Rodipet, privatized in December 2003 but still behind in payments to publishers and in debt to the state for \$9.8 million. Newspaper executives complain Rodipet is slow to deliver, favors certain clients, and does not provide information on copies that are sold per day and per region. Private distributors have their own kiosks but depend on public authorities for authorization to install them.

Romanian newspapers rely heavily on sales, especially regional editions. The situation is better for the larger journals in Bucharest, where the advertising market is better developed. Overall, panelists estimated, sales represent 60 to 80 percent of newspaper revenues.

The state radio and television stations have three sources of funding: state subsidies covering the cost of transmitters and relays, advertising, and subscriptions, which are compulsory for all owners of radios or televisions.

There are no direct subsidies for media outlets in Romania, but panelists identified two types of hidden subsidies: advertising by state institutions and companies such as railroads to promote government

policies, and the postponement of debt owed to the state budget. State advertising reached the public agenda in 2004 via the European Commission country report. The parliamentary opposition initiated a motion against the government on the issue of advertising with public funds, and *Evenimentul Zilei* protested that it was being denied government advertising contracts held by competitors with similar or lower circulation. Cristian Tudor Popescu, editor of *Adevarul*, said 17 percent of the revenues from advertising for his paper come from the state but denied he had a deal with the prime minister to secure these contracts or that this money influenced editorial policy. "The system of advertising with public money seems to have perfected itself and is now a greater force of corruption," said panelist Brîndusa Armanca.

In 2003, the Ministry of Finance published a list of companies owing money to the public budget. It turned out that all the national television stations carried debt, either directly or through other companies with the same owners. In the new list published in September 2004, some television stations were not included, but it was not clear if that meant they had no debt or if they had been allowed to reschedule it. "Rescheduling the debt of media owners owed to the state budget means disguised subsidies," said panelist Manuela Stefanescu.

Despite the large number of indigenous advertising firms, 80 percent of advertising money circulates within the Romanian branches of international agencies. According to ARBOMedia, less than 5 percent of advertising in print media goes to local publications, although these outlets have a larger combined circulation and more readers than Bucharest-based publications.

The media industry has started to become more professional, mostly regarding market research, the MSI panelists said. Research is expensive, and many struggling media outlets cannot afford to buy studies. However, the foreign media companies with a range of glossy magazines in the country regularly commission research and adjust their products in response to the results. The Romanian Audit Bureau of Circulation (BRAT) was founded in 1998 as an independent, non-for-profit organization, and many advertising agencies make a certificate issued by BRAT a precondition for any advertising contract. BRAT conducted the first National Readership Survey (SNA) in 2002 using donor support and has continued to produce regular studies used by advertising agencies.

The 2002 broadcasting law allows the National Broadcasting Council to select a single rating system, which functions as a private operation without a system for publishing data, even on a delayed basis. For radio, the IMAS polling institute started research, but the radio market is divided and only represents 8 percent of the total advertising market. Larger radio stations started their own market research, but this is not possible for most smaller operations.

One of Romania's not infrequent media wars took place in 2004 between Antena 1 and Realitatea TV when the owners fought over their interests in the oil industry via the media they controlled. MSI panelist Alexandru Lazescu, a regional media owner, said, "It is a common thing now to use media as a weapon, but media credibility is decreasing. There is inertia among the editorial staff. Many journalists believe this is a normal situation." Lazescu said there also are situations in which the owners edit ghost newspapers with minimal circulations simply to blackmail political leaders. "It is incredible how people who edit newspapers with a few hundred copies have power, because politicians are afraid of them. This is a fake market phenomenon in which media are used to support other businesses."

Foreign capital has been comparatively slow to appear in the Romanian media market. Journalists had hoped foreign involvement would improve independence, but panelists said this notion was dispelled during the 2004 election campaign by the situation at two newspapers owned by the German conglomerate Westdeutsche Allgemeine Zeitung (WAZ). One daily, *National*, operated as an unofficial spokesman for PSD; the other, *Romania Libera*, which traditionally represented rightist views, was embroiled in protest when journalists accused WAZ of bringing in a new editorial team to align it with the PSD. The Romanian Press Club and other media supported the journalists, and WAZ backed off, selling some shares to a Romanian businessman who later reached an agreement with the journalists.

Alexandru Lazescu, a regional media owner, said, "It is a common thing now to use media as a weapon, but media credibility is decreasing. There is inertia among the editorial staff. Many journalists believe this is a normal situation."

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Romania Objective Score: 2.59 / 4.00

The journalism community in Romania remains generally skeptical of joining a union. However, the first collective labor agreement for the media was developed during 2004. The idea was championed by

“The journalism schools set out with enthusiasm and good educational models. Currently, however, the quality is really low and... there is a big gap between the professional and academic environments,” said panelist Brindusa Armanca.

the Federation of Trade Unions of Journalists and Printers from Romania (FSJTR), which had 10 unions and 1,500 workers as members. FSJTR joined with other unions, especially from the state radio and television sector, to form a confederation

called MediaSind with 8,500 members. MediaSind and an ownership group negotiated a government-recognized collective labor contract that entered into force in May 2004 and, in theory, should be imposed on

each media outlet with more than 21 employees. Among other provisions, the contract establishes the conscience clause as one of the fundamental labor rights for journalists. However, owners and editors are skeptical about the contract, and only one national daily newspaper, *Ziua*, has agreed to apply it.

The Romanian Press Club (CRP) is one of the most visible associations. Representing media owners, publishers, and media directors, the organization is active in lobbying the government on the business aspects of the media industry, especially taxation. CRP also became involved in cases relating to freedom-of-expression violations and attacks on journalists. Internal conflicts arose in 2004 when the former director of *Evenimentul Zilei* resigned from the organization while alleging deals between CRP members and the government.

Panelist Ioana Avadani, director of the Center for Independent Journalism, said important progress was made by creating the Association of Local Press Editors (APEL). The association was established following a Freedom House–Romania project that tried to facilitate access of local press to advertising from large companies based in Bucharest.

Broadcasters have ARCA, which was successful in getting the government to allow private broadcasters access to new frequencies, but it does not deal with editorial questions.

Journalists associations generally are not very active. The Society of Romanian Journalists (SZR), an affiliate of the International Federation of Journalists (IFJ), provides its members with legal assistance and benefits such as international identification cards.

The most important NGOs involved in media issues are the Center for Independent Journalism (CJI), Media Monitoring Agency (MMA), Romanian Helsinki Committee, Romanian Academic Society, Freedom House – Romania, Open Society Foundation – Romania, and Pro Democracy Association. These organizations act as an informal coalition, and the Convention of Media Organizations in Romania (COM) has emerged, bringing together 36 organizations from across the country to promote a better regulatory and business environment for the media. COM initiated the first public debates about corruption in the press and is working on self-regulatory mechanisms for implementing the ethics code it adopted.

There are 20 journalism university programs across Romania, both state and private. The average number of students per class is 60, so a huge number

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.

of journalism graduates flood the market every year—but they are not qualified. “The journalism schools set out with enthusiasm and good educational models. Currently, however, the quality is really low and...there is a big gap between the professional and academic environments,” said panelist Brindusa Armanca. Journalism programs are mostly theoretical, while the professors are rarely active journalists and there is evident contempt between academics and professionals. Students do not receive hands-on training, despite an annual three-week “practical training” at professional newsrooms, because there is no culture of instruction within most newsrooms and students do not know how to—or do not care to—make the most of the opportunity.

After the closing of the BBC School in 2001, the Center for Independent Journalism remained the only short-term training provider. Courses in news values, production for radio and television, writing skills, investigative reporting, and photojournalism are in high demand. However, director Ioana Avadani said owners and editors remain little interested in their employees’ professional development. In 2004, the center, in partnership with the Faculty of Journalism and Communication Sciences (FJSC) at the University of Bucharest, began a program for English-language journalism, the only one in the region in which an educational institution recognizes the credits from courses taught by an NGO. A variety of study-abroad opportunities exist, but many participants do not come back to the Romanian media, where, panelists said, their training may have exceeded that of their bosses.

Panel Participants

Manuela Stefanescu, program coordinator, Romanian Helsinki Committee, Bucharest

Ioana Avadani, director, Center for Independent Journalism, Bucharest

Razvan Martin, program coordinator, Media Monitoring Agency, Bucharest

Brindusa Armanca, professor, Faculty of Journalism, Timisoara

Virgil Nitulescu, expert, Permanent Commission for Culture and Media, Chamber of Deputies, Bucharest

Alexandru Lazescu, editor, Radio Mix, Ziarul de Iasi, Iasi

Silviu Ispas, development director, ARBOMEDIA, Bucharest

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

Liviu Avram, journalist, *Cotidianul*

Moderator

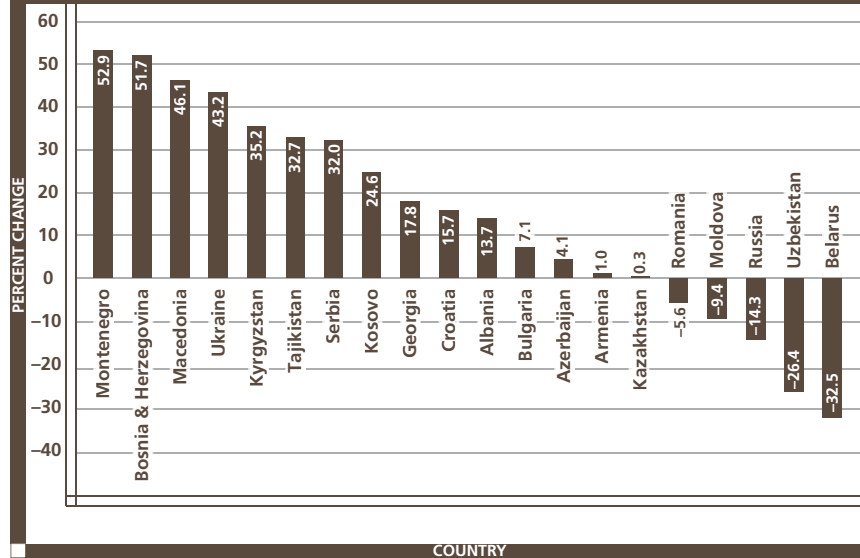
Cristian Ghinea, journalist, *Dilema veche*, Bucharest

ROMANIA AT A GLANCE

GENERAL

- **Population:** 22,355,551 (est. July 2004)
- **Capital city:** Bucharest
- **Ethnic groups (% of population):** Romanians 89.5%, Hungarians 6.6%, Romas 2.5%, Ukrainians 0.3%, Germans 0.3%, Russians 0.2%, Turkish 0.2%, other 0.4% (2002)
- **Religions (% of population):** Eastern Orthodox 87%, Protestant 6.8%, Catholic 5.6%, other (mostly Muslim) 0.4%, unaffiliated 0.2% (2002)
- **Languages (% of population):** Romanian (official), Hungarian, German
- **GDP:** US\$155 billion *Central Bank est. 2004*
- **GDP/GNI per capita:** US\$7,000 *Central Bank est. 2004*
- **Literacy rate (% of population):** 97.4% *Census of Population and Dwellings, March 18–27, 2002, National Institute of Statistics, www.insse.ro*
- **President or top authority:** President Traian Basescu
- **Next scheduled elections:** Parliamentary 2008, presidential 2009

MSI AVERAGE SCORES—PERCENT CHANGE 2001–2004



MEDIA-SPECIFIC

- **Newspaper circulation statistics (total circulation and largest paper):** The newspapers registered by the Audit Bureau of Circulations (BRAT) sell 1,021,732 copies each day. The largest paper, *Libertatea*, sold 260,000 copies in 2003. *Audit Bureau of Circulations – BRAT (www.brat.ro), 2003*
- **Broadcast ratings (top three ranked stations):** TVR1: 28.1%; Pro TV: 15.3%; Antena1: 13.2% *TNS AGB International, December 31, 2003*

- **Number of print outlets, radio stations, television stations:** There are approximately 900 print outlets; 519 radio stations and 189 television stations were licensed by the National Broadcasting Council—most of them locally. *Statistics of the National Broadcasting Council, www.cna.ro, November 2004*
- **Annual advertising revenue in the media sector:** US\$75–80 million *ARBOMedia estimate*
- **Number of Internet users:** There were 1,129,583 Internet connections as of June 30, 2004 *National Agency for Communications, www.anrc.ro*
- **Names of news agencies:** Mediafax, Rompres, AM Press, Rom Net, Amos

MEDIA SUSTAINABILITY INDEX: ROMANIA

