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MACEDONIA

When police forcibly and unceremoniously removed opposition MPs and journalists from a parliamentary budget debate in late 2012, acting on orders of the speaker of the parliament, it opened up a prolonged crisis in Macedonian politics.

The opposition left the parliament and launched a campaign of street protests that lasted for several months, and threatened to boycott the local elections in spring 2013. The crisis was ultimately resolved with a March agreement, brokered by the EU Mission to Skopje, which returned the opposition to the parliament before the elections. The ruling VMRO-DPMNE party still won local elections by a landslide.

For the fifth year since Macedonia achieved the status of candidate-country, the EU Council again opted against awarding it a start-of-negotiations date for EU accession. However, Macedonia's long-standing dispute with Greece over its name is no longer the single impediment on the path to EU membership. The 2013 European Commission's Progress Report on Macedonia outlined a number of issues the country must first address, including the independence of the courts, freedom of expression and relations with the media, electoral reforms, and corruption.

Several important events influenced the media landscape in Macedonia in 2013. Two new media laws (the Law on Media and the Law on Audio and Audiovisual Media Services) were adopted near the end of the year, despite opposition from many in the media community who feared the laws would undermine media freedom. The switchover to digital broadcasting went ahead in June but was plagued with setbacks. In addition, several media outlets folded in 2013. The first to go, in February, was the weekly *Gragjanski*, citing economic difficulties and inability to cover the costs with the available advertising in the existing advertising market, which is under strong political influence. The www.komunikacija.mk news portal folded operations in July, after the arrest of its owner, who was charged with fraud and serious embezzlements. *Fokus* stopped publishing after the sudden, tragic death of its owner; *Fokus's* weekly magazine edition briefly stopped publishing as well but was rescued when its journalists and editors reorganized to ensure its continuation.

Given this backdrop, Macedonia's prospects for media sustainability further deteriorated, reflected by a dip in scores for four of the five MSI objectives. The low scores reflect the media community's pessimism about the prospects of escaping the trends toward greater state control, politicization, and economic degradation of the media.

Recent MSI panelists have suffered abusive verbal and media attacks for their decision to share candid comments on the state of the media and press freedom in Macedonia. Therefore, panelists this year asked to remain anonymous.

MACEDONIA at a glance

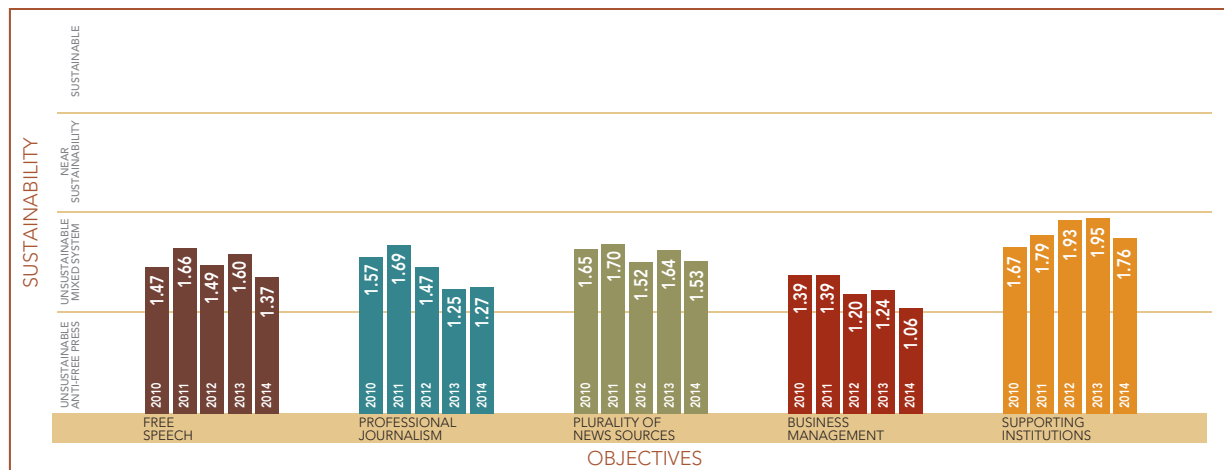
GENERAL

- > Population: 2,091,719 (July 2014 est., *CIA World Factbook*)
- > Capital city: Skopje
- > Ethnic groups (% of population): Macedonian 64.2%, Albanian 25.2%, Turkish 3.9%, Roma 2.7%, Serb 1.8%, Other 2.2% (2002 Census)
- > Religion (% of population): Orthodox Christian 83.9%, Muslim 9.9%, Armenian-Gregorian 3.9%, Catholic 0.8%, other 0.8%, none 0.7% (*CIA World Factbook*)
- > Languages (% of population): Macedonian 66.5%, Albanian 25.1%, Turkish 3.5%, Roma 1.9%, Serbian 1.2% Other 1.8% (2002 Census)
- > GNI (2012-Atlas): \$9.732 (World Bank Development Indicators, 2013)
- > GNI per capita (2012-PPP): \$11,540 (World Bank Development Indicators, 2013)
- > Literacy rate: 97.4% (male 98.7%, female 96%) (2011 est., *CIA World Factbook*)
- > President or top authority: President Gjorge Ivanov (since May 12, 2009)

MEDIA-SPECIFIC

- > Number of active print outlets, radio stations, television stations, Internet news portals: Print: 7 dailies, 4 weeklies, 30 periodicals; Broadcast: 5 public service broadcasters and 65 commercial broadcasters: 5 TV stations and 4 radio stations with national coverage (digital terrestrial multiplex); 5 TV stations provide national satellite coverage; 17 TV stations and 16 radio stations provide regional coverage; and 25 TV stations and 56 radio stations provide local coverage. 3 non-profit radio broadcasters (Broadcasting Council, 2013). Internet News Portals: more than 120
- > Newspaper circulation statistics: N/A
- > Broadcast ratings: Television stations: Sitel TV (28.98%), Kanal 5 TV (16.71%), AlsatM TV (5.97%) and MTV1 (5.85%). Radio stations: Antena 5 Radio (20.0%), Kanal 77 Radio (8.50%), Macedonian Radio 1 (5.90%). (Broadcasting Council, 2012)
- > News agencies: Macedonian Information Agency (state-owned), Makfax (private), and NetPress (private)
- > Annual advertising revenue in media sector: There is no reliable comprehensive data for the whole media sector. The total annual advertising market is estimated at between \$40 million and \$50 million, of which \$33 million was on television and \$2.8 million on radio. (Broadcasting Council, 2012)
- > Internet Users: 1.057 million (2009 *CIA World Factbook*)

MEDIA SUSTAINABILITY INDEX: MACEDONIA



MEDIA SUSTAINABILITY INDEX 2014: OVERALL AVERAGE SCORES



CHANGE SINCE 2013

▲ (increase greater than .10) □ (little or no change) ▼ (.10 decrease greater than .10)

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.

Scores for all years may be found online at http://www.irex.org/system/files/EE_msiscores.xls

OBJECTIVE 1: FREEDOM OF SPEECH

Macedonia Objective Score: 1.37

Macedonian law includes constitutional and legal guarantees for the freedom of expression. As noted in previous MSI studies, the actual implementation of such legal guarantees remains a problem. The panelists agreed that the situation in the area of freedom of expression and the media was possibly the worst ever; they noted several negative trends and developments that contributed to further deterioration of the freedom of expression and a worrisome trend toward self-censorship. The judiciary's independence, or lack thereof, remains a serious problem as well.

The year 2013 was active legislatively. In early April 2013, the Ministry of Information Society and Administration proposed new media legislation, to be adopted in an urgent procedure that was deemed secretive and opaque—a problem that required considerable effort by Macedonia's media community, with assistance from international partners, to overcome. The greater part of the media community opposed the lack of proper public debate and a multitude of provisions in the two laws (the Law on Media and the Law on Audio and Audiovisual Media Services) that they found harmful for the freedom of the media and freedom of expression in general. In particular, the Law on Media, in its initial form, proposed provisions that a

LEGAL AND SOCIAL NORMS PROTECT AND PROMOTE FREE SPEECH AND ACCESS TO PUBLIC INFORMATION.

FREE-SPEECH INDICATORS:

- > Legal and social protections of free speech exist and are enforced.
- > Licensing or registration of media protects a public interest and is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against media professionals, citizen reporters, and media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > The law protects the editorial independence of state of public media.
- > Libel is a civil law issue; public officials are held to higher standards, and offended parties must prove falsity and malice.
- > Public information is easily available; right of access to information is equally enforced for all media, journalists, and citizens.
- > Media outlets' access to and use of local and international news and news sources is not restricted by law.
- > Entry into the journalism profession is free and government imposes no licensing, restrictions, or special rights for journalists.

The fact that eight of the 10 panelists who participated in this survey opted for anonymity and requested that they not be quoted illustrates the reality for journalists on the ground.

majority of the media community considered tantamount to censorship.

The two laws (the Law on Media and the Law on Audio and Audiovisual Media Services) were adopted on December 25, 2013, but only after the government accepted the obligation to exempt print and online media from the regulatory framework and to secure seats for journalistic associations in the Council of the newly created Agency for Audiovisual Media Services.

The panelists also described a case where the courts failed to uphold the confidentiality of sources. On October 21, 2013, Tomislav Kežarovski, a crime-beat journalist at *Nova Makedonija*, was sentenced to four and a half years in prison for revealing the identity of a protected witness in a murder case. The majority of his fellow journalists came to his defense and organized several rounds of protests, demanding his release from custody. They believed that the real reason behind Kežarovski's arrest, and the reason he was held in custody for the duration of the investigation and the trial, was his refusal to name his sources in the Ministry of Interior and the prosecuting authorities. Also, the general perception within the media community was that Kežarovski should have been acquitted on all charges and that the court disregarded the evidence.

In 2013, there was an attempt, in the new media legislation, to extend the media's registration beyond broadcasting and to include an obligation for registration for online and print media. However, the government has accepted the obligation, upon agreement with the leading association of journalists, to amend the law to eliminate that obligation for the online media by the end of January 2014.

The regulatory body responsible for broadcast licensing, the Broadcasting Council, hastily allocated two broadcasting licenses (one for radio and one for a television broadcaster with national coverage) at the last possible moment before the digital switchover. "It is not clear at all why the two licenses were granted in the first place. The Council should have presented its legitimate goal and purpose to back its decision to allocate the licenses. Not to mention, it should have conducted an open nomination process, to allow the people to learn more about the views and programming offers of the nominated candidates," said one panelist.

The digital switchover in June 2013 introduced changes to the existing licensing system. Namely, the existing licensing process (managed by the Broadcasting Council, which will be renamed and reconstituted as the new Agency for Audio and Audiovisual Media Services, under the new media legislation) will cover only those broadcasters that want to broadcast on the air, while cable broadcasters will have to simply register their operations with the regulatory body.

The panelists also noted a number of problems with the digital switchover in June, including the high costs of digital transition—especially for small local and regional media, most of which chose to go to cable instead of applying for digital transmission licenses. As noted by one panelist who works for a local broadcaster, that decision came at a great loss of audience, knowing that cable network operators still do not provide full coverage of the territory of Macedonia and are limited to the urban area.

In theory, entry into the journalism market is fair and equal for all interested parties. However, as noted above, especially in the broadcasting sector, the licensing procedures seem to be rigged in favor of those broadcasters that are perceived to be, or are, openly pro-government. For the print and online media, such restrictions, real or perceived, do not exist, especially in the segment of online media. For print media, there are still sometimes prohibitive costs to launch a startup newspaper or weekly magazine.

While tax authorities do not approach media outlets differently from other industries, many in the media community believe that the media should receive some breaks because of their social responsibilities. Also, it was noted that there is evident difference in the treatment that tax authorities and other inspectorates reserve, first, for local and national media and second, for pro-government and independent or critical media.

Last year, there were no reported crimes against media professionals and journalists. However, a sense of persecution of critical media and investigative journalists prevails, primarily due to the economic pressure on the media. When journalists publicly protest or expose governmental pressure, or voice their opinions in opposition to government policies, they are subjected to intensive smear campaigns and outright hate-speech directed against them. They are labeled “traitors” who “betray” or “badmouth” their country abroad—and they have received no protection whatsoever from the proper authorities. The fact that eight of the 10 panelists who participated in this survey opted for anonymity and requested that they not be quoted illustrates the reality for journalists on the ground. Journalists possess deep-seated mistrust of government institutions, driven by the lack of institutional protection of

their freedom of expression. For the most part, they do not even bother to report the (primarily verbal) attacks to the competent authorities.

The year 2013 was a sad one for Macedonia’s journalism community, as it mourned the loss of two important people. In June, the journalist and media activist Roberto Belicanec, the founder and president of the Media Development Centre, passed away from a heart attack. Also, on March 26, Nikola Mladenov, a prominent publisher, owner, and the editor of *Fokus*, died in a horrific car accident. Mladenov was considered a strong voice for independent journalism and media in the country, committed to defending the public interest and exposing abuses of power.

The panelists also noted the public suspicion surrounding the investigation (or rather, the lack of proper investigation) of the tragic traffic accident that took Mladenov’s life. To this day, there are people who are convinced that there must have been some foul play surrounding his death, especially in view of the fact that Mladenov was a strong critical voice in Macedonian media, and the investigation was widely seen as hastily and incompetently led.

While the legislation provides for the editorial independence of the public broadcasting service MRT (Macedonian Radio and Television), in actuality MRT remains largely a mouthpiece for the government policies, as it was throughout the better part of the past two decades. Admittedly, there were efforts over the past year to redesign the programming offerings, but those amounted to purely cosmetic changes that resulted in sleeker visuals and upgrades of the public broadcaster’s technical capabilities. MRT’s programs, especially news and information, remain strongly biased in favor of the government, and the public broadcaster has not refrained from joining in smear campaigns directed against the opposition or critical media and journalists.

While the decriminalization of defamation with the Law on Civil Liability for Defamation, adopted in 2012, was seen as a positive development, many warily regarded the high limits set for punitive damages as possible new tools to apply pressure and silence the critical media. Furthermore, as noted by one journalist with senior editorial experience, “A possible fine of €10,000 for the editor-in-chief discourages investigative journalism projects and their publication, especially in view of low levels of trust in the judicial system.”

It is evident that the courts tend to push for out-of-court settlement of defamation cases. On the other hand, no cases were concluded in 2013, making it difficult to give any sort of definitive opinion on the implementation of the law. However, there is an evident tendency toward different treatment for cases involving pro-government

media and journalists and critical or opposition journalists and media, which is a cause of concern and calls for ongoing monitoring.

Macedonia has Freedom of Access (FOA) legislation. However, officials holding public information often deploy stall tactics in response to information requests, far beyond all proper legal deadlines. They also adopt a very liberal approach to the rules on classification of documents, meaning that they all too often choose, with impunity, to classify as confidential documents they do not want exposed. Also, special requirements are imposed upon journalists seeking access to information; for example, they are asked to ensure that their requests for information are stamped with the seal of their media outlet. FOA officials of various institutions frequently instruct journalists to seek the information they want from the spokesperson or public affairs office.

Another issue related to the access to information refers to the fact that journalists from independent and critical media have been “blacklisted,” in a manner of speaking; spokespeople and officials do not return their calls and ignore requests for interviews or questions asked in official press conferences.

There are no legal restrictions to either local or international news and news sources. On the contrary, online media, in their coverage of world events, entertainment, show business, and sports, rely on the abundance of online sources. One issue of concern in that area is the fact that, in an effort to provide a large volume of daily posts, they plagiarize foreign online news without much regard for copyrights or intellectual property.

The new Media Law adopted at the end of 2013 introduces a legal definition of “journalist” that is seen as restrictive in the sense that it emphasizes official contractual ties to a legacy-media operation, and an employment contract with an actual newsroom. Media professionals, media organizations, and other civil society organizations strongly contested that definition, saying they would accept only a mission-based definition of journalists.

Bloggers and citizen journalists are not recognized as proper journalists by the law or members of the journalistic profession. Therefore, journalists’ rights (in terms of protection of sources of information, for example) are not extended to cover their work.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Macedonia Objective Score: 1.27

Given the near-total divide of Macedonian society along several lines—political affiliation and ethnic background, to name the most obvious—journalism faces a continuous deterioration of professional standards. With such a pervasive divide, journalists have been forced, by combined pressure from political centers of power and media owners (with strong political ties themselves), into taking clear sides and moving from journalism into outright political propaganda.

As one panelist, an experienced journalist and union activist, noted, “We find ourselves in a situation in which we try to use journalistic criteria to appraise and assess propaganda.” In this climate, according to the panelists, only the reporting coming from international newswires (Reuters, AP, etc.), adheres to journalistic standards for fair, objective, and well-sourced reporting. With few exceptions, the bulk of the reporting available in Macedonian media fails to implement those standards. The resulting coverage is a mixture of facts and comments.

As in previous years, the media tend to present just one side of the story on any contested issue, and the whole coverage is tailored toward that goal. The reporting is presented in a manner that ensures the given media outlet’s political positions and views, as evidenced by the use of headlines, leads heavily colored by bias, and the choice of consulted experts. Investigative journalism, which has never been a strong point of Macedonian media, has further suffered

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 and retain qualified personnel within the media profession.
- > 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 exist (investigative, economics/business, local, political).

As noted by one experienced journalist and union activist on the MSI panel, “Formally, they work in departments, but there are maybe a handful of journalists who truly specialize in a single topic or subject.”

from the prevalence of self-censorship, which political powers strongly encourage.

An ethical code for journalists exists, and the Council of Honor of the Association of Journalists of Macedonia oversees its implementation. Throughout its history, the Council has faced problems stemming from its low visibility. The media largely ignore its rulings, especially its rulings on actions and reporting by journalists who are not members of the Association of Journalists. However, in the last quarter of 2013, negotiations started within the media community on the creation of a Council of Ethics that would cover the media landscape across the board and involve all, or at least the majority of, Macedonian media and journalists.

Few media have and adhere to internal ethics codes. Those that have nominally adopted such standards rarely apply them in their everyday work.

Furthermore, the prevalent atmosphere of fear has turned self-censorship into a common practice. Journalists and editors fear losing their jobs, while media owners fear losing advertising revenue in a situation in which the government and state institutions dominate Macedonia’s advertising market with so-called government ads. The panelists commented that self-censorship has grown to the extent that overt pressure is now unnecessary; journalists have learned what they can cover and how far they can go in their investigations without running into trouble—ultimately stifling investigative journalism.

The Law on Civil Liability for Defamation has also emerged as an instrument of pressure that pushes the media toward self-censorship. The relatively high compensations prescribed by the law threaten the chronically money-strapped media with great hardship. The late Mladenov admitted publicly in a talk-show appearance that he started to consider the pros and cons of every story his papers published: “€27,000 in compensation ... I admit it, I have told my reporters that they cannot cover this or that story. I just do not have the money to pay compensations anymore.”

Journalists and media cover key events and issues, but their approach is often biased and politically motivated. Media

tend to cover only the events that are favorable to their political affiliation. Events organized by political opponents tend to be downplayed, buried low in the newscasts or pushed to the back pages in the newspapers. That is especially the case with pro-government news websites, which tend to overexpose even minor events organized by the government and rely primarily on news agencies for the other coverage.

“Salaries of journalists in Macedonia are well below the dignity of the profession,” said one panelist, a former journalist who has moved to the civil sector. At about \$270 per month, they fall approximately halfway between the minimum monthly salary for Macedonia, which currently stands at \$170, and the average salary of approximately \$460. Journalists at critical and independent online media work for even less. The panelists noted that the figure listed above is usually the gross salary, before taxes and social benefits, and that many journalists have no employment contracts and are employed part-time, or as part of project activities. Many of those who are employed full-time operate under near-constant fear of losing their jobs. Also, growing numbers of journalists work for several media outlets, most of them in an attempt to boost their monthly earnings. (However, there are reports that journalists working for pro-government media are forced to work, at the same time, for government-controlled news websites.) Senior editorial staff salaries, on the other hand (and of course, depending on the media outlet), are much higher, especially for the traditional media that follow pro-government editorial policies.

The past tendency to favor infotainment, trivial, and tabloid content over serious content continued in 2013. People are still able to get news, but it takes increasingly more effort and consultation of many sources to get all the aspects of a given story. Prime-time programming is increasingly populated with reality shows and soap operas, with fewer and fewer quality debate programs. The panelists also noted the role that advertising agencies play in strengthening that trend, through the growing practice of purchasing not just advertising time, but whole prime-time slots that they fill with programs of their choosing—usually some form of entertainment. “That combination is fatal for the media. They buy the whole prime-time block, they place their ads there, and you get programs in return. They decide when something is to be aired, not the media’s programming director,” said one panelist, a program director at a local television station.

There are evident discrepancies in the technical capacities and the quality of equipment used by national and local media. While national media and their journalists have access to high-quality equipment and facilities, most of the

local media work with severely outdated equipment. The public-service broadcaster has especially benefited from investments in new equipment and technology, financed with grants by international donors, and it has significantly increased the quality of production of its programs—especially newscasts. As the panelists noted, the prices of equipment are constantly dropping, making it accessible to an ever-growing number of people. However, the media have been slow and unwilling to use the services of citizen journalists. Several media outlets, especially on the Internet, make attempts to host user-generated content, but they focus mostly on trivia and entertainment issues.

Specialized journalism, already a rarity in Macedonia, is on the decline in the traditional media. As noted by one experienced journalist and union activist on the MSI panel, “Formally, they work in departments, but there are maybe a handful of journalists who truly specialize in a single topic or subject. As financial strain shrinks newsrooms, most of them are forced to cover whatever topic they are given by the editorial staff. In some situations, journalists are sent to cover events they have no background on.”

The biggest national broadcasters still produce specialized economic programs, but economic reporting in general continues on a declining path. Entertainment, show business, and sports, on the other hand, receive great attention and specialized coverage. Otherwise, specialized coverage has largely moved to the Internet, with several quality websites that specialize in economic and business reporting, culture, technology, and other similar topics. Audiences can also see specialized leisure, lifestyle, and other programs and content on foreign channels available on IPTV or cable networks, or on foreign websites.

OBJECTIVE 3: PLURALITY OF NEWS

Macedonia Objective Score: 1.53

Macedonia enjoys an abundance of media outlets, with huge numbers of broadcast, print, and online media for such a small market. Technically, it provides sufficient possibilities for people to gain different viewpoints and compare the coverage of news and events in different media. The panelists, however, commented that the media’s pluralism is mostly formal. “An ordinary citizen, to get the information, should go to at least three sources: a left-leaning, a right-leaning, and a somewhat neutral source,” said one of the panelists, an experienced broadcast journalist.

The process of political stratification, primarily a result of governmental pressure in its bid to establish effective control over the editorial policies of the leading broadcast

and print media, has led to a situation in which only a handful of remaining media outlets offer views and positions that differ from the pro-government editorial policies. Those include broadcasters Telma TV, 24 Vesti TV, and a new daily, *Sloboden Pecat* (which entered the marketplace in October 2013).

On the Internet, the situation remains far more diverse, although the wave of new websites that used to crop up on an almost monthly basis has somewhat subsided. Still, in 2013, many local websites emerged that offer primarily local news in all municipalities outside of the capital city of Skopje. The newly adopted media legislation prescribes that they, together with the print media, will enter into the same regulatory framework with broadcast media. However, the Association of Journalists and the government announced, several days before the new legislation was adopted, that an agreement was reached to exempt online and print media from the regulatory framework, with additional interventions in the legislation as soon as possible.

Online media increasingly remain the sole source of critical viewpoints available to the public. However, they continue to attract mainly the younger generations and are still viewed as being somehow less relevant than the traditional media. The panelists noted that their coverage is too low to have any actual effect on public opinion. “It is the senior citizens, those who are not on the Web, who are most susceptible to propaganda. Those who have access to the Internet at least try to find alternative information. It is not a coincidence that all propaganda efforts are directed toward the pensioners and those who do not use

MULTIPLE NEWS SOURCES PROVIDE CITIZENS WITH RELIABLE, OBJECTIVE NEWS.

PLURALITY OF NEWS SOURCES INDICATORS:

- > Plurality of public and private news sources (e.g., print, broadcast, Internet, mobile) exist and offer multiple viewpoints.
- > Citizens’ access to domestic or international media is not restricted by law, economics, or other means.
- > State or public media reflect the views of the political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for media outlets.
- > Private media produce their own news.
- > Transparency of media ownership allows consumers to judge the 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 media provide news coverage and information about local, national, and international issues.

the Internet,” said one of the panelists, an experienced journalist who moved from traditional to online media. Social media networks serve as sources of information and as channels for communication with the audience, but primarily for the youth. All media outlets that have online versions offer the possibility to view their websites on mobile devices. They do not, however, offer other types of mobile news services, like SMS notifications and personalized news services.

There are no legal restrictions on the reception of foreign television, to the extent that, other than newscasts and several extremely popular soap operas and telenovelas, most people actually watch foreign programming as available on the local cable television networks. The same goes for distribution of foreign newspapers, which are available on the newsstands. There is no Internet filtering. Actual barriers to media accessibility include the fact that telecommunication networks rarely venture beyond the boundaries of urban centers, which leaves much of the rural population relying on over-the-air broadcasters. Furthermore, the falling purchasing power of people means that many have given up the habit of buying their favorite daily newspaper. That has been compensated, to an extent, by the growing availability of broadband Internet, which allows people to access online versions of daily newspapers.

The digital switchover that started on June 1, 2013, meant that many local broadcasters found the costs of new equipment for digital broadcasting prohibitively high. As a result, some of them chose to move to cable completely. That decision comes with a significant loss of audience, especially the people living in rural areas that are, usually, not covered by cable distribution networks.

On paper, the law guarantees the public broadcaster institutional autonomy and independent editorial policy. The public broadcaster is also legally obligated to present different views along the political and social spectrum. However, its coverage of events strongly reflects the viewpoints of the government and the ruling parties. The coverage of different political options is hugely biased in favor of the government, while the opposition’s activities, when reported, are pushed to the back of the newscasts.

The public broadcaster does offer educational and cultural programming. The quality of such content has improved slightly with the latest efforts to redesign the programs of the public broadcaster, but it is still far from truly satisfactory. Commercialization of the programming remains a concern. The public broadcaster increasingly acts as competition to the private commercial media, at the expense of its public-interest role.

In addition to the state-owned MIA news agency, which offers print and online news and photo services, and serves as the primary news agency for the Macedonian media, the privately owned Makfax news agency also supplies news to the media. In addition, there are several operations that call themselves online news agencies, but they are de facto ordinary news sites. Macedonian media also use the services of several foreign news agencies, most commonly Reuters, AFP, and AP. Only a handful of media have the financial resources to pay permanent correspondents stationed abroad.

The level of news production at the privately owned media depends largely on the size of their journalistic staff. National dailies and broadcasters have sufficient human resources to produce their own news and rely on news agencies and online sources for their foreign coverage. Local media, on the other hand, make efforts to provide the local news with far more limited resources. The panelists noted that political parties primarily set the news agenda and that coverage in privately owned media is very similar to the news coverage offered by the public broadcaster.

The new media and news websites produce their own news and content, and for them the rule that the size of the newsroom dictates the volume of production is also valid. They, however, rely heavily on other news sites for news and reports, which they publish, as well as on news agencies, whose services they use abundantly. While plagiarism is still rampant, over the past year several “gentlemen’s agreements” were reached between the leading news sites to use each other’s content with proper attribution of the source. Also, several groupings of sites have emerged that share their content freely among themselves in an effort to increase the number of “impressions,” the all-important figure when approaching the advertisers.

Macedonian laws offer clear legal limitations in terms of shares of ownership that a single person can own in different media to prevent unwanted media concentration. In addition, elected and appointed officials are prohibited from holding shares of ownership in media outlets. While nominally transparent, ownership is not always as clear as it should be, with constant suspicions arising over actual owners’ possible use of proxies.

The lack of transparency in print and new media remains a complicated issue. The new media legislation prescribes an obligation for the print media to register their business activity with the proper Registry of Commercial Companies or the Registry of Other Legal Persons. However, the panelists noted that the law does not prescribe proper instruments to prevent secret shareholders or co-owners. That is especially true of the Internet news websites, which,

in general, do publish the name of the publisher, without other information on the ownership structure. In quite a few cases, the Internet news media do not provide the names of the editorial team members.

The media, to a great extent, fail to address the needs of society's vulnerable groups. This is especially true of the media that follow pro-government editorial policies, which are dictated by the strongly conservative ruling party. Such editorial policies have little to offer to sexual minorities and women. Sexual minorities still face reporting that is based on and upholds negative stereotypes. Gender issues are almost always depicted from a masculine, traditional, patriarchal point of view, and objectification of women is commonplace. On the other hand, traditional media made an effort to clean up their act and avoid hate-speech and stereotypes in their programs and on their pages, with incidents of that kind reserved to several regular columnists. Hate-speech has moved mostly to the social media networks.

There are broadcasters that air programs in the Albanian, Roma, and Bosnian languages that focus on issues of relevance to their respective communities. National minorities can freely access foreign programs, usually through cable networks, which commonly stock their catalogues with numerous channels that broadcast in the countries of the immediate region of Southeast Europe. However, the panelists noted that one cable network operator that provides cable services in a large number of predominantly Macedonian-speaking cities and regions used the fact that the "must carry" obligation covers only the public broadcaster and its channels. The cable network operator chose to remove the leading privately owned bilingual broadcaster, AlsatM TV, from the list of channels it carries, citing lack of interest among its customers. AlsatM TV's programs are predominantly in Albanian, but it also carries news and other programs in Macedonian and subtitles most of the aired programs.

Media with national coverage find little space for local news, especially for news coming from local communities and regions outside of the capital city of Skopje. The difficult financial situation has cut severely into their presence in the smaller communities, with fewer local correspondents who have to cover ever-greater geographical regions. The panelists agreed with that assessment, and one panelist with long experience in broadcast media noted that "even MRT (the public broadcaster) is turning into a local station for Skopje, and there are not enough teams covering the rest of the country. Economically weak media find it difficult to cover a greater variety of affairs; they focus on Skopje instead." Local media, on the other hand, lack the proper human and financial resources necessary to produce quality content. Local Internet news sites exist in most municipalities

to cover the void left by the local broadcasters. The local administrations control most of those websites, but there are several independent operations, too.

Macedonia's media present global news but make efforts to infuse the coverage with a domestic perspective. International news agencies provide the bulk of the world coverage, in view of the fact that only a handful of media have established networks of correspondents, and those are usually restricted to the countries of the region and several important state capitals of the world.

OBJECTIVE 4: BUSINESS MANAGEMENT

Macedonia Objective Score: 1.06

This objective received the lowest score from our panelists: 1.06, a drop of 0.18 from the 2013 MSI score of 1.24.

A combination of several factors make Macedonia's media sector financially unsustainable: the poor economy, an overcrowded market, citizens' low purchasing power, a lack of viable business models, and poor managerial and administrative skills. With the exception of a couple of larger national television broadcasters, the media are constantly on the brink of bankruptcy.

As the panelists noted, the main problem is that independent media companies that are not a part of larger corporations with other core businesses can be counted on the fingers of one hand. "As a result, we do not have a real broadcasting industry that functions as an independent industry in its own right. What we have is backup operations

MEDIA ARE WELL-MANAGED ENTERPRISES, ALLOWING EDITORIAL INDEPENDENCE.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets operate as efficient and self-sustaining enterprises.
- > 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.
- > Government subsidies and advertising are distributed fairly, governed by law, and neither subvert editorial independence nor distort the market.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor the product to the needs and interests of the audience.
- > Broadcast ratings, circulation figures, and Internet statistics are reliably and independently produced.

“[W]e do not have a real broadcasting industry that functions as an independent industry in its own right. What we have is backup operations for owners’ core businesses,” said one of the panelists, an experienced broadcast media manager.

for owners’ core businesses,” said one of the panelists, an experienced broadcast media manager. The situation is somewhat better in the area of regional broadcasters, where broadcasting is the core business, but they usually have to venture into other businesses to ensure more sustainable income sources. At the local level, the majority of the media depend greatly on contributions from local administrations, for which they have to surrender most of their editorial independence.

Macedonia’s traditional media rely heavily on advertising revenue, which on average accounts for more than 90 percent of their total revenue, with the remaining income coming from various sponsorship deals. For several years now, *Vest*, part of the MPM group that publishes two other daily newspapers, has sold a PDF version of its print edition over the Internet, mostly directed at the Macedonian diaspora. According to MPM, its circulation is now equal to the circulation figures of the print edition in the country.

Advertisers still prefer traditional over new media. Macedonia’s total advertising market is estimated at between \$40 and \$54 million. Of that, television draws over 80 to 85 percent, according to most estimates, with the rest divided between outdoor advertising, radio, print media, and the Internet.

In spite of reported increases in the collection rate of the monthly broadcasting fee (set at about \$3.25 per household) since that obligation was moved to the Public Revenue Office (the national taxation authority), the public-service broadcaster still relies on budget grants and subsidies with negative effects on its independence. In fact, a survey conducted by several media watchdog CSOs found an amount of about \$6.8 million on the public-service broadcaster’s balance sheet for 2012, with no source listed. Also, the public broadcaster has seen an increase in its legal limit of number of minutes allowed for advertising per real hour. Nonprofit media are allowed to sell advertising, much to the dissatisfaction of for-profit media enterprises. In addition to three nonprofit radio stations, most nonprofits are online news sites critical of the government and its

policies that depend primarily on international or private donors for funding.

Online media still cannot attract advertising revenue sufficient to ensure sustainability. Officially, less than 1 percent of the total advertising market in the country goes to online advertising (the unofficial estimate by advertising agencies places that number at 3.5 to 4 percent), but only a fraction of that actually goes to online news media. For that reason, many still have to rely on private and institutional donations. While some try to diversify their sources of revenue, usually through other commercial activities, they have been slow to explore all income-generating possibilities offered by the Internet as a platform.

Only big companies and international corporations with a presence in Macedonia apply a systematic approach to advertising. Small and medium enterprises usually lack both human and financial resources for proper marketing and advertising operations. When they do decide to spend something on advertising, they tend to direct those limited funds toward smaller, local media, where airtime costs less.

The panelists noted that advertising agencies continue to serve as “budget keepers” and decide where to direct their clients’ advertising budgets. A couple of the biggest advertisers have their own in-house advertising departments. According to the panelists, many decisions on allocating advertising are dictated by political considerations. Panelists pointed out that several of the leading advertising agencies also hold big accounts with government clients and that may influence how they place advertising within the media. “The picture is not yet completely black and white. (...) There are still several agencies that stick to some market principles, and monitor ratings, for example, so it is not a total disaster. Otherwise, I would have had to close the shop a long time ago,” a media manager on the panel said.

Agencies tend to get media plans from the advertisers, with allocated percentages per different types of media (television, radio, print, Internet), and have some say in the distribution of those media-specific budgets to individual outlets. The general perception is that agencies are primarily focused on their own revenue, without much consideration of ratings or the quality of content in the decision where to direct the advertisers’ budgets. The media, in general, prefer to work with advertising agencies, and only the biggest outlets have specialized advertising and marketing departments. As noted earlier, online news media fail to consider all possibilities to produce revenue; they are often content with merely selling banner ad space. Several outlets introduced the “cost per impression” (CPI) system, but most

still use the old methods, transplanted from print media, of selling banner space for a fixed period of time.

The panelists noted that advertising agencies and advertisers have no system to measure the effectiveness of their ad campaigns outside of the capital city of Skopje. As a result, they tend to avoid allocating the available budgets to local media and concentrate instead on media with national coverage and local broadcasters in Skopje.

Government advertising still plays a major role, distorting the advertising market and exerting economic pressure on the media. According to the latest data, presented in a Broadcasting Council report on the 2012 advertising market, the government was the leading individual advertiser—with close to five percent of the total advertising time sold in the broadcast media. The government consistently channels the advertising and promotion budgets of all levels of government (national and local), but also the advertising budgets of public enterprises, toward “friendly” media in order to establish control over their editorial policies.

The whole process remains opaque, with the government refusing to share data on its media buying—whether requests for information come from Macedonian or international organizations. It has successfully evaded, for instance, repeated requests by the European Commission to provide full information on the spending of advertising and promotion budgets. While the panelists noted that the use of government’s advertising and promotion budgets is on a downward trend, they mentioned that the new law on audio and audiovisual media services has established a new instrument of budget subsidies for in-house productions that can be used to continue the practice to channel budget funds to pro-government media. Independent and critical media often complain, publicly and privately, that the government uses political pressure to redirect advertisers toward “friendly” media.

The local branch of the global Nielsen media research firm uses People Meters to provide audience measurements, which advertising agencies use to prepare proposals for television outlets. Broadcasters do not tap the full potential of integrating ratings measurements into their programming schedules, apart from moving their most popular programs (in most cases, soap operas and telenovelas) into the prime-time slots, to maximize their advertising potential. The new Law on Audio and Audiovisual Media Services prescribes for a domestic national system for ratings and audience measurement of the broadcast media. The panelists warned that this process should be monitored closely, for fear that the government could abuse it to justify its current practices of allocating advertising and promotional budgets.

There is no independent system that would gather the data about circulation of print media, which continues to be treated as a closely guarded secret. The few figures that circulate in public are assessments made by advertising agencies.

Online news media increasingly use Google Analytics as their primary audience measurement tool, mostly on the insistence of the advertising agencies that found the Alexa rankings unreliable. Last year, Gemius, the region’s leading online ratings and analytics firm, launched its Macedonian operations and now provides more detailed information about numbers of visitors and audience demographics. After some initial success in attracting news sites to use their systems, it now remains to be seen how many will remain in the system once it starts charging for its services.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Macedonia Objective Score: 1.76

The score of 1.76 is a drop of 0.19 point, reflecting the growing pressure on professional associations and the government’s favoring of an association that primarily gathers journalists from pro-government media, as well as the lack of trade associations.

There are no legal restrictions to prevent the registration or functioning of trade associations in Macedonia, but there are currently just two media trade associations: the Association of Privately-Owned Electronic Media (APEM) and

SUPPORTING INSTITUTIONS FUNCTION IN THE PROFESSIONAL INTERESTS OF INDEPENDENT MEDIA.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of media owners and managers and provide member services.
- > Professional associations work to protect journalists’ rights and promote quality journalism.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs exist providing substantial practical experience.
- > Short-term training and in-service training institutions and programs allow journalists to upgrade skills or acquire new skills.
- > Sources of media equipment, newsprint, and printing facilities are apolitical, not monopolized, and not restricted.
- > Channels of media distribution (kiosks, transmitters, cable, Internet, mobile) are apolitical, not monopolized, and not restricted.
- > Information and communication technology infrastructure sufficiently meets the needs of media and citizens.

the Association of Macedonian Internet Portals (AMIP). Also, there is the more informal Association of Private National Television Stations. The trade associations have low visibility and appear only when significant new developments affecting their operations emerge. Last year, they were actively involved in the debate on the proposed new media legislation, including the Law on Audio and Audiovisual Media Service and the proposed changes to the Law for the Film Fund. The trade associations' ability to lobby for changes is restricted by the government's inaccessibility and unwillingness to hear proposals that deviate from its own intentions and policies. The government's influence was, in fact, seen as instrumental in the creation of AMIP, which gathers about a dozen online news media that follow pro-government editorial policies and was formed explicitly to support the proposed new media legislation. Media owners are unwilling to finance trade associations, as evident from the dissolution of an earlier Association of Private Electronic Media of Macedonia (APEMM), which was resulted directly from the withdrawal of donor support. Therefore, trade associations depend on members' volunteering their efforts and activities.

The panelists noted the existence of an orchestrated effort to annul the work of the existing professional associations—the Association of Journalists of Macedonia (AJM) and the Independent Trade Union of Journalists and Media Workers (SSNM)—which stood in strong opposition to the proposed media legislation. “The trade union faces direct bans (by the owners) of union activity in the newsrooms, and lack of proper reaction by the competent institutions to the trade union's petitions and complaints, in collision with national and international rules and conventions,” said one panelist who is very active in the journalists' trade union.

The panelists maintain that AJM is still the legitimate representative of the journalists' interests. However, the government's efforts to strengthen the status and position of the other journalistic association, the Macedonian Association of Journalists (MAN), has placed additional pressure on AJM. MAN, established in 2002 by several journalists who were not satisfied with AJM's work, has seen its membership boosted by the pressure of media owners with strong government ties, to counterweight AJM in the debate on the proposed media legislation. MAN now primarily gathers journalists from pro-government media and, unlike AJM, strongly supported both the Media Law and the Law on Audio and Audiovisual Media Services and government policies in general.

In spite of its opposition to the legislation, which it found unnecessary and severely restrictive of freedom of expression and media, AJM was ultimately pressured by international representatives in the country to engage in

negotiations with the government that led to agreement on several changes in the proposed legislation. That left many AJM members discontented, because they still find the proposed legislation unnecessary.

In addition to the Macedonian Institute for Media (MIM) and the Media Development Centre (MDC), two organizations directly involved in media policies and issues, several other NGOs work on various media or freedom-of-expression issues. They include the NGO Infocentre, which regularly monitors media reporting on a range of issues; the Centre for Civic Communications, which works on issues related to freedom to access information; and the Youth Educational Forum, an organization that fights online hate-speech. Also, there is the Front for Freedom of Expression, an informal group of about a dozen NGOs and individuals that is very vocal in cases of threats and violations of the right to freedom of expression. It should be noted that a number of news websites critical of the government are actually published by NGOs, and are specifically set up for that purpose.

MIM and MDC were working hand-in-hand with professional associations AJM and SSNM to oppose the proposed new media legislation, and both saw AJM's decision to negotiate with the government as unacceptable.

Three state universities, in Skopje, Tetovo, and Štip, have journalism schools. The Macedonian Institute for Media also has its own school of journalism, and there are media and communications studies in several other privately owned higher-education institutions. The main problem with journalism schools, in the panelists' view, is that most of them, with the exception of MIM's school of journalism, offer too little practical work and focus heavily on theoretical subjects. They also mentioned the dropping interest among young people to choose journalism careers. “It is the general climate in the society... Nobody sane would want to enter a profession in which he or she may be spat on, work for meager salary, or end up in prison. I mean, one has to be a true masochist for that,” one panelist said. Another issue the panelists raised is that young journalism students aim to avoid true reporting, opting instead to work as talk-show or entertainment-show hosts, or weather forecast announcers.

The panelists commented on the declining number of short-term and in-service training programs for journalists, to some extent reflecting media owners' and managers' unwillingness to invest in professionally advancing their young journalists. “The NGOs do not have the money anymore; the media choose not to organize in-house training programs because of the fast turnover rate of young journalists, so that there is no return on investments in the

capacity of journalists,” said one media manager who took part in the panel. On the other hand, one panelist noted that while there may be fewer short-term training programs, those that are available are of higher quality and more focused and topical.

The panelists noted that there is a monopoly over the country’s printing presses, creating a huge problem for new print media that want to enter the market. Otherwise, there are no restrictions on importing or purchasing the necessary materials and equipment for media production. In fact, several panelists said that, if anything, the prices of technology, especially for broadcast media, are falling constantly and are increasingly accessible to both professional outlets and the general public. The print media face a major problem with distribution, which the largest newspaper company, MPM, monopolizes.

Television distribution is not monopolized, with several companies operating DVB-T, IPTV, and cable networks. The digital switchover on June 1, on the other hand, created the conditions for ONE, a telecommunications company owned by Slovenian Telecom, to consolidate the monopoly over the DVB-T broadcast signals, since it gained control over a majority of digital frequencies (two multiplexes were reserved for the public-service broadcasters, to carry its programs).

The digital switchover was accompanied by many problems, related primarily to the costs of the transfer to digital broadcasting for Macedonian broadcasters, especially at the local level, with most choosing to go to cable instead. That resulted in a situation in which rural areas, which suffer from weak coverage with cable distribution networks, could no longer watch many of the broadcasters. The Public Enterprise Macedonian Broadcasting is waiting for the necessary equipment to ensure 100 percent coverage (it currently has about 90 percent).

Another problem the panelists mentioned is the fact that the “must-carry” provision for cable network operators covers only the public-service broadcasters, allowing cable operators to choose which channels they will and will not carry. That led to a situation, already mentioned earlier in this report, in which Telekabel chose to remove the bilingual AlsatM national broadcaster (broadcasting in Albanian and Macedonian languages) from its offerings, citing its subscribers’ low interest in its programs. Telekabel also owns its own television station, in spite of the explicit prohibition for telecommunication companies and operators of public cable distribution networks to own media outlets.

In general, ICT infrastructure capacities satisfy the newsrooms’ connectivity needs. Competition in the telecommunications sector leads to constantly falling prices,

although possibly not at the desired rate. The major problem remains the population’s low purchasing power, which means that mobile Internet access remains somewhat prohibitively expensive for significant segments of the population. In addition to the rural/urban divide, an age gap persists. Young people and adults under 50 years of age are far more likely to use the Internet and mobile technologies. Older people stick to television as their media of choice.

List of Panel Participants

Recent MSI panelists have suffered abusive verbal and media attacks for their decision to share candid comments on the state of the media and press freedom in Macedonia. Therefore, panelists this year asked to remain anonymous.

The Macedonia study was coordinated by and conducted in partnership with Media Development Center, Skopje. The panel discussion was convened on December 17, 2013.

IN MEMORIAM: Roberto Belicanec



Roberto Belicanec, the founder and president of the Media Development Centre, journalist, editor of *Fokus* weekly, and media activist, passed away on June 29, 2013. Belicanec had an unsurpassed reputation as an analyst of media policies, a critic of Macedonian politics and society in general, and a tireless fighter against all injustice. His colleagues remember his quick wit and sharpness of tongue and pen. He was uncompromising in public debate, always offering indisputable arguments in the fight against what he saw as harmful policies imposed by governments past and present. He served as a MSI panelist every year from 2004 through 2013.