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UKRAINE

Ukraine's MSI panelists convened on December 2, 2013, shortly after Ukraine plunged into a political crisis that would lead to a dramatic change of government in early 2014. At that time, peaceful protests had turned bloody, and journalists had become the targeted—rather than just accidental—victims of police violence. Amid this dangerous and chaotic backdrop, the MSI panelists had to meet via online streaming rather than in person.

In 2013, Ukrainians watched as their country slid further back toward dictatorship. The rule of law crumbled, corruption skyrocketed, and Ukraine fell into economic crisis. President Viktor Yanukovich, along with his top associates, tightened control over the country. Still, until November 21, the government strongly supported the signing of the Association Agreement with the EU, including the Deep and Comprehensive Free Trade Area Agreement, planned at the Vilnius Summit at the end of November 2013. While the immediate economic benefits were disputable, many Ukrainians treated this perspective as a window of opportunity to gain EU support in handling corrupt Ukrainian authorities. Moreover, Ukraine would have to fulfill certain prerequisites to join the agreements, such as the release of political prisoner Yulia Tymoshenko, the ex-prime minister, and the adoption of a number of progressive laws.

The Ukrainian government's surprise decision to suspend signing the agreement—blamed on economic hardship—sparked mass peaceful protests called EuroMaydan. Online media and social networks played a tremendous role coordinating this initiative, and many journalists joined the ranks of the activists from the very beginning. Militia and *titushki* (para-military groups in civilian clothes), supporters of the ruling party, attacked several journalists. The protests seemed to abate when suddenly, on the night of November 30, Berkut, a special police division, violently dispersed a camp of protesting students at the main square. They injured dozens of young people, including journalists, under the formal pretense that the New Year tree needed to be installed and decorated there.

This was the first act of bloodshed by the government in the history of independent Ukraine and caused public outrage. The attacks drew 350,000 to 1.6 million protesters (according to different sources) to join a popular assembly the next day. Some of the more radical protesters attempted to storm the president's administration building. Berkut attacked an estimated 40 journalists, and some were arrested for participating in the unrest. Other cities, primarily in western Ukraine, held support protests, and people came to frosty Kyiv from all over Ukraine.

Amid Ukraine's toxic political climate in 2013, most of the objective scores, and the overall score, fell. The change was small overall, as the situation had been worsening for the past several years. Whether the new government can reverse the recent downward trend, and do so in a way that leads to sustainable improvement, will no doubt be the subject of lively discussion next year.

Note: The panel discussion was convened on December 2, 2013, prior to the events that resulted in the Yanukovich government's abdication. The comments from panelists and their scores represent the situation facing Ukraine over the year 2013. However, the author added information about developments that occurred after the panel discussion was held.

UKRAINE at a glance

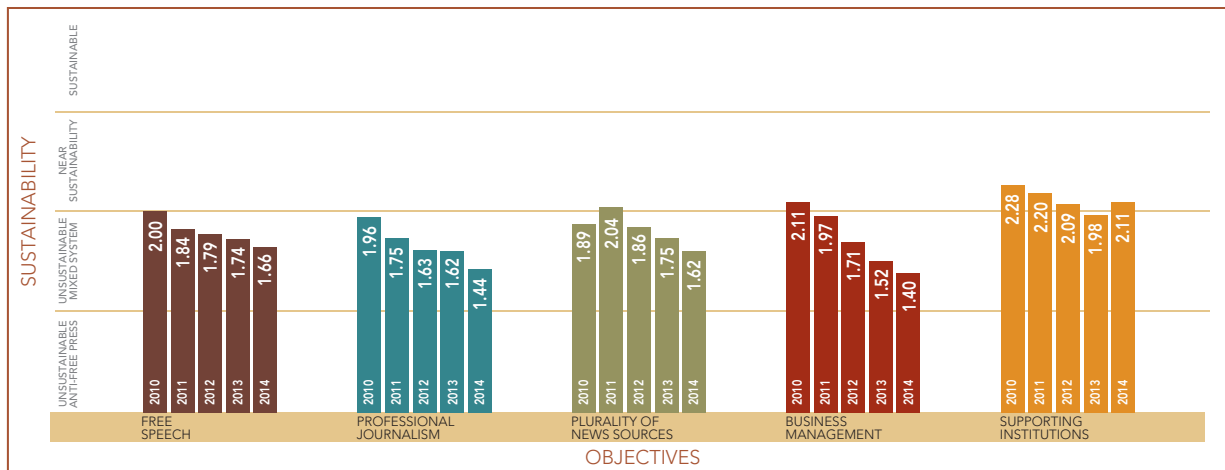
GENERAL

- > Population: 44,291,413 (July 2014 est. *CIA World Factbook*)
- > Capital city: Kyiv
- > Ethnic groups (% of population): Ukrainian 77.8%, Russian 17.3%, Belarusian 0.6%, Moldovan 0.5%, Crimean Tatar 0.5%, Bulgarians 0.4%, Hungarians 0.3%, Romanian 0.3%, Polish 0.3%, Jewish 0.2%, other 1.8% (2001 census)
- > Religions (% of population): Ukrainian Orthodox–Kyiv Patriarchate 50.4%, Ukrainian Orthodox–Moscow Patriarchate 26.1%, Ukrainian Greek Catholic 8%, Ukrainian Autocephalous Orthodox 7.2%, Roman Catholic 2.2%, Protestant 2.2%, Jewish 0.6%, other 3.2% (2006 est. *CIA World Factbook*)
- > Languages: Ukrainian (official) 67%, Russian (regional language) 24%, other (includes small Romanian-, Polish-, and Hungarian-speaking minorities) 9% (*CIA World Factbook*)
- > GNI (2012-Atlas): \$159.7 billion (World Bank Development Indicators, 2013)
- > GNI per capita (2012-PPP): \$7,180 (World Bank Development Indicators, 2013)
- > Literacy rate: 99.7%; male 99.8%, female 99.7% (2011 est., *CIA World Factbook*)
- > President or top authority: Acting President Oleksandr Turchynov (since February 23, 2014)

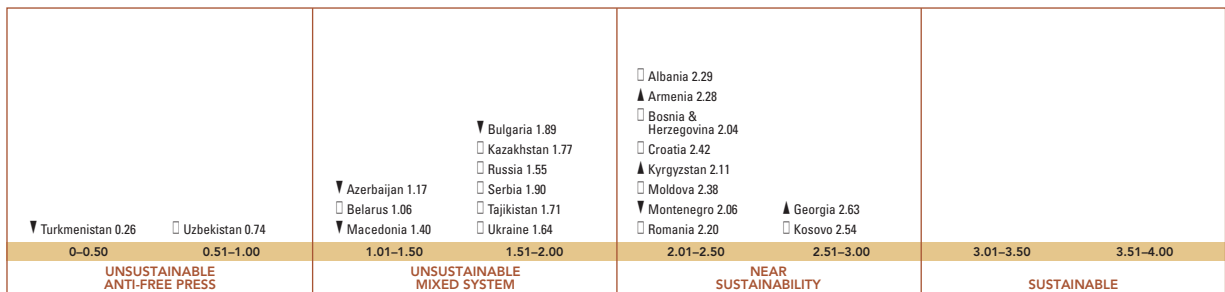
MEDIA-SPECIFIC

- > Number of active print outlets, radio stations, television stations: Print: more than 42,500 registered publications (Institute of Media Law report, 2012); out of these about 3,100 actually publish (estimate of UAPP, 2012); Television: 30 national channels, 76 regional channels, and 185 local channels. Radio: 15 national, 57 regional, and 217 local stations (National Council for Television and Radio Broadcasting Report for 2013)
- > Newspaper circulation statistics: Top three dailies: (all private) *Fakty i Kommentarii* (6.52%), *Segodnya* (5.54%), *Komsomolskaya Pravda v Ukraine* (4.16%) (2013 est., TNS audience research MMI Ukraine)
- > Broadcast ratings: Top television: Studio 1+1, Inter, STB, Ukraina, ICTV, Novyi kanal (all private, GfK Ukraine, commercial audience 18-54 y.o.); Top network radio: Russkoe radio (1.22%), Hit FM (1.21%), Radio Shanson (1.09%), Retro FM (0.74%), (all private, GfK Ukraine, Cov.Max.%, cities 50+, October 2013)
- > News agencies: Interfax (private), UNIAN (private), Ukrainski Novyny (private), LigaBiznesInform (private), RBC-Ukraine (private), UNIA Ukrinform (state-owned)
- > Annual advertising revenue in media sector: Television: \$545 million, print: \$314 million, radio: \$42 million, Internet: \$130 million (2013 est., All-Ukrainian Advertising Coalition)
- > Internet usage: 7.77 million users (2009 *CIA World Factbook*)

MEDIA SUSTAINABILITY INDEX: UKRAINE



MEDIA SUSTAINABILITY INDEX 2014: OVERALL AVERAGE SCORES



CHANGE SINCE 2013

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

OBJECTIVE 1: FREEDOM OF SPEECH

Ukraine Objective Score: 1.66

Again this year, the panelists confirmed that Ukraine's legislative provisions for free speech and media freedom are relatively strong but are implemented poorly. Oleksiy Pogorelov, general director of the Ukrainian Association of Press Publishers, confirmed the existence of laws and public declarations protecting the freedom of speech, promoting media and publishing businesses, and ensuring equal access to information. Despite the relevant laws, attacks on journalists have become more and more frequent, with little effort to punish violations and those who prevent journalists from doing their jobs, Pogorelov said.

Natalia Gumenyuk, a freelance journalist and lecturer on International Media at the Journalism School of Kyiv Mohyla Academy, agreed that enforcement is a major obstacle. "Although Ukraine has relatively good mechanisms to protect free speech, the issue is not in the laws, but rather the traditional lack of compliance with them. For instance, every year on the International Day against Impunity [for crimes against journalists], we can ascertain that cases on violations of journalists' rights are being blocked. Traditionally, cases involving beatings of journalists are filed under articles on hooliganism or abuse of power. Furthermore, the law could be used to protect editorial

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.

According to Dmytro Dobrodomov, general director of ZIK television channel from Lviv, the situation with television licensing is very problematic. "It's impossible for a channel that is beyond the influence of pro-governmental forces to obtain a license," he said.

independence, but it does not work. As for the law on access to public information, it is indeed important that it exists, but as always, the problem is in its implementation," she said.

Kostyantyn Kvurt, chair of the board for Internews-Ukraine, mentioned that in 2013, representatives of the ruling Party of Regions submitted at least three draft laws on cyber-security, revealing a strategic offensive against the freedom of speech in Internet. Meanwhile, the parliamentary committee on freedom of information has been excluded from the discussion.

During the full swing of EuroMaydan protests, on January 16, 2014, parliament violated procedures and adopted a package of laws that opponents termed "dictatorship" or "anti-protest" laws and that would significantly restrict the freedoms of speech, press, meetings, and associations. These laws and amendments addressed the media, as well: they criminalized libel, with punishment ranging from fines up to UAH 183,000 (\$18,270) and imprisonment up to two years; and enabled prosecution for vaguely defined extremism and for disseminating insulting information about judges, with punishments ranging from fines to two-year prison sentences.

The laws also covered the licensing of Internet providers, allowed for the state authority to block websites for publishing content they deemed illegal—without any involvement from the courts. Further, they mandated the registration of news websites as information agencies, and established data tapping equipment at the main telecommunication providers. These laws also limited protest rallies and their participants, and forced NGOs financed by foreign sources and participating in political activities to register as agents of foreign influence, to report frequently to state media, and to give up their non-profit statuses.

For its part, the government claimed that these provisions exist in developed Western democracies. Opponents renounced these measures as undemocratic and repressive,

Olena Garaguts, director and editor-in-chief of Litsa in Dnepropetrovsk, said that for a year and a half she tried unsuccessfully to gain the lists of deputies voting on certain issues in the city council, as two courts classified the information as confidential.

in violation of the constitutional rights of Ukrainians, and running counter to Ukraine's obligations under the European Convention on Human Rights and as a member of the Council of Europe.

The laws, combined with the overwhelming number of attacks, drove many journalists to take part in the protests, across nearly all regions. According to the Institute of Mass Information, journalists participated in picketing, issued 22 statements signed by about 3,000 journalists, and announced strikes and boycotts of covering local officials in five cities. Some published empty pages or anti-dictatorship banners.

The "dictatorship" laws were eventually cancelled at the end of January 2014, but the MPs from the ruling Party of Regions submitted new draft laws similar in nature: labeling NGOs financed from abroad as "foreign agents of influence," limiting news gathering, and restricting coverage of judges and justice in general.

In terms of broadcast licensing, the panelists criticized the National Council on Television and Radio Broadcasting (NATSRADA) and its total loyalty to the government. Gumenyuk stressed her opinion that broadcast licensing is a tool of political pressure.

According to Dmytro Dobrodomov, general director of ZIK television channel from Lviv, the situation with television licensing is very problematic. "It's impossible for a channel that is beyond the influence of pro-governmental forces to obtain a license," he said. "The unfair distribution of frequencies by NATSRADA to newly set up companies, which lack even staff and equipment, led to a situation where digital licenses were denied to regional television channels and radio stations with 10 to 20 years of history. In 2015, when the country transfers to digital television, they will lose access to their viewers. In 2012, obtaining a satellite license was not difficult, but in 2013, problems appeared. Its inspections and punishments are also selective."

In November 2013, NATSRADA allowed five companies licensed in 2011 in the regional Multiplex MX-5 to become one national channel, 112 Ukraina. The owner of 112 Ukraina bought these five firms, whose licenses cover almost all regions of Ukraine. According to media reports, 112 Ukraina is connected to former Vice Prime Minister Sergiy Arbuzov, and financed by those who financially support such channels as Tonis, Business, and BTB, and the publications *Kapital* and *Vzglyad*. The owner of 112 Ukraina has denied this. The channel entered easily into television's digital broadcast package, main cable networks, and satellite and Internet providers—a feat that would take other channels years to achieve, panelists said.

Tetyana Lebedeva, chair of the Independent Broadcasters Association (IAB), agreed that these conditions worsened the prospects for regional and local television stations during 2013. In her written comments for the MSI panel, she said, "More than 150 broadcasters, out of 298 regional television companies, have not obtained licenses for digital broadcasting in the multiplexes. Meanwhile, NATSRADA gave one of four places in the fifth multiplex designated for regional and local broadcasting to the newly established national channel 112, a newcomer to the broadcast field. In my mind, this is a violation of the law, as in fact the designation of the channels engaged in the 112 network had been changed. Moreover, it is a violation of the international standards guiding the transfer to digital broadcasting. Ukraine, as a member of the UN and OSCE, and as a signatory of the Declaration on Protection of Free Expression and Diversity in Transfer to Digital Broadcasting, must comply with these standards."

Lebedeva added that for companies that have managed to obtain licenses, the conditions of transfer to digital broadcasting are complicated, because the operator, Zeonbud, selected by NATSRADA holds a monopoly, and its prices are too high and unsubstantiated. "As a result, instead of technological reform and greater quality, the population will get less information, especially at the regional and local level," she said. "None of the court cases over licenses denied to existing broadcasters have been found in favor of a broadcaster."

IAB has developed Ukraine's digital broadcasting conversion roadmap, which provides for the creation of small and cheap multiplexes for local television and oblast-size multiplexes for larger companies. Since 2010, IAB has noted repeatedly that conditions for digitalization do not correspond to the possibilities and needs of regional and local broadcasting, and they must be more technically and financially accessible for regional broadcasters.

Lyudmyla Pankratova, a media lawyer for the Regional Press Development Institute, added that the channels that did not get licenses failed to take their cases to court, because they hoped to resolve the issue peacefully. “Licensing is becoming more and more politicized, and the last hope for improvement has disappeared,” she said.

It is worth noting that on February 28, 2014, as the MSI study was being prepared for publication, the parliament expressed distrust in the current NATSRADA; as of publication, the makeup of its members is uncertain and it sometimes fails to have a necessary quorum to conduct business.

In contrast to the difficulties with broadcast licensing, the panelists agreed, registration of print and online media is easy and apolitical. But they noted that media outlets face essentially the same business conditions as other business sectors. Print media enjoy VAT (value-added tax) exemption on print-run sales or subscriptions, and VAT exemption extends to the export of printing equipment. The old law on state support for the media restricts outlets from increasing distribution prices above a certain percentage of printing costs. Only a few large-circulation newspapers tap this privilege.

In terms of crimes against journalists, as the political crisis escalated during the course of 2013, journalists in Ukraine faced ever-growing danger. Vlad Lavrov, regional coordinator of the Organized Crime and Corruption Reporting Project and a *Kyiv Post* journalist, said, “The year 2013 became especially alarming due to an increasing number of crimes against journalists, which the authorities ignored. Oleksiy Matsuka, editor-in-chief of *Novosti Donbassa*, received death threats in September 2013, but the police only pretended to investigate, and they procrastinated in providing state guards for him.” Lavrov also pointed out the unprecedented cybercrimes of hacking or stealing email accounts, and the practice of creating fake publications and websites, which publish distorted data hacked from journalists’ computers.

In December 2013, protesters gradually expanded their camps and barricades, and captured a number of public buildings in the downtown district. The government and ruling party ignored their demands, which were rather modest in the beginning—such as punishment of those guilty in the bloodshed. With tensions building, the “March of Millions” took place in Kyiv and other cities on December 8. Activists ruined the monument to Lenin in Kyiv; many other Lenin statues all over the country were destroyed or dismantled later. On December 11, the police made a failed attempt to storm EuroMaydan at night, as arriving Kyivans increased the number of defenders to 10,000. The

police also failed to recapture the municipal building, which had been occupied by protestors, in the morning. With the aid of international mediators, the government finally entered into formal negotiations with the opposition, but it seemed to be only a simulation of real dialogue. Separate cases of violence, such as a violent attack on the journalist and activist Tetyana Chornovol, only inspired new waves of anger.

In January 2014, television coverage of the protests became distorted and pro-governmental, often stigmatizing the protesters as radicals, nationalists, and extremists. In mid-January, the government adopted the aforementioned “dictatorship laws,” which substantially limited human rights and freedoms and installed a police state—causing another wave of angry clashes and protests. The violence culminated in late February 2014, and ultimately 80 died—including two journalists. An extraordinary parliamentary session ensued, adopting a cease fire that stipulated a withdrawal of police forces, and a return to the 2004 Constitution limiting of Yanukovich’s powers. The day after parliament voted in favor of these resolutions, Yanukovich fled Kyiv. *Telekritika.ua* reported that as of February 25, 2014, more than 170 journalists were injured during the unrest period, and Institute of Mass Information (IMI) is currently investigating more than 200 such cases.

Since then, Ukraine has had a chance to build a more democratic state, and some changes in the media sector took place right away. Yanukovich soon appeared in the Russian Federation, however, prompting Russia to annex Crimea under the pretense of a popular referendum, and support marginal separatist movements. Ukraine’s mainstream media consolidated its efforts to fight pro-Russian propaganda, but journalists continued to be attacked at hot spots to the east and south of the country.

Even before the attacks linked to the protest, journalists were subjected to growing threats and pressure. IMI named 2013 as the worst time for media members in the last 11 years, documenting a total of 496 violations of free speech (up 1.5 times compared to 2012, and 11 times compared to 2005). Those violations included 129 instances of preventing journalists from conducting professional activities, 101 physical attacks (mostly during coverage of protests, rallies, etc.), 63 cases of censorship, 49 distributed denial-of-service (DDoS) attacks and cyber-crimes, 35 threats to journalists or surveillance, 33 instances of political pressure, 30 lawsuits, and 13 cases of economic pressure. Eight journalists were searched, and police detained seven journalists that were in the course of professional reporting duties.

And yet, only five court cases were opened in 2013 under article 171 of the Criminal Code of Ukraine. The strongest

punishments that have ever been handed down under this law were suspended prison sentences and fines of several thousand UAH for the attackers of 5 kanal journalist Olga Snitsarchuk and *Kommersant* photo reporter Vlad Sodel in May 2013. One of the perpetrators was Vadym Titushko, whose name inspired the term *titushki*. Oleg Khomenok, a senior media adviser for Internews Network, added that these paramilitary civilians were said to be specially trained, often along with militia divisions and at law-enforcement facilities, to obstruct media and journalists that cover important events. Kvurt expressed pessimism that there could ever be hope for a dialogue and re-education of law enforcement in this area; aggression against journalists just continues to escalate, he said.

Pankratova said that Ukraine has become quite dangerous for journalists, as authorities do not properly investigate crimes, the highest officials go unpunished, and law enforcement bodies lack understanding of journalists' rights. She gave the example of a presidential interagency working group whose mission was to address compliance with free-speech laws and protection of journalist rights, but they only succeeded in publicizing information about crimes. The rest of their work was a mockery, she said, as no one was punished.

Pankratova also described another attempt to educate state authorities on the plight of journalists. "In fall 2013, [the Organization for Security and Cooperation in Europe] conducted a series of training workshops for law enforcement representatives. We as trainers noticed that they are extremely far from understanding journalists' rights. And the beginning of EuroMaydan proved this. The only reactions to such crimes were rare apologies by the press officers."

On November 23, 2013, on the Day against Impunity, participants of a journalism safety conference of the International and European Federation of Journalists organized protests. They held a silent march on the main street of Kyiv, and issued a letter to President Yanukovich about unpunished and uninvestigated crimes against journalists, attempts by the local governments to close or control television channels (in particular in Kharkiv, Kremenchuk, Chernivtsi, and Kerch), and persecution of journalists who voiced against censorship.

Commenting on the clashes between protesters and the police on December 1, Dobrodomov said that journalists seemed to be targets of special police divisions, despite showing press cards, photo, and video cameras. Later, media organizations handed out well-marked vests and hard hats, but this only increased their identification as targets. A shift in the ethics surrounding the treatment of journalists was

evident to many observers; law-enforcement representatives seemed to treat journalists as members of the opposition, he said.

The parliamentary committee on free speech, Ukraine's numerous NGOs, and media groups that traditionally have spoken out over violations against journalists were totally helpless to stop aggression against journalists and force the proper investigation of attacks on journalists.

Beginning in September, a number of well-known journalists and civic activists began receiving phishing emails about criminal cases brought against them by the Ministry of Interior, and the emails hyperlinked to spy software containing a virus. As a result, the files and correspondence were stolen from the computer of Oksana Romanyuk, director of IMI, and uploaded on the Internet. A specially launched website, with authors using pseudonyms, copied the style of reputable *Ukrainska Pravda*, and discredited Romanyuk by mixing her documents with truth and false data.

A number of independent media websites (5 kanal, *Ukrainska Pravda*, Hromadske.TV, tsn.ua, Telekritika.ua) experienced noticeable DDoS attacks, especially coinciding with the period of protests, November 2013 through February 2014. The servers of Censor.net were broken and all information was deleted. From time to time, 5 kanal's signal was deliberately jammed. *Ukrainska Pravda* editor and investigative journalist Sergiy Leshchenko, in an interview with mediafreedomwatch.org on December 23, 2013, highlighted this worrying trend to manipulate online media, noting that Yanukovich and his law enforcement authorities began to recognize that they could use the Internet as a tool to influence public conscience.

On November 18, 2013, a clone website of *Ukrainska Pravda* at ukrpravda.com was launched, showing the registration certificate of the information agency *Ukrainska Pravda* Ltd., dated April 24, 2013. The state register also contains registration data dated April 29 for the newspaper *Ukrainska Pravda* founded by that company. This imposter newspaper circulated in various regions of Ukraine.

Panelists pointed to evidence that law enforcement authorities attempted to identify protesters and their supporters by their activities on the Internet, or through interference with their cell phones. For example, activists at Grushevskogo Street received SMS messages that they had been identified as perpetrators of crimes. Since the beginning of the protests, the Security Service of Ukraine tried to gather information from Internet providers on users that viewed certain content and commented on protests using Internet forums. The militia also collected data on telephone calls and SMS in certain protest locations, and in

response, Internet associations issued an open letter to the Security Service of Ukraine that such practices are illegal. In March 2014, journalists from the YanukovichLeaks website discovered among documents found at Yanukovich's Mezhygirrya estate the daily reports from the president's security staff on the social network activities of EuroMaydan supporters, including identification of account holders.

On November 21, 2013, parliament prepared but again failed to adopt the law on public television and radio broadcasting, along with a number of other media laws addressing NATSRADA and the de-centralization of print media. The law envisaged basing public television on the existing state-owned national television company, with all of its disadvantages and dependence on the government. The action was designed to mimic the fulfillment of prerequisites for signing the EU Association Agreement. At that moment, after the change of course towards the EU, hopes faded of having true public broadcasting in 2014, on the eve of the 2015 presidential elections.

There is no political will to privatize any of Ukraine's state and municipal media, as the government seeks to keep its mouthpieces. The media market is distorted by the heavy presence of state-owned and municipal outlets that receive funding from the state, but still compete with independent media for advertising revenue. Khomenok added that in absence of proper legislation, the editorial independence of state-owned and municipal media has worsened substantially. As an example he pointed out that subscriptions by local newspapers to the investigative journalism news service Svidomo had fallen by half. Off the record, editors at these newspapers explained that they just cannot publish Svidomo's hard-hitting investigative stories, or they would be fired. The panelists also mentioned a few examples of political loyalists that authorities appointed as chief editors of municipal media.

Oleg Nalyvayko, head of the National Union of Journalists of Ukraine, said in an October interview that some local administrations have withdrawn their investments in municipal media, reclaiming assets and property as a way of hamstringing operations. In some instances, state and municipal newspapers are forced to approve their stories before printing.

Ukrainian law has classified libel as a civil law issue since 2001, and recent attempts to criminalize it have failed. Pankratova commented that the law provides for the presumption of a good reputation of a person, and the burden of proof is on the publisher of the information. The progressive scale of court fees, which had previously curbed excessive sums of damage claims, was restored in September 2013. It had been equal to three minimal salaries—about

UAH 3,000 (\$300). Pankratova mentioned several examples of the media winning defamation cases in the regions, or where substantial damage claims were at least diminished. However, she said, court decisions are still unpredictable. Some cases have exhausted all national remedies, and their only remaining options have been to petition the European Court of Human Rights.

In practice, the courts often fail to reflect the facts of a case in their judgments. "In a number of cases, facts were proven...but the courts ruled to refute the [plaintiff's] recommendations. We had to appeal these national decisions in the [European Court of Human Rights]," Pankratova said.

According to Ukrainian law and court practice, website owners are responsible for any insulting or brutal comments of their users, unless the author can be identified. The recent decision of the European Court of Human Rights on the *Delfi v. Estonia* case supports this norm, which one panelist commented is unfortunate.

Dobrodomov noted that anonymous comments are widespread in Ukrainian online media, but recently the website ZIK decided to introduce the authorization of commentators. It will not fully protect the outlet, as a user might supply fake credentials, but could add some measure of control. Volodymyr Torbich, editor-in-chief of the Rivne Agency of Investigative Reporting, added that requiring commentators to identify themselves might restrain average users, but not those with malice.

A new Law on Access to Public Information, along with amendments to the Law on Information, passed in January 2011 and came into force in May 2011. Pankratova said that the government has adopted numerous instructions to implement this law, but all their efforts have been directed toward finding reasons not to provide sensitive public information. And recent amendments to the law on protecting personal data serve to suppress access to public information. Furthermore, officials designate information as classified without bothering to use the three-step test prescribed by the law. This test is meant to determine: 1) if a document is exclusively related to national security, territorial integrity, public order, crime prevention, public health, personal matters, whistleblowing, or ensuring justice; 2) disclosing such information could lead to substantial damages to these interests; and 3) damage from releasing such information is greater than the public's interest in obtaining this information.

The Highest Administrative Court adopted a resolution that opened the way to the release of public officials' salary information, budget spending, and state or municipal property. However, time is needed to fully implement

Gumenyuk stressed that in terms of professional standards, the quality of journalism is slipping substantially. "If previously political influence and censorship were the most important reasons for declining standards, today they are accented by the commercialization and tabloidization of news," she said.

this law and bring it into practice. Lavrov added that access to information laws do not embrace state-owned companies, providing a very convenient excuse for them to hide information.

Khomenok noted that about 70 online databases and state registers of public information have appeared during the last 1.5 years. "Sometimes it is really difficult to find them. But many journalists have no idea about these resources and lack knowledge about [the] many opportunities to access public information," he said.

Olena Garaguts, director and editor-in-chief of *Litsa* in Dnipropetrovsk, said that for a year and a half she tried unsuccessfully to gain the lists of deputies voting on certain issues in the city council, as two courts classified the information as confidential. Torbich confirmed that officials use the court system to obstruct information access. "Relatively well-written legislation is contradicted by non-compliance and subject to interpretation by judges and lawyers. That makes it very difficult to access the names of people who obtained state or municipal property. Often, it is possible to gain access to information, not due to legislation but thanks to civic pressure on authorities. And, often, it is impossible to obtain information that officials are determined to hide, even through the prosecutor's office and the courts."

Gumenyuk agreed that despite advanced legislation, citizens might never gain access to very sensitive information, and some journalists from media outlets that are not loyal to the government might never have a chance to access the highest state officials.

The law does not restrict accessing or using local and international news sources. In practice, though, economic and language barriers do limit access. Lavrov mentioned that economic hurdles have increased for the media; this year, *Kyiv Post* could not afford to pay for all the subscriptions it had previously, and reduced their number. Gumenyuk, on

the other hand, said that costs are decreasing and many resources are becoming more available. She did note that in some instances, biased Ukrainian media will distort, inaccurately translate, or improperly report stories from quality foreign sources.

Generally, entry to the journalism profession is free. As in previous years, the panelists stressed that the unrestricted influx of non-professional journalists sometimes undermines the trust in and responsibility of media. Pseudo-journalists can easily obtain press cards from marginal media outlets and obtain special rights in elections processes, monitoring, and other civic events.

Journalists of unregistered online media are not always acknowledged as journalists, and sometimes have greater difficulty gaining access to information or attending public gatherings that require accreditation. The government has also tried to use accreditation measures to filter the access of independent journalists, and to allow only loyal journalists to access senior officials.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Ukraine Objective Score: 1.44

Although Kvurt pointed to many examples of solid journalism with the help of foreign or grant money, he said, "In this environment of overall degradation, the overall trends are: entertainment programs eclipse news, socially important topics are suppressed, ethical standards are ignored, and professional and educational levels are declining."

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).

Gumenyuk stressed that in terms of professional standards, the quality of journalism is slipping substantially. “If previously political influence and censorship were the most important reasons for declining standards, today they are accentuated by the commercialization and tabloidization of news,” she said. “Quality content about socially significant issues have either completely disappeared from the central media or they are marginalized. Work with sources has become less qualitative; it is now standard *not* to verify a quotation... At the same time, it’s worth noting the qualitative growth of a small cohort of investigative journalists who can finally serve as an example to follow.”

Gumenyuk added that about five publications now practice fact-checking, but even they sometimes publish minor factual mistakes. “There is a widespread practice of converting Facebook comments into the basis for publications, and journalists are too lazy to simply call the accessible source and verify information,” she said. Dobrodomov agreed that there are numerous examples of news outlets that dare to publish fake news, unverified information, and use social networks’ statements as proven facts. Often, when one media outlet will publish mistaken or false information, and others reprint it without verification, he added. Torbich added the practice locally known as *jeansa* (placing paid content) is still widespread.

Lavrov pointed to a decline in the quality of journalism over the year, especially following the acquisition of the United Media Holding, which owns *Forbes Ukraine* and *Korrespondent* magazines and websites that had been noted for their quality journalism, including their economic coverage. He said, “These publications moved away from professional standards at a disturbing pace; now these previously unbiased publications have turned into tools of manipulation.”

Lavrov also noted that he could not recall any hard-hitting interview with any senior official. In practice, if someone powerful agrees to an interview, the journalist throws softball questions that were shared ahead of the interview. Moreover, officials often show a sense of loyalty to certain journalists to whom they give exclusive access. Journalists also often agree to have their stories verified by interviewees ahead of publication.

Svitlana Yeremenko, a monitor of the Ukrainian Centre for Market Reforms, told Telekritika that Ukrainian media have enough professional journalists followed by thousands of people in social networks, but their stories do not lead to governmental officials resigning.

According to Pankratova, the level of ethical standards among the journalists is descending right alongside professional standards, and journalists have made no

attempts to organize or tackle the issue collaboratively. Plagiarism is widespread. Tetyana Rikhtun, the director of Media Center IPC Sebastopol and an investigative journalist, added that copy-paste journalism is so widespread that despite Ukraine’s numerous news sources, the media sector has no real plurality of content. Law enforcement representatives also have stated that they dislike the media because they strive for sensational news, and often neglect professional and ethical standards by publishing unverified data or exaggerating the facts.

The Commission on Journalism Ethics renewed its membership recently, and together with the National Union of Journalists of Ukraine, adopted a new code of journalism ethics based on a combination of two earlier attempts. Their efforts have not proven effective, however.

According to IMI, based on its monitoring of six national print publications and four websites the volume of *jeansa* increased in 2013, and the trend has spread to more media outlets. Chiefs of local administrations and mayors; regional partisan leaders; Viktor Medvedchuk and the pro-Russian movement, *Ukrainskiy Vybir*; the Party of Regions; the Communist Party; some oppositional representatives; ministries; and state enterprises have all placed *jeansa* to tout their achievements. In particular, IMI named Viktor Medvedchuk and Mykola Katerynychuk as leaders of *jeansa*, and noticed how their “news” from press offices or blogs became reports on a few websites (primarily UNIAN and *Obozrevatel*) and were replicated later at numerous other websites. In the course of 2013, the ratio between political and commercial *jeansa* was kept at 70–30 percent respectively, and in November, the percentage of political *jeansa* decreased slightly.

EuroMaydan coverage became a litmus test for media outlets and their journalism standards. In the beginning of December, a few smaller television channels, independent publications, and Internet sources covered the EuroMaydan protests more or less objectively. A few mainstream television channels did as well, but that soon changed. For example, television channel Inter had covered EuroMaydan more or less objectively in November and early December. One of Inter’s minority owners is Sergiy Levochkin, at the time President Yanukovich’s head of administration and seen as having specific influence over Inter’s news team. At the end of December 2013, Inter replaced its news program team—and the channel started to censor news about EuroMaydan. Soon, other channels owned by oligarchs followed Inter’s lead.

Yulia Mostova, editor-in-chief of *Zerkalo Nedeli* (zn.ua), wrote in her column that then-President Yanukovich accused media-owner oligarchs of treachery, and placed

Dobrodomov agreed that there are numerous examples of news outlets that dare to publish fake news, unverified information, and use social networks' statements as proven facts. Often, when one media outlet will publish mistaken or false information, and others reprint it without verification, he added.

all mainstream channels under the strict control of the presidential information team, which forms editorial policy and messages. She said that the only remaining free information medium, the Internet, is used by some 35 percent of the population, while 93 percent still receive their news from television. "In addition, the government massively used such unacceptable methods as hacking email accounts, illegal wiretapping and recording, publishing fake news, and attacks on websites," she wrote.

Natalya Ligachova, editor-in-chief of Telekritka.ua, confirmed that Inter became the main pro-governmental channel, with the largest reach of the basic electorate of the Party of Regions. According to her, the newly launched channel 112 Ukraina was aimed at manipulating more advanced viewers, but did not have a skilled enough team to pull this off.

Media owners, managers, and staff are afraid to insult some political or economically powerful forces or figures, for fear of being fired, shut down, or persecuted, according to several panelists. Pankratova said that economic fears are the source of self-censorship in many independent private media, leading media owners to pressure their editorial staff. For instance, in one regional city a media owner suppressed publication of a court resolution about a search by authorities of a civic activist's home, despite this being fully legal to publish.

Gumenyuk agreed, saying, "Self-censorship is a routine corporate phenomenon, when the owner has the right to call the tune." She explained that in the minds of many journalists, corporate policy is mixed with editorial policy—if someone wants to work for a certain channel, she or he should be a priori loyal and obedient and comply with the interests of the owner.

Dobrodomov added that with the massive buyout of reputable and quality media (*Forbes Ukraine*, *Korrespondent*) in 2013, core teams of editors and journalists

had to simply quit these media. A few journalists left television channels Ukraina, Pershyi Nacionalnyi, 112 Ukraina, and Inter as well, due to changes in editorial policy. According to Ligachova, editor-in-chief of Telekritka.ua, people working on main television channels, especially Inter, were less prepared to resist censorship.

Lavrov expressed concern that some oligarchs who own mainstream media finance various journalism programs. For instance, the foundation of Rinat Akhmetov finances the Digital Future Journalism program and Impact Media for economic journalists, and Dmytro Firtash's foundation funds the Ukrainian Catholic University, which offers high-quality journalism programs. "The issue is that this might create a certain loyalty of their graduates towards these oligarchs, and whether they could distance from the sources of charity in these cases," he said. He added that oligarchs sometimes pursue efforts to boost their reputations in conjunction with funding such initiatives, "...but perhaps they should have started with standards of their own mainstream media, which are more tools of propaganda." The panelists expressed their expectation that in 2014, both pro-governmental and oppositional politicians would be buying positive coverage at an increasingly larger scale.

Garaguts said that in Dnipropetrovsk, for instance, the city council allocated about UAH 5 million and the oblast council about UAH 6 million to finance both municipal and private media. "Judging by what these media cover, and what issues they ignore, I believe that this funding is provided to encourage the media to cover the government's accomplishments in improving stability," she said. "These media covered EuroMaydan only superficially. In Dnipropetrovsk, local media do not cover any opposition activities—national, regional, or local."

As they expressed in prior MSI studies, the panelists maintained that pay level is ineffectual against *jeansa* and violations of ethical and professional standards. Lavrov mentioned that the current trend is that biased reporting is becoming better paid. Gumenyuk agreed that opportunism is widespread in the media. "Kyiv's mainstream media, especially national television stations, are lucrative places to earn good salaries, even compared with other professions. Many skillful journalists make their decisions based on financial considerations, rather than professional standards of journalism," she said. "When the salary of an average Kyiv journalist, who is expected to copy-paste and re-write, is relatively low, [national stations] are still an attractive place to work."

Dobrodomov added that across the country, industry salaries are generally low, but his media outlet (ZIK) managed to increase salaries by 1.6 times recently. He feels that salary

does affect journalism quality. Torbich pointed to the low monthly salaries of regional journalists, at the level of some UAH 2000 (\$200), as impacting the quality of reporting. “Unable to pay for specialized professionals, newsrooms rely more on generalists. The low level of education seen in so many graduates with journalism diplomas also promotes inferior, cheap journalism,” he said. Mykhailo Kumok, publisher and editor-in-chief of MV holding in Melitopol, added that to be sustainable, independent media must limit salaries; meanwhile, politically funded media in the same city can afford to pay higher salaries.

Panelists were unanimous that entertainment eclipses news, social, economic, educational, cultural, and children’s programs, especially at national television channels. Pogorelov said that mainstream media, especially television, are focused on entertainment content. Kvurt mentioned Novyi kanal as one of the most glaring examples. Its newscast reporter has almost vanished, and it has launched the Abzats program, which contains some news elements, but the viewers are not warned that it is not true news.

The panelists agreed generally that the level of technical equipment does not hinder the quality of news products. Technologies are updated at a healthy pace and have become more affordable. However, Garaguts said that independent media outlets in the regions do not have funds to rent premises downtown, and her newsroom, located on the outskirts of a city, suffered from a weak Internet connection for five weeks recently. “We do lack resources for relevant technical equipment,” she said. Torbich agreed that regional newsrooms do not have sufficient basic equipment to supply to all of their journalists.

Torbich noticed the trend of tabloidization of media among old websites and new websites that appeared recently. As the head of the Rivne Agency of Investigative Reporting, he actively monitors the situation in Rivne, Volyn, and Zhytomyr regions, and he reported that there is not enough investigative journalism in these regions. He added that business journalism in the regions is more about *jeansa*—company news and press releases rather than any economic analysis.

Panelists agreed that business and economic journalism is developing as a specialization. However, Pogorelov noted that while strong professional journalists and editors exist, including competent economic journalists, the complex economic situation makes it almost impossible to gain in-depth data from companies and on economic industries. Companies are simply afraid to share information.

Lavrov noticed a problem in health care coverage. He said that journalists have a very hard time gaining interviews and

documents in this area—in particular information connected with procurement of medicines.

Gumenyuk added that during the last 10 years, international journalism has been devastated. “The general educational level has become so degraded that even editors...do not understand what is important. Even slightly complex issues are not covered properly,” she said. “Despite the fact that national channels spend a lot of money for their foreign bureaus, they would rather cover curious stories like the birth of a panda or the birthday of a queen instead of elections. There is also a belief that anyone who has traveled abroad or knows a foreign language qualifies to be a foreign desk journalist. It is not a shame, for example, if a journalist does not know the name of the president of a neighboring country.”

At the same time, Gumenyuk noted, a cohort of investigative reporters at the national level are publishing international-level quality investigations, which could not be found in Ukrainian media some 5 to 10 years ago. The Eighth Global Investigative Journalism Conference in Brazil, which a group of Ukrainian reporters attended, recognized this development. Now, Gumenyuk noted, Ukrainian journalists have models to follow.

OBJECTIVE 3: PLURALITY OF NEWS

Ukraine Objective Score: 1.62

Ukraine still offers a wide variety and plurality of media, including those that depend on modern technologies. There is a big gap between Internet usage in large cities and rural areas, and television remains the main source of news in small towns and villages.

Ukraine has no public television; instead, there are state-owned television companies at the national level and in each region, and numerous state-owned and municipal newspapers. Pro-government media prevail in the south and east of the country.

Television companies owned by oligarchs cover up to 85 percent of the television audience. Most channels are tools of political influence, public relations, and protection of business assets in other fields. By 2013, only two of four major political talk shows remained: *Svoboda Slova*, with Andriy Kulykov at ICTV; and *Shuster LIVE*, at Inter. *Shuster LIVE*, produced by Savik Shuster Studio and broadcast by Inter since February 2013, terminated its contract with the channel at the end of 2013.

The termination followed two cases of censorship in November. During the broadcast of a speech by then-prime

Many people turned to news websites in record numbers during the protests. People also tended to trust reports from their friends or contacts on social networks more than the statements of politicians flooding other channels.

minister Mykola Azarov, an indicator displayed to gauge the audience's level of trust disappeared. Also, when opposition politicians came to the show on November 29, Inter suddenly interrupted broadcasting of the live show and replaced it with films. Owner Savik Shuster commented that he forms the agenda independently himself, but for a long time could not choose which politicians came on the show—political parties' headquarters made those decisions.

With the beginning of EuroMaydan protests, almost all main television channels, except state-run Pershyi Nacionalnyi, covered events rather neutrally. But as the protests continued, the oligarchs' channels altered their editorial policies. The turmoil became a heyday for news channels such as 5 kanal, 24 kanal, TVi, online streaming of Hromadske.TV, Spilnobachennya (spilno.tv), Espresso.TV, Ukrstream.tv and Grom.TV. Video content and online streaming was also available at Radio Liberty, Lb.ua, Aronets live, INTV, and others. NATSRADA had not given Espresso.TV, recently founded by Mykola Knyzhytskiy, a satellite license, but despite this the channel started satellite and

online broadcasting in November 2013. On December 1, the multimedia service provider Divan.tv started to broadcast 5 kanal, TVi, CT.FM, Hromadske.tv, Espresso.TV and Russian Dozhd' channel, and made them available all over the world at its website, on television, and on tablets.

According to an Academy of Ukrainian Press survey, the Internet turned to be the most objective source of news about EuroMaydan. However, the audience reach of Internet was estimated at 46 percent, while television, displaying examples of clear censorship at play, reached 71 percent.

Still, digital communications played a great role in inspiring and coordinating protest actions of EuroMaydan. Many people turned to news websites in record numbers during the protests. People also tended to trust reports from their friends or contacts on social networks more than the statements of politicians flooding other channels. According to liveinternet, out of 46 million webpage reviews on December 1, 2013, *Ukrainska Pravda* drew 10 million. Its visitors amounted to 897,000 people, with a depth of review averaging 10 to 12 pages per user. At the end of 2013, *Ukrainska Pravda* hit a record of 100,000 Facebook followers. Meanwhile, other reliable and leading news websites increased readership three-fold. Facebook, VKontakte, and Twitter were leaders in generating traffic to news sites.

Watcher.com.ua reported that three million Ukrainians have Facebook accounts—an increase of 47 times since March 2009. The top ten most-followed Facebook users are two journalists (Mustafa Nayem and Vitaliy Portnikov) and seven politicians. Facebook takes seventh place in ratings of the most popular websites, lagging behind Google, VKontakte, Yandex, and YouTube. Approximately 200,000 Facebook users liked EuroMaydan pages in the first two months after the protests launched.

According to an Ipsos MediaCT survey ordered by Google, 76 percent of Ukrainian users use YouTube, and 77 percent of those do so at least once a week.

Lavrov added that the most positive event of 2013 was the launch of online television Hromadske.TV, taking into account its traffic and the effect of its coverage of EuroMaydan. A group of well qualified journalists, most whom worked previously at TVi and 5 kanal television, initiated this online channel in summer 2013 as an independent public television project. Due to its online streaming of the EuroMaydan protests and live interviews with key newsmakers, from the end of November 2013, Hromadske.TV gained tremendous popularity, marked by approximately 21 million views on YouTube and 72,000 Facebook users—exceeding its 6-month targets in the space of a month.

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.

Initially, the project was supported with grants from the International Renaissance Foundation and the embassies of the Netherlands and the United States, but later a crowd-funding campaign brought them more than UAH 1 million (close to \$100,000) from some 3,300 donors in 46 days.

Hromadske.TV's has a staff of 30 people, with many more volunteers that assist the core team. Founder Roman Skrypyn said in an interview to *Ukraina Moloda* that the project aimed to change and influence the media landscape, as traditional channels lost the confidence of viewers, their newscasts turned into tabloids, and journalists capable and brave enough to pose uncomfortable questions to politicians were driven away from mainstream television. Later on, in February 2014, the parliamentary committee on press freedom suggested broadcasting of online television Hromadske.TV at the state-owned Pershyi Nacionalnyi, which has the largest reach all over the country.

In August, an online public radio project, Hromadske Radio, was launched by a group of reputable journalists, including Andriy Kulykov, Natalya Sokolenko, Iryna Slavinska, and Vahtang Kipiani. Available online, some of Hromadske Radio's programs are aired live on Europa Plus radio—leading to threats that Europa Plus would be shut down in late January 2014, and to it being forced to undergo an extraordinary NATSRADA inspection. The station has managed to raise about UAH 280,000 (\$28,000), with the European Endowment for Democracy supplying 60 percent of the funding and the public supplying the rest.

A November 2013 InMind survey, commissioned by the Internet Association of Ukraine, provided statistical evidence on access to online media. The share of regular (once a month) Internet users is slightly more than half of the population over 15 years old, while access to Internet is available for 60 percent of people. About 75 percent of users are people between 15 and 44 years old. The daily Twitter audience in Ukraine amounts to 4 percent (500,000 users), with monthly users amounting to 21 percent (2.5 million people).

More print publications have started to produce applications for smartphones and tablets. In October 2013, YouTube opened an official representative office in Ukraine, and the leading television groups have become its partners. According to Yandex metrika statistics, 19 percent of Ukrainian Internet users visit websites from cell phones and tablets, and 25 percent of them live in Kyiv and the surrounding region. The software platforms they prefer are: Android (39 percent), iOS (25 percent), and Java ME (18 percent).

“Television is the most censored media, and print media is influenced by *jeansa*. And there are topics that are covered only by Internet media. At the same time, a lot of trash in the Internet undermines trust in online sources,” Torbich said.

According to Gemius research as of December 2013, the Ukrainian Internet audience amounts to 17.5 million people (up by 1.5 million people in 2013), and 87 percent of them use it every day. Female users increased to 52.2 percent, 57 percent of users are aged 14-34 years old, and 37 percent of users live in large cities with over 500,000 inhabitants. Gemius forecasted an increase of Ukraine's Internet audience by 15 to 17 percent in 2014.

Rikhtun noted that the number of news sources has grown rapidly, especially on the Internet, but this does not translate to an increase in their quality or quantity—many just reprint news lifted from elsewhere. Torbich added that often Internet media are created by politicians and most are set up as tools of influence and public relations, rather than media businesses. “The number of media in Ukraine is excessive, while their quality is low,” he said. He also noticed that in the Kyiv hotels, a few Ukrainian channels, mostly entertainment, are available, while 5 kanal is absent. “Television is the most censored media, and print media is influenced by *jeansa*. And there are topics that are covered only by Internet media. At the same time, a lot of trash in the Internet undermines trust in online sources,” Torbich said.

In summer 2013, the four largest television groups (StarLightMedia, Inter, 1+1, and Ukraina) initiated a partnership called Pure Sky to promote legal video content on the Internet and fight the illegal distribution of their products. They suggested that websites offer their videos for free, but showing advertising placed by relevant television channels. By the end of year, about 50 websites, accounting for over 60 percent of the Internet audience, joined the initiative.

The Russian Federation media, especially the main television channels (NTV, 1 kanal, TVC, etc.), are widely available in Ukraine on cable networks and via satellite, IPTV, and the Internet, and they remain popular among many Ukrainians. Russian media have always promoted a primarily Kremlin agenda in interpreting Ukrainian politics and events. NATSRADA willingly accepts adaptations of

Russian channels, while other foreign channels experience problems. As a result, Russian Federation media prevail and are embraced by some Ukrainian government officials. In the cheapest cable television packages, Russian channels are positioned favorably, and home-grown independent media are absent.

According to the panelists, manipulative talk shows and mendacious reports of Ukraine on Russian television channels became especially offensive, aggressive, cynical, and hysteric during the EuroMaydan protests. Media reports originating from Russia, and the statements of various politicians and public figures, further stirred up civil conflict.

In November, the old publishing group Blits-Inform (business weekly *Biznes*, *Natali* magazine, *Bukhgalteria* newspaper and printing house) announced its bankruptcy. The print version of *Expert* business weekly ended in September, and was sold to Russian owners who declared their intent to restart it in 2014. 1+1 Media stopped publishing the Russian-licensed *Izvestiya v Ukraine* weekly newspaper.

The government does not block new media or foreign sources of information, but the majority of the population cannot access many sources due to economic and language barriers.

Dobrodomov spoke of a rarity among state and municipal media: in Lviv, the state-owned television station provides rather balanced coverage of events, and the newspaper financed by the city council is the most critical of the same council.

Major Ukrainian news agencies include the private UNIAN, Interfax, Ukrainski Novyny, LigaBiznesInform, RBC-Ukraine (Ukrainian agency of the Russian RosBiznesKonsulting Group), and the state-owned Ukrinform. In 2013, a censorship scandal took place at UNIAN: a few website editors, who accused management of censorship and placing fake comments of oppositional MPs, were relocated from the downtown location to a newly established division on the outskirts of Kyiv.

Panelists representing Ukraine's regional media noted that news agencies are rather expensive for them; they admitted that, as local news sources, they often prefer to copy-paste national news from open sources. Dobrodomov added that given the harsh economic conditions, news agencies agree to certain discounts, and he managed to get an acceptable subscription price for his outlet.

Dobrodomov added that most regional television stations produce their own news and other programs. High-quality regional programs, especially investigations, are more popular than even national television programs in prime

time. Every regional channel has more or less strong news programs.

Khomenok shared his assumption that when the transfer to digital television is complete in 2015, the general public will lose access to many private channels, while the state-owned channels that generate "virtual reality" became more accessible. Dobrodomov expressed the belief that the transfer to digital television so far has not been as successful as expected; many people are dissatisfied with so-called social packages of 32 channels available via set-top boxes. Many cities of 50,000+ inhabitants are more than 50 percent covered by cable networks, with some covered up to 70-80 percent. "Average people used to watch Discovery or many Russian channels, which are not available via set-top boxes," he said.

Although the law on the transparency of media ownership was adopted in July 2013, in response to a request of the Parliamentary Assembly of the Council of Europe, it ultimately allows for the true owners to remain hidden. Data on related entities do not have to be verified, and holders of current licenses are not required to submit newly required data. The law forbids provision of licenses to media owned by off-shore companies, but does not explain how or even if off-shore companies that have already secured licenses should comply. In addition, Cyprus is not considered off-shore legally, though in essence it is. Media experts expressed disappointment that this law brings additional, but ineffective, paperwork and was adopted pro-forma. In print media, it forbids monopolization of 5 percent, but there is no mechanism how to define that percentage, when Ukraine has 30,000 officially registered print publications—most of which are not operating. On the Internet, it is much harder to identify website owners, and it is hard to expect an average reader to discern which news sources are reliable, and which are not. Ukraine has no sufficient legal provisions to protect copyrights online, as the register of domain names does not disclose owners or their data, even by request of an attorney.

Lavrov stressed that the pattern continues of extreme concentration of Ukrainian media in the hands of powerful business groups, who play key influential roles in the quality of journalism. Television has long been assumed monopolized, although channel ownership is unclear due to usage of offshore jurisdictions for registering media assets. Ukraine's 60 percent offshore registration is unprecedented even for Eastern Europe. Lavrov gave examples: "The structure of the United Media Holding is so complicated that we could not prove the links with the new owner, and had to write 'according to his statement in media.' We also wrote a story about TVi ownership; it was also very complicated to figure out."

RosBiznesConsulting's rating of TOP 25 CIS media companies in April 2013 includes five Ukrainian companies: StarLightMedia (\$224 million revenue, ranked 11th), UMH group (\$138 million revenue, ranked 15th), Inter Media Group (\$89 million revenue, ranked 17th), 1+1 Media (\$43 million revenue, ranked 21st), and Media Group Ukraina (\$51 million, ranked 22nd). According to these figures, UMH group, with primarily press and Internet outlets, has the same rate of informational influence as television leader StarLightMedia. The panelists explained that Ukraine has too many free-of-charge television channels, and that most media owners do not see media outlets as businesses but as means of political and informational influence.

The son-in-law of ex-president Leonid Kuchma, the oligarch Viktor Pinchuk, owns the largest media group, StarLightMedia, with more than 30 percent of the market share. It unites six television channels, including STB, ICTV, Novyi Kanal, *Fakty*, and *InvestGazeta*; Tavr media group, which manages six national radio stations; three sales houses; and two production studios.

Inter Media Group belongs to the oligarch Dmytro Firtash and the ex-chief of the President's Administration, Sergiy Levochkin, with 20 percent of the market share. They bought the company from Valeriy Khoroshkovskiy in February 2013 for \$2.5 billion, while the media holding's estimated worth is \$800 million.

Ihor Kolomoyskiy's 1+1 media group consists of television channels 1+1, 2+2, TET, PlusPlus, and Bigudi; websites TSN.ua, Glavred, and Telekritika.ua; and UNIAN news information agency.

Rinat Akhmetov's SCM group owns Media Group Ukraina, which unites Ukraina and NLO TV television channels; two soccer channels; regional television channels Donbass, Sigma, Sfera, 34 kanal, sales house Mediapartnerstvo, and Digital Screens (Oll.tv); the production company Tele Pro; and the holding Segodnya Multimedia.

The 28-year-old oligarch Sergiy Kurchenko, who took seventh place among the top 10 richest Ukrainians with a fortune of \$2.4 billion, owns VETEK Company (Eastern European Fuel and Energy Company) and is supposedly a friend of Oleksandr Yanukovych, the president's son. He bought UMH holding from the media tycoon Borys Lozhkin in November 2013, and included UMH's share in the Internet holding United Online Ventures (UOV). Then VETEK-media also bought the share of Media Group Ukraina in UOV, which owns web portals and an advertising sales house. Then it became a part of UMH group and was renamed UMH Digital.

As a result, Kurchenko's holding controls such publications as *Korrespondent*, *Forbes*, *Telenedelya*, *Komsomolskaya Pravda v Ukraine*, *Argumenty I Fakty v Ukraine*; a couple of sporting publications; five national radio networks; several regional radio stations; and web portals Bigmir.net, Tochka.net, and I.ua. The change in ownership was followed by respective changes in top management and editorial policy. It was especially noticeable for two flagship independent publications, *Korrespondent* and *Forbes*, as teams of prominent editors and well-qualified journalists left these newsrooms soon after.

In June 2013, UMH sold the weekly magazine *Focus* and the related website focus.ua to Vertex United, which declared its commitment to independent journalism standards.

In December 2013, business executive Vitaliy Gayduk reportedly sold to an unknown company registered in Cyprus his Evolution Media holding, which publishes the weekly *Komentari* and the English language *Kyiv Weekly*, websites Comments.ua, UGMK.info, and the photo agency PHL. Judging by the changes in their respective editorial policies, the panelists said that they suspect that the new owners are connected closely to the current government.

Founded in 2013, Multimedia Invest Group launched several outlets: a free national daily newspaper, *Vesti*, with an estimated print run of 150,000 copies; television, online, and radio holdings in Kyiv and Lviv; and *Vesti.Reporter* magazine (by license from Russian Reporter), with plans for wider expansion in digital frequencies. The manager and owner of the holding is Ihor Guzhva, the former editor-in-chief of *Segodnya*. Natalia Ligachova, founder and editor-in-chief of Telekritika.ua, described *Vesti.Reporter* coverage as delicate brainwashing to promote Russian interests in Ukraine.

Regarding news sources and information in minority languages, Gumenyuk expressed the belief that coverage of any topics related solely to the minorities will work against their interests, and tend to isolate and dissociate them from the rest of society in an extremely dangerous way for a multicultural society. "Ukrainian media very often use ethnic stereotypes, xenophobia, and hate speech, and neither the government nor the general public express their negative reaction on such statements or reports," she said. Kumok added that long ago, he would periodically publish pieces about nationality issues, and they were not popular among readers.

Kvurt noted that coverage of the world, country, and Ukraine's regions is neither adequate nor sufficient in relevant media outlets, due journalists' poor professionalism; they fail to consult multiple sources, travel, or talk to people to learn the real story. The country offers just a few examples of media outlets with high quality coverage,

Kvurt said. Gumenyuk added that Kyiv residents do not receive relevant information about the regions, while an old Cold War mentality blocks full coverage of the West. Dobrodomov agreed that national media do not notice or cover regional issues.

Khomenok added that online media diversity and quality vary from region to region. Some oblasts have leading quality online news sources, while in other regions, people have to rely on the national online media.

Gumenyuk added that the mainstream media marginalize coverage of sensitive but critical social problems. As an example, Rikhtun mentioned that AIDS/HIV issues are not covered. Once in a year, there might be a press conference with relevant officials and experts, but media seem to attend only with reluctance.

OBJECTIVE 4: BUSINESS MANAGEMENT

Ukraine Objective Score: 1.40

Pogorelov noted Ukraine has both effective and ineffective media companies, and the market leaders are usually managed effectively. State subsidies are used for financing municipal media, and this distorts the market. In fact, private media companies find it almost impossible to compete with subsidized media outlets in small-town markets.

“An economic crisis is developing in the country, and this is reflected in media revenues as well as the level of independence and compliance with classic standards,” said

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.

Kumok, a regional publisher. “For instance, I cannot afford to employ a copywriter or marketing manager. There is no hope that situation will change soon. Newspaper sales are decreasing, advertising is in stagnation, and websites are the only growing platforms,” Kumok concluded.

Dobrodomov noted that the situation is not hopeless as long as some media can still produce high-quality content. “In our case [ZIK], the quality of our content ensured higher ratings, and that directly influenced our advertising revenues positively, despite the general decline of the market. We even have exceeded the business plan figures, and managed to afford two marketing analysts,” he said.

Others have had a harder time transcending the harsh market realities. Garaguts said, “We do not have any business plan, as I cannot imagine how to plan in such circumstances.” According to Rikhtun, rampant copyright violations hinder media business efficiency. “Once you produce quality online product, it is stolen immediately,” she said.

Lavrov echoed that Ukrainian media continue to serve as tools of influence rather than business, and even in the cases of a profitable media outlet, an advertising director might have a major say in editorial policy. He explained that in many media companies, their contracts with large advertisers indirectly influence editorial decisions to publish—or refrain from publishing—critical stories related to them, for fear of losing contracts.

Gumenyuk expressed the belief that national mainstream media have money, but their management is efficient and affected by the widespread system of kickbacks. “There is no meritocracy in hiring professionals,” she said. “Moreover, for several years, the best qualified cadres have been squeezed out from the most popular channels, as it was harder to manipulate them.” She underscored that Ukrainian media are very dependent on their owners, and other revenue sources are secondary.

Quite a number of business owners that might be ready to sponsor media cautiously prefer to invest into less risky businesses. According to *Forbes Ukraine*, the four largest media groups admitted that the television business is a losing enterprise financially. They spend \$500 million per year, while the market is less than \$450 million—and their losses amount to \$300 million a year, as the advertising market is undervalued by one-third. Every year, the owners have to supply an extra \$50 to \$120 million each per year.

Pankratova agreed that the conditions for doing business—from the political interests of owners, the harsh economic situation, the distorted advertising market, and the lack of

reliable ratings—collectively do not provide for editorial independence, and thus most media are not sustainable.

Torbich commented that regional media lack honest advertising money. “They publish a large share of *jeansa*. Meanwhile, most online media are not self-sustainable; they are financed by non-transparent owners, primarily with political interests. Media that lack entertaining content also face greater challenges to sell advertising, too.”

Kumok added that for printing facilities, fulfilling orders from the municipal or state-owned media or enterprises is no longer lucrative, as governments do not pay in time, given the state treasury deficit. “Advertisers in Sebastopol started to ask for deals, and state and municipal enterprises that used to order informational materials now complain about their lack of budgets for media,” Rikhtun said. Dobrodomov confirmed that indebtedness to ZIK for such services as broadcasting of the city council sessions and re-broadcasting of the municipal television signal has increased to more than UAH 1 million (\$100,000), a rather noticeable sum for the regional station. These services have become an unstable source of revenue.

According to the NGO All-Ukrainian Advertising Coalition, the 2013 media advertising market (television, radio, print, and the Internet) totaled UAH 8.9 billion (\$888.6 million), an increase from 2012. Projections indicate that it may increase by another 10 percent in 2014.

In 2013, almost half of the advertising market went to television, with the television advertising market reaching 4.44 billion UAH (about \$445 million). Sponsorship of television programs is estimated separately at 500 million UAH (close to \$50 million). The coalition does not distinguish between regional and national television advertising. It states that regional television advertising includes budgets of television channels that are not covered by audience research and therefore do not have ratings, and their budgets are formed by small local advertisers—and even combined, they are within the margin of error of the total spending on television advertising.

Print outlets decreased their advertising revenues just slightly in 2013; newspapers lost about 10 percent of their advertising revenues, while magazines, non-standard placements (such as sponsorship, inserts, special supplements, and projects) and classifieds lost about 1 percent each.

In 2013, radio advertising increased by about 10 percent, and is projected to increase by 15 percent in 2014. Retailers increased their 2013 radio budgets by 30 percent, and more than 35 percent of banks advertised on radio (up 20 percent). Coalition experts said that a lack of crowding,

adequate pricing, and availability of quality research are the factors for growth in the radio segment, and that radio might have better potential if stations improve program content and diversity.

According to the All-Ukrainian Advertising Coalition, Internet advertising in 2013 grew by 35 percent to UAH 1.060 billion (\$105.8 million). Ads include banners, videos, and digital (SMM, context in social networks, etc.) advertising. Kommunikacynyi Alliance also monitors the advertising industry. It tracks advertising at 16 radio stations and 250 print publications.

The panelists agreed that disparities remain in the advertising market between television and other media as well as between the capital and the regions. Dobrodomov explained that advertising agencies tend to be unprofessional and deal in kickbacks; they prefer to use easy placement schemes when advertising does not necessarily reach its promised effect. The rare exceptions are a few large companies that come to the regional market, make transparent tenders, and maintain professional relations under the contracts. “One example is Akhmetov’s energy company, DTEK, which placed an approximately UAH 5 million (\$500,000) campaign in the region,” Dobrodomov said.

At the end of 2012, the three largest media groups (SLM, Inter, and Ukraina), with a combined 70 percent of the television audience, merged their efforts in advertising sales. The alliance introduced a 25- to 40-percent price increase in 2013, and as a result, SLM’s occupancy rate of advertising spots decreased from 92 to 68 percent. Its main television competitor, 1+1 Media, with about 13 percent of the television audience, managed to increase its occupancy rate instead.

Khomenok agreed that the television advertising market is under an oligopoly; a small number of media buyers divide the major share of advertising money between a few main television channels that belong to the Industrial Television committee. The other national and regional television companies are thankful for whatever small leftovers they can grab, according to Khomenok.

Pogorelov added that large advertising agencies have increased pressure on print media this year and used discriminatory discounts, in which the discount for placing ads on television and in print is lower than ads placed only on television.

Kumok said that the share of advertising in his media holding revenues has already declined to 45 percent. If subscriptions fall, as expected now, the decline may deepen.

The approved state budget for 2014 allocates UAH 686 million (\$68.6 million) for financing of the state-owned television companies, state-owned agency UkrInform, and the Ukrainian version of EuroNews channel, which is 67 million lower than in 2013. In addition, the government plans to grant UAH 4.3 million (\$430,000) to fund media employee training at Ukrteleteleradiopresinstitute.

The government funds the media in two ways: it either gives direct subsidies to state-owned/municipal media outlets or executes agreements to cover its activities through state and private media. Garaguts gave an example: In 2013, Dnipropetrovsk city authorities allocated UAH 5 million (\$500,000) to support the media, with most of the sum directed to the municipal newspaper *Nashe Misto* owned by the local city council and channel 34 kanal. The oblast budget allocated about UAH 6 million (\$600,000) for regional media, e.g., for advertising the local authorities in private television channels 9 kanal, 11 kanal, 24 kanal, 34 kanal, and oblast state television. Garaguts added that employees of Dnipropetrovsk city and enterprises funded by oblast budgets are forced to subscribe to municipal newspapers.

According to Dobrodomov, Lviv is an exception. Due to the Lviv media's authoritative standing and position, both the city council and the oblast council distribute funds allocated for coverage of the local government rather fairly, because they do not want to quarrel with any media. He added that the private channel ZIK managed to insist on providing time for various deputies of the council proportionate to their representation, and marked those spots as advertising.

Having labeled such allocations for coverage of local government as "state *jeansa*," Torbich also confirmed that the local government in Rivne provides such allocations to a wide range of media, with the main private outlets included but certain municipal media prevailing. In Rivne, the local government also does not want to quarrel with media and tries to maintain their loyalty. He stressed that this indeed strengthens loyalty to the government among media, and contributes to self-censorship.

Television audience research is ordered by the Industrial Television Committee (ITC), which unites four main television groups (Inter, 1+1, Ukraina, and StarLight Media), 5 kanal, four main media groups (Publicis Groupe Media, Omnicom Media Group, ADV Group, Group M), and Media Arts Group Ukraine agency.

GfK Ukraine is contracted to continue conducting television audience research until the end of 2014. However, ITC is in the process of suing GfK Ukraine to terminate the contract, and ITC has contracted Nielsen to conduct audience research in 2014. The research panel will include 55 channels, will be based on national sample of 3,740 households (50 percent

more than current sample), and will allow for analysis of narrower target groups.

The majority of regional media cannot afford to purchase professional market research. Dobrodomov said that ZIK is the only regional television company that uses professional market research. "In summer 2013, we entered the monthly GfK panel for a substantial UAH 75,000 (\$7,500) per month; in three months, we repaid these costs and tripled our advertising revenues. We hired marketing analysts who interpret survey results and we clearly know our audience [and] its needs, and plan programming schedule accordingly," he said. "Although the quality of research is questionable, there are no other alternatives at the market, and all market players accept it. If you want to get a serious advertiser with substantial budget, you have to use such methods."

In absence of reliable data on audience and ratings, regional and local companies do not base their sales on GRP (gross rating point) for selling advertising, but sell it per minute. This hinders the development of the advertising market. The Independent Association of Broadcasters (IAB) commented that Nielsen research is too expensive for regional companies, and it plans to combine its members in an effort to order research based on DAR-CATI (day-after-recall computer-assisted telephone interview method) for regional and local television companies. Participation should cost no more than UAH 25,000 (\$2,500), and the sample would be about 800 in a certain city. In a city of 70,000, a GfK panel would have only a few peplemeters. At the end of 2013, IAB called for potential participants to join the so-called TV-Local research in 26 cities in Ukraine.

The Industrial Radio Committee has been ordering radio audience research based on the DAR-CATI method since 2012. This survey covers cities with a population of 50,000 or more. The market players have become acclimated to the survey, and a number of new radio networks and regional stations have joined. The key radio groups—UMH and TAVR Media—became members of EGTA, the Brussels-based trade association of television and radio sales houses that markets public and private broadcast advertising space across Europe and beyond.

TNS Ukraine has measured the Internet advertising market within its media market research since 1998. In 2013, TNS launched a new audience research called Content Meter that presents weekly ratings of the most popular stories and topics in Ukrainian on the Internet. GfK conducts 1,000 personal interviews per month. The Kyiv International Institute of Sociology also measures the Internet audience from time to time, as do Gemius and InMind Factum Group Ukraine, which involve 50,000 respondents and 200 large

websites. Often the results of different companies vary, due to different samples and interpretations.

TNS Ukraine conducts print media audience research using the surveys MMI Ukraine (Marketing and Media Index Ukraine, national publications) in all cities with more than 50,000 inhabitants, PMI Regions (specialized and national publications), and NRS regions (local and national publications) in eight cities of Ukraine. Internet, radio, and television audiences are researched within MMI Ukraine.

But panelists said that honest figures on the advertising market are not available, and there were no attempts to change the situation in 2013. Pankratova said that advertising market funds are not being distributed fairly because of kickbacks, lack of market surveys, or ignoring available research. "There is no legal responsibility for lying about circulations, ratings, etc.," she said. "It's not possible to get data on circulations from the printing houses, as it is considered a commercial secret. Therefore, there are no mechanisms to influence dishonest market players."

Gumenyuk said that market surveys could be useful, but in many instances, they are superficial products of no use. If earlier the media learned how to lie about circulation, now they have learned to boost traffic numbers, she said.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Ukraine Objective Score: 2.11

Ukraine has a developed network of trade associations, media trade unions, and media-supporting NGOs. The print trade associations are the Industrial Television Committee (ITC), the IAB, the Radio Broadcasting Committee, the Ukrainian Press Publishers Association (UAPP), and the Association of the Independent Regional Publishers of Ukraine, and Internet associations include the Ukrainian Internet Association and Ukrainian Association of Advertising in Internet. The All-Ukrainian Advertising Coalition measures the media and non-media advertising market.

Gumenyuk commented that "professional associations exist, and the journalism community is mighty compared with other professional communities. Yet there is a division among journalists on the methods, and associations work rather nominally and lack real tools of influence."

As an IAB board member, Dobrodomov stressed that he appreciates the association's efforts to boost regional television audience research, but is unsatisfied with the results of its interaction with NATSRADA on unfair licensing issues. "Its actions have become more and more authoritative by nature, and the dialogue with NATSRADA

has had no effect. Being independent, IAB unites many dependent television channels that fear to fight," he said.

In the case of IAB, Kvurt commented that Internews Ukraine surveyed television channels asking how much they were ready to fight over licensing issues, and most of them said that they definitely do not plan to quarrel with NATSRADA. Kvurt also said that in an oligarchic economy, some associations (ITC, for instance) promote oligarchic interests.

Khomenok noted that United Media Holding previously exerted major influence on UAPP, but now that Kurchenko bought the holding, he cannot speak to how UMH influences UAPP. Gumenyuk expressed doubt that associations and NGOs have effective tools for influence in Ukraine, and Kumok agreed that in an authoritarian society, democratic institutions cannot be effective.

Having new top management for the second year, the National Union of Journalists of Ukraine (NUJU) has made certain progress. NUJU has 20,000 members, mostly in the regions, while the Independent Media-Trade Union, which moved to NUJU premises, is more influential in Kyiv. Both organizations became members of the European Federation of Journalists. They have made numerous joint statements against violations of journalism rights. NUJU lobbied to remove state influences from the media, and assisted journalists during coverage of the EuroMaydan protests, distributing jackets labeled "press."

Khomenok stressed that NUJU chapters in the regions are rather independent from its central management—and in many cases lag behind. Many governmental officials and people who are no longer journalists retain their

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.

NUJU membership. On December 27, 2013, however, NUJU expelled Minister of Interior Vitaliy Zakharchenko, who was its member since 2004, for violation of journalists' rights.

Pankratova agreed that NUJU fails to be the body for self-regulation of journalists and effective protection of journalists' rights. The union has been unable to make any progress on certain issues, such as creating a single press card for journalists.

Torbich said that media-supporting NGOs funded by foreign and international donors help the media with training programs, webinars, and legal support in a more effective way than trade and professional associations. "This help allows media to remain independent," he said. "In contrast, the activities of industrial associations and trade unions are imperceptible."

Khomenok mentioned a positive development: With rapidly declining media circulations and revenues, quite a number of media groups rely on non-profit-style organization, running online media resources and performing certain social functions, which can be fulfilled neither by governmental bodies nor private media. Examples include investigative reporting bureaus and anti-corruption initiatives.

Gumenyuk agreed that only NGOs truly support freedom of speech, but very often suggest their own agenda to target groups, rather than listening to needs. She added that this problem extends across civil society.

Kvurt stressed that a big issue is the absence of state and local governmental support for NGOs. He said that funding could be distributed on competitive basis but instead is absent. Khomenok noted that both state and regional budgets provide for certain support of NGOs, but it is primarily channeled to war veterans, handicapped people, youth, and sports. In many instances, those are pocket organizations closely connected to local administrations. The panelists did not discuss whether such support could skew editorial independence.

According to Rikhtun, although ruling politicians demand accountability from NGOs that receive foreign funding, she has noticed many instances in Crimea in which Russian patriotic organizations funded by the Russian Federation never report to the public or the state. She gave the example of a Crimean man that is simultaneously the head of a Russian patriotic organization and an owner of a media outlet in the region.

Kumok expressed the view that academic journalism education in Ukraine is a disaster; and that upgrading staff is easier than expecting graduates to arrive on the job with the skills they need. Torbich confirmed that some schools are not well utilized, saying, "We welcome journalism students

for internships in our investigative reporting agency, but just few, some 0.5 percent of all local students, are interested. The low quality of academic education persists; some students look for workshops conducted by NGOs."

Gumenyuk noted that there are a number of academic journalism programs that provide for practical exposure and incredible education, such as Digital Future Journalism, and graduate programs at Kyiv Mohyla Academy and Lviv-based Ukrainian Catholic University. "I met interns and graduates from these programs, and I am very satisfied with their skill level," she said. But she added that "this year, the master's program of Kyiv-Mohyla Academy was not been funded from the state budget, and the competition for paid-for courses declined. Therefore, it was obvious that the general quality of the enrolled students decreased as well."

About 20 people per year graduate from each of these programs. Dobrodomov, having expanded ZIK staff from some 30 to 250 employees, is interested in hiring graduates of these programs, but he too could find just a few.

Gumenyuk noted that short-term training workshops have gained popularity, but questioned whether participants are able to use their acquired knowledge if the media system itself is unhealthy. Rikhtun said that NGOs conduct various workshops, but their prestige is in decline as journalists do not have as much opportunity to use the skills gained.

The panelists also expressed doubt as to whether numerous journalism courses and schools based on the largest television channels provide adequate quality of training, when the channels themselves lack professional and ethical standards and practice censorship.

Kvurt noted that in some instances, Ukrainian journalists are offered master classes by Russian journalism stars serving the interests, he said, of Putin's regime. Kvurt expects a negative influence on the Ukrainian media community from this.

Ukraine's printing facilities are fully de-monopolized. Kumok confirmed that print outlets have no problems with newsprint and equipment, although he added that sometimes, printing presses might be pressured mildly not to print something.

Kumok, who runs a net of kiosks in Melitopol, said, "Every year some new requirements to kiosks may appear, but I have not experienced serious problems. Once the land rent was not renewed, but my kiosks remained untouched."

However, Garaguts said that one of the largest distribution companies in Dnipropetrovsk keeps a monopoly in the city's central districts and obtained land for its kiosks under privileged terms. It has introduced economic censorship for media critical to the government. "It allows state, municipal,

and pro-governmental media to enter its kiosks network for free, while other media are charged UAH 54,000 (\$5,400) just for entering the network," she said.

The Ukrainian post office, Ukrposhta, announced an increase of its tariffs for subscription and delivery of periodic publications by 45 percent, in effect since January 2014. Experts estimated that this would lead to increasing subscription prices by 10 to 15 percent. NUJU called upon Ukrposhta to keep its price increase at the level of no more than 25 percent, and criticized it for the timing of its announcement on the eve of a subscription campaign.

According to international agreements, Ukraine has to fully transfer to digital television in June 2015. So far, Zeonbud, which has a monopoly as a digital provider and expected annual turnover of UAH 1 billion (\$100,000,000), announced an unprecedented discount of 75 percent from its initial price. For instance, the largest television group, StarLightMedia, would pay \$1 million per year—but it still has criticized Zeonbud's pricing policy. According to media reports, the national television channel's cost is UAH 2.9 million (\$290,000) per month. Kvurt added that Zeonbud has expensive tariffs, and its ownership is non-transparent, while the quality of its services is low due to lack of investment.

Ukraine has more than 700 cable operators, and most of them were against the NATSRADA decision to increase the number of channels obligatory for the so-called social package (the cheapest) from 15 to 32. According to media reports, 3.63 million families in Ukraine use cable television. Cable operators made a number of attempts to switch off independent television channels. For instance, in December 2013, cable operator Triolan switched off TVi channel in the largest cities of Ukraine: Kyiv, Donetsk, Kharkiv, Odesa, Dnipropetrovsk, Simferopol, Poltava, Zaporizhzhya, Luhansk, and others.

Satellite platforms are represented by Vision TV (Viasat), NTV-Plus Ukraina, Extra TV, and newcomer Lybid of the Russian satellite leader Tricolor. A new provider often induces existing operators to decrease prices. According to official statistics, about 300,000 households in Ukraine use satellite television.

In 2013, the operators of Internet television IPTV and OTT started to legalize their activities. By the end of the year, about 100 providers had obtained licenses, while a few hundred still operate illegally.

Kvurt complained that with regard to smartphone communications, "quality Internet in villages is a serious problem." Khomenok noted that Ukrtelekom, which belongs to Rinat Akhmetov, has a substantial market share in ADSL, services of wired and wireless broadband Internet.

According to IKS Consulting, broadband Internet penetration of households reached 35 percent in 2012 and might increase to 43 percent in 2015, with as much as 65 to 70 percent in large cities.

GfK Ukraine's Internet usage intensity index (July 2013) indicated that Ukraine has sufficient infrastructure for businesses' access to the Internet. The index showed an overall score of 25 points (out of 100) and 32 points in Kyiv, that 79 percent of Ukrainian companies have broadband Internet access, 62 percent have their own website, and 34 percent advertised online.

List of Panel Participants

Dmytro Dobrodomov, general director, ZIK TV, Lviv

Olena Garaguts, director and chief editor, *Litsa*, Dnipropetrovsk

Natalia Gumenyuk, freelance journalist; lecturer on international media, Journalism School of Kyiv Mohyla Academy, Kyiv

Oleg Khomenok, independent journalism trainer, senior media advisor, Internews Network U-Media project, Kyiv

Mykhailo Kumok, publisher and chief editor, MV holding, Melitopol

Kostyantyn Kvurt, chairman of the board, Internews-Ukraine, Kyiv

Vladyslav Lavrov, regional coordinator, Organized Crime and Corruption Reporting Project; journalist, *Kyiv Post*, Kyiv

Lyudmyla Pankratova, media-lawyer, Regional Press Development Institute, Kyiv

Oleksiy Pogorelov, general director, Ukrainian Association of Press Publishers, Kyiv

Tetyana Rikhtun, director, Media Center IPC Sebastopol; freelance investigative journalist, Sebastopol

Volodymyr Torbich, chief editor, Rivne Agency for Investigative Reporting, Rivne

The following participant submitted a questionnaire but did not attend the panel discussion:

Tetyana Lebedeva, honorable chairman, Independent Broadcasters Association, Kyiv

Moderator and Author

Kateryna Laba, executive director, Regional Press Development Institute, Kyiv

The panel discussion was convened on December 2, 2013.