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UKRAINE

The year 2014, dramatic and intense for Ukraine, started with violent clashes between EuroMaydan protesters and the police, with so called “dictatorship laws” adopted on January 16. The Revolution of Dignity seized power on February 18 to 20, despite snipers shooting protesters. President Viktor Yanukovich fled to Russia. Ukraine’s new president, Petro Poroshenko, was elected in May.

Despite their hopes for a better democratic future, Ukrainians found themselves on the threshold of severe ordeals. Armed men appeared in Crimea on February 26, and in a month Russian President Putin proclaimed the annexation of Crimea. Ukraine surrendered Crimea without a fight under soft pressure from Western countries and due to the temporary government’s lack of confidence in the Ukrainian army and demoralized law-enforcement bodies. In mid-April, separatist turmoil started in Donbass, and in a month the government lost control over this territory. Provoked and supported by the Russian Federation, military aggression in eastern Ukraine is still called an Anti-Terrorist Operation (ATO); several thousand Ukrainians lost their lives and about a million people are internally displaced. This hybrid war is accompanied by unprecedented propaganda from Russia, stirring up hatred directed at the “bloody Ukrainian fascists and junta who came to power.” Neither the government nor Ukrainian media have developed effective countermeasures to this propaganda.

Journalists proved to be a key force at EuroMaydan, and a dozen of the most active became members of parliament (MPs) within different political parties. Ukraine signed an association agreement with the EU, and the parliament adopted a number of new progressive laws. Still, corruption remains the hardest disease for Ukraine to beat, and procrastination on key reforms undermines its opportunities.

The war has exhausted the weak economy, but most Ukrainians have parted with any illusions about Russian brotherhood and are forming a true political nation. Patriots display incredible self-organization and devotion, volunteering in the army, donating to charities and solving problems neglected by the state. The media is slowly shedding the Russian agenda as well.

Oksana Romanyuk, executive director of the Institute of Mass Information (IMI), characterized 2014 as one of the most difficult years; she pointed to a sharp uptick in physical aggression toward journalists during EuroMaydan and then Russian aggression, and absolute impunity of perpetrators and the government’s inability to protect the journalists. Despite hope that reforms will help the media sphere develop further, a lot depends on political will.

Nataliya Ligachova, editor-in-chief of Telekritika, found 2014 more hopeful for media with its oligarchic plurality on main television channels, alternative media such as Hromadske.TV and Hromadske Radio, and the legal launch of public broadcasting and expected media reforms.

UKRAINE at a glance

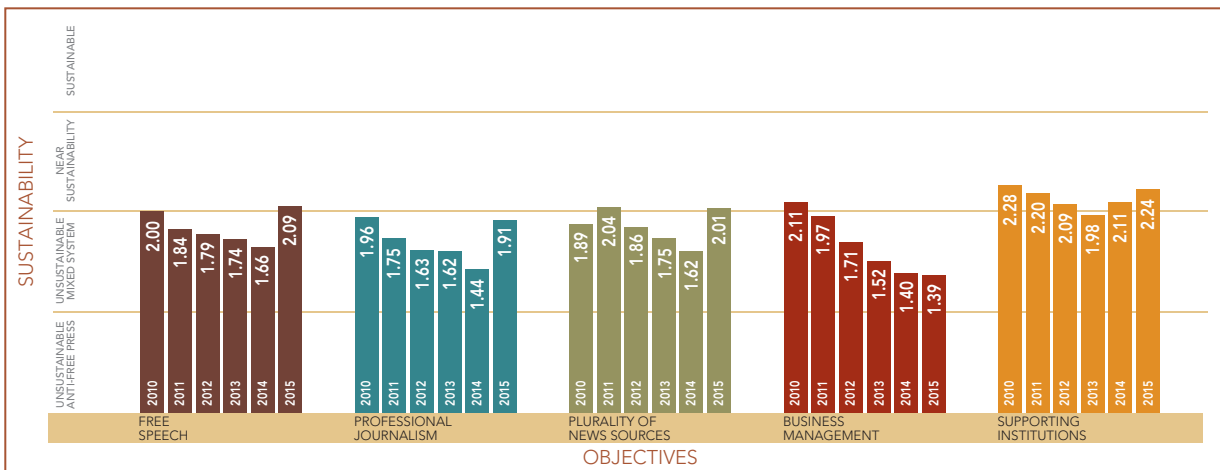
GENERAL

- > 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 (2013-Atlas): \$179.9 billion (World Bank Development Indicators, 2014)
- > GNI per capita (2013-PPP): \$8,970 (World Bank Development Indicators, 2014)
- > Literacy rate: 99.7%; male 99.8%, female 99.7% (2011 est., *CIA World Factbook*)
- > President or top authority: President Petro Poroshenko (since June 7, 2014)

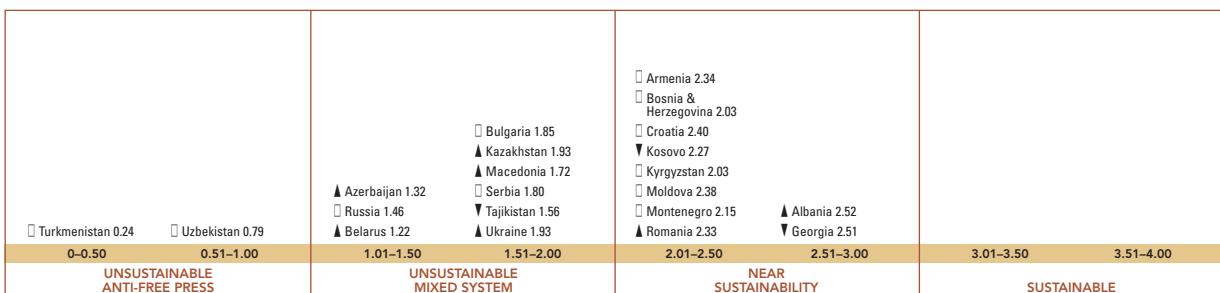
MEDIA-SPECIFIC

- > Number of active print outlets, radio stations, television stations: Print: more than 42,500 registered publications (Institute of Media Law, 2012); 2,270 actively publish, including 667 municipal newspapers (State Committee on Television and Radio, 2014); Television: 42 national channels, 130 regional channels, and 201 local channels; Radio: 15 national, 57 regional, and 223 local radio stations (National Council for Television and Radio Broadcasting, 2014)
- > Newspaper circulation statistics: Top three dailies: *Segodnya* (768,000), *Fakty i Kommentarii* (708,000), *Vesti* (692,000). (TNS audience research MMI Ukraine, 2014)
- > Broadcast ratings: Top television: Studio 1+1, Inter, STB, ICTV, Ukraina (all private, Nielsen); Top network radio: Hit FM (35.7%), Radio Shanson (27.5%), Russkoe radio Ukraine (26.9%), Lux FV (25.2%), Retro FM (24.3%), (all private, GfK Ukraine, 2014)
- > News agencies: Interfax (private), UNIAN (private), Ukrainski Novyni (private), LigaBiznesInform (private), RBC-Ukraine (private), UNIA Ukrinform (state-owned)
- > Annual advertising revenue in media sector: Television: \$170 billion, print: \$72 billion, radio: \$12.5 million, Internet: \$91 million (est., All-Ukrainian Advertising Coalition)
- > Internet usage: 7.77 million users (2009 *CIA World Factbook*)

MEDIA SUSTAINABILITY INDEX: UKRAINE



MEDIA SUSTAINABILITY INDEX 2015: OVERALL AVERAGE SCORES



CHANGE SINCE 2014

▲ (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: 2.09

Ukrainian legislation is harmonized with international standards, and guarantees the freedom of speech. Enforcement of these provisions, however, remains problematic. The panelists blamed corrupt judicial and law enforcement systems that fail, in practice, to show independence, and general inefficiency of other governmental agencies.

Despite society's demands after the Revolution of Dignity, the government failed to fulfill its relevant functions, such as the protection of rights of the citizens—including the freedom of speech, said Kostyantyn Kvurt, chair of the Internews-Ukraine board. "The courts and law-enforcement authorities are corrupt, the regulatory authorities are inefficient, and the threat of counter-revolution is in the background. The laws are adequate, but civil servants lack the skills and education to fulfill their duties properly. The systematic mistakes and crimes of Yanukovich's regime have not been corrected, especially in the area of television licensing," Kvurt said.

Svitlana Yeremenko, executive director of the Pylyp Orlyk Institute for Democracy, emphasized that in general, Ukrainian society does not value the freedom of speech and the freedom of the press highly. Still, freedom of

speech restrictions caused serious public outrage and protests erupted against the government's attempt to adopt "dictatorship laws" on January 16 that would have substantially limited the freedoms of speech, press, and association. Yeremenko added that during the ongoing military conflict in the eastern Ukraine, it might be easy for the government to curtail the freedom of speech by declaring emergency restrictions due to the war.

Nataliya Gumenyuk, founder and journalist of Hromadske. TV, stressed that while the threat of using laws against journalists disappeared, the law does not work to help journalists either. Crimes against journalists have not been properly investigated, and she characterized the impunity as outrageous. The physical threat to journalists has increased not from the government's side, but from militarized groups in the east and in occupied Crimea. And, while society's expectations of the state authorities have increased, the authorities are still driven by their own interests. Gumenyuk admitted that a risk exists that the state may wade into interfering with the media, using the conflict as an excuse—but she feels it is not likely given the inefficiency of the state, the relative might of the media community, and society's desire to react to such threats.

The panelists, and the media community in general, interpreted the government's establishment of the Ministry of Information Policy as indicative of its urge to retain and strengthen its control over the media. In December 2014, Yuri Stets was appointed the minister of the future Ministry of Information Policy with undetermined authority, while the Ministry itself was set up on paper only in January 2015. The panelists expressed outrage that the government set up this so-called "ministry of truth" or even "MinStets" without any input from the media community, and without properly explaining its purpose to the media or the public. Later, officials declared that the Ministry's main tasks would include developing an information strategy policy, defining the concept of informational security, fine-tuning the messages of all governmental authorities, and counteracting propaganda from the Russian Federation. However, noting that the state authorities are now very weak and inefficient, some panelists expressed doubt that the Ministry would prove to be very effective in its mission. Diana Dutsyk, executive director of NGO Telekritika, also noted that the current minister is an acceptable professional, but there is a risk that a change in the political situation could bring in a new person intent on degrading freedoms.

In early February 2015, the parliament approved the dismantling of the National Expert Commission on Protecting Public Morale—the censorship body that functioned for more than 10 years and drew sharp criticism from media activists. Staffed with 50 people, it consumed

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.

more than UAH 4 million (\$172,000) of public funds per year. Its functions will be transferred to other relevant authorities.

Registration of print and online media remains straightforward and apolitical. On February 28, 2014 the parliament expressed distrust over the composition of Natsrada (the National Council on Television and Radio Broadcasting) at the time, but it continued functioning—although no decisive changes could have been expected of its work. But while the new pro-democratic members of Natsrada were appointed in July 2014, Lyudmyla Opryshko, attorney and media lawyer of the Regional Press Development Institute (RPDI), said they have not managed to formulate reasonable and clear licensing policy nor taken the necessary steps to solve the problems created by the previous makeup of Natsrada.

Kvurt added that Natsrada, along with other governmental authorities, remains inadequately prepared to tackle existing challenges and threats, especially in its failure to block Russia's news products from Ukraine. "They are euphoric, like in 2005 after the Orange revolution," he said.

Romanyuk, on the other hand, mentioned a warning from Natsrada to Espresso TV for broadcasting a press conference by Russia's president Putin; she considered this an abuse of its authority as there are no provisions detailing what constitutes hostile content. Later, Natsrada issued warnings to a number of other channels (Radio Vesti, News One, Inter, 112) for showing anti-Ukrainian propagandists or interviews with associates of Yanukovich. However, there were no legal grounds for such discrimination. In fact, Natsrada does not have the proper legal tools with which to sanction media. On February 3, 2015, the parliament failed to adopt a law on additional authorities for Natsrada to cancel licensing through lawsuits against violators of laws and license conditions.

Gennadiy Sergeev, director of Chernivtsi's city television and radio company and board chair of the Independent Broadcasters Association, stressed the new Natsrada's failure to correct systematic mistakes in licensing in previous years. More specifically, the problems with Zeonbud, a digital provider accused of holding a monopoly, remain and Natsrada prefers to rely on the Anti-Monopoly Committee to resolve that issue. Oleg Khomenok, an independent journalism trainer and senior media advisor with Internews Network, said that many regional broadcasters remain at risk of disappearing, absent creation of a special regional multiplex. Furthermore, Dutsyk added that Natsrada did not react properly to violations during the elections, especially by media in the regions.

There was an attempt to regulate bloggers in early 2015, but the author of the draft law recalled it after critical media

coverage. Bloggers are accountable under civil law for the reliability of published information.

Media outlets face essentially the same conditions as other business sectors. Print media continue to enjoy VAT (value-added tax) exemption on sales or subscriptions, despite an attempt to cancel this privilege at the end of 2014. A new law that came into force in 2015 retained a 40 percent production cost limit for the delivery price levied by the government-run Ukrposhta postal service and its enterprise Presa, but only for the state-owned print media. Ukrposhta has suffered large operating losses in recent years that have been only partially offset by the state budget. To make up the difference, private media have faced an increase of delivery tariffs.

Khomenok stressed that the government subsidizes state and municipal media from the state budget—filled in by taxes on citizens and private media—so taxpayers pay twice when they buy municipal newspapers, and public financing of state media creates unfair competition. Olena Garaguts, director and editor-in-chief of the Dnepropetrovsk newspaper *Litsa*, added that the law on state support of media provides state and municipal media with privileges in renting premises and gives their journalists the status of civil servants—with vacation and pension benefits.

Crimes against journalists cause insufficient outrage in the society. Primarily, only the media community raises such issues. They appear as top news in media, but then disappear pretty quickly, noted Yeremenko.

Reporters without Borders and the Committee to Protect Journalists named Ukraine among the three most dangerous countries for the journalists (after Syria and Palestine). According to IMI monitoring, there were 977 violations of freedom of speech in 2014 (2 times more than in 2013 and 3 times more than in 2012). The majority of these violations took place in Kiev, Crimea, and the Donbass region, consequences of the EuroMaydan protests and the subsequent Russian aggression and war in eastern Ukraine. Seven journalists were killed: one during EuroMaydan and seven in eastern Ukraine. There were 285 attacks on journalists, most in January and February. Illegal paramilitary groups in Donbass kidnapped a total of 76 journalists, and a few are still being held captive. Many journalists had to move out of the occupied territories of Crimea and Donbass, and are now internally displaced. Dmytro Klimanov, publisher and director of *Telegazeta*, in Luhansk region, mentioned that 70 percent of his journalists who moved out from the occupied territory of Luhansk stopped working as journalists due to fears about safety.

Romanyuk stated that impunity remains at 2013 levels, and she pointed to the necessity of reforming the system. "With

more than 300 attacks on journalists, there were only six court cases related to this. And recently, the attacks on journalists took place not only in the occupied territories but all over Ukraine," she said. Opryshko added that the cases are poorly investigated and if they are lucky to get to the court, then the court does not treat them accordingly—it closes cases and violates procedures. Dutsyk expressed outrage that a court hearing on the murder of journalist Vyacheslav Veremiy, killed by a sniper during EuroMaydan, was closed for the public and media. The suspected sniper in this case was released from detention and the Ministry of Interior is keeping the suspect's name secret.

Meanwhile, the Ukrainian government cannot be responsible for numerous violations in the occupied territories. Yeremenko said that those who have to take responsibility for that are criminal gangs of separatists and Russian troops in Crimea, Luhansk, and Donetsk regions.

Indicators of censorship doubled in 2014 to 134 cases, primarily due to switching off Ukrainian channels in the occupied territories. There were 63 violent attacks on newsrooms, again primarily local media outlets in Luhansk and Donetsk oblasts that refused to cooperate with separatists.

Volodymyr Torbich, editor-in-chief of Rivne Agency for Investigative Reporting, pointed to a simple example where a journalist had not been allowed to enter the Lutsk oblast administration building at the beginning of 2014. She submitted a complaint to the prosecutor's office, but after an investigation it declined to charge a policeman with criminal responsibility—he received only a reprimand.

At least two Ukrainian journalists were detained under accusation from the Security Service of Ukraine on high treason in favor of the Russian Federation: Ruslan Kotsaba and Andriy Zakharchuk. Opryshko expressed a concern that in both cases, the public did not receive sufficient explanations and arguments to support such serious accusations.

Regarding the independence of state and municipal media, Dutsyk said that the current Law on Television and Radio Broadcasting provides that "the government establishes effective restrictions for the monopolization of television and radio organizations by industrial and financial, political, and other groups or individuals, and guarantees protection of the television and radio organizations from financial and political pressure from financial and political groups, governmental bodies and local authorities." But in reality this provision does not work, she said. Khomenok added that with the new shift of the government, it is not interested in changing the existing rules of the game, but continues to behave in the same way, while municipal

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and state media have just as easily changed their tunes to support new leadership.

The panelists increased the score for indicator 5 (though it is still one of the lowest scoring within Objective 1) only due to their hopes in connection with the Law on Public Television and Radio Broadcasting adopted on April 17, 2014. It also contains the provisions that the supervisory board that will oversee editorial independence. This law is not perfect, and provides only a framework for future public broadcasting, and therefore many practicalities were included in the amended law adopted after its first reading in January 2015. The current head of Pershyi Nacionalnyi (First National, the state-run television channel), Zurab Alasania, who is in charge of transferring it to public broadcasting, articulated its task to become a flagship of high professional standards in the Ukrainian media environment, and the mission to introduce dialogue between various population groups and unite the country.

The law on the decentralization of state and municipal media, one of the Ukraine's obligations to the Council of Europe, has still not been adopted after a decade. For 2015, it is on the agenda of the parliamentary coalition.

Torbich mentioned that critical, high-profile investigations of Slidstvo.info, which may relate to the president and general prosecutor, are freely broadcast at Pershyi Nacionalnyi. But Sergeyev doubted that oblast-level state television channels would dare to broadcast something critical about the president. In fact, they put up a resistance to public broadcasting reform.

Similarly, the editor-in-chief of the Kuznetsovsk, Rivne oblast, municipal newspaper was fired due to "unfavorable publication" a month after a call from the infuriated mayor. Ridiculous cases of censorship took place in Kirovohrad; for example, oblast municipal newspapers *Zorya* and *Vpered* were forced to submit newspaper copies before printing for reading by the newly appointed local administration.

Generally, Khomenok did not notice an increase in the size of damages awarded under defamation lawsuits. He explained that higher quality legal defense is now available and that in any case those wishing to pressure the media have other means at their disposal.

Libel has been a civil law issue since 2001, although until 2014 the burden of proof favored plaintiffs, who were presumed “innocent.” This meant defendants had to show that their information was unimpeachable. Law No. 1170 adopted in April 2014 changed this so that the burden is equally placed upon both parties. Whether or not this has a positive impact will be seen in the future.

Opryshko outlined weaknesses in the legal system’s treatment of libel cases, providing numerous examples when judges do not distinguish between factual information and an author’s opinion when deciding a case, or do so inconsistently. Sometimes a judge will decide that an author’s opinion must be proved with factual information; other times a judge will determine that information presented as fact is actually only opinion and therefore not provable. “This is a very unprofessional approach that favors negligent journalists. In addition, corruption is a well-known practice in the courts,” she said, and referred to a survey of judges by the Center of Court Studies in which 20 percent of appeals courts judges admitted that judicial corruption exists.

Garaguts recounted an experience with several lawsuits that compelled media outlets to prove the truthfulness of published information, and said that media are usually fined for “damage to reputation.” Sergeyev mentioned that media in Chernivtsi were showered with several defamation lawsuits in 2014—by a murder suspect, a member of the civic council of the local Security Service of Ukraine, and the chief doctor of a maternity clinic. Many of their cases were lost in the first instance courts, and then won on appeal, with support from lawyers provided by RPD and the Independent Media Trade Union of Ukraine (IMTU).

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The current law on access to public information came into force in May 2011, with certain amendments made later to synchronize it with other regulations. These laws finally bore fruit. In 2014 media enjoyed improved access to parliamentary sessions and local councils and to the unsealing of bids for public procurement. Many officials published information on their income, several state registries became accessible, and government agencies declassified information that would have otherwise become public automatically in April 2015.

At the end of 2014 the authority to handle complaints on denied public information requests was transferred from the prosecutors’ offices to the Human Rights Ombudsman of the parliament—an independent body. However, Opryshko expects a certain inefficiency with this, as the ombudsperson has a very small staff to process numerous complaints, unlike prosecutors’ offices, which are functioning at all administrative levels. Too often, journalists have to fight for their right to access public information in the courts, even taking some cases to the European Court for Human Rights.

Torbich noted that despite legal provisions, local officials are constantly creating barriers. He sued the courts in some cases for their refusal to release data from income declarations, while he found prosecutor’s offices proved more forthcoming in providing information.

Gumenyuk agreed that journalists still are getting the runaround. Opryshko added that access to income declarations of officials is often restricted with reference to protection of privacy and personal data, although the law on counteracting corruption unambiguously determines information in such declarations as open (with a few exceptions) and forbids denial of its publication.

Romanyuk emphasized that now ATO handed officials a new excuse to refuse requests for information. For example, a journalist requesting an interview with the defense minister might be pressed on the interview’s necessity, and finally be denied by reason of ATO. Or, journalists might investigate the construction of the residential apartment buildings for military personnel, but officials will hide behind ATO secrecy to avoid answering questions.

Garaguts admitted that access to information improved during the year, but not greatly. For example, she said, her request submitted to the Dnipropetrovsk oblast administration in October to provide lists of staff and non-staff advisors to the administration chief was fully ignored, and the relevant officer lied, saying that the reply had been sent.

Vlad Lavrov, regional coordinator of the Organized Crime and Corruption Reporting Project and a journalist for *Kyiv Post*, complained about the extremely low quality of the law's implementation, especially in the area of public databases. For instance, he said, the databases of company ownership, irc.gov.ua and the public procurement portal tender.me.gov.ua, lack a convenient search system, as if they were designed to cause maximum complications while searching for data. "The online cadastral map doesn't stand up to scrutiny; it doesn't contain the names of land owners. The only exception is the National Bank's database of bank owners, which could serve as an excellent example," said Lavrov. Khomenok pointed to the registry of corrupt officials; one needs to know full names and positions to extract any data from it. According to him, the registry of oil and gas exploration boreholes maintained by the regulatory agency Gosgeonadra contained full geographic coordinates at first, but later they were removed. The registry of real estate owners was opened in January 2015, but so far it is fairly empty.

Although there are still problems with passive access to information through numerous governmental websites, in February 2015 the parliament adopted two important laws initiated by the president. One paves the way for the online publication of data on the spending of public funds, and the other obligates publication of public data, including a number of key state registries, in open data format, allowing for automated processing and free access.

The law does not restrict accessing and using local and international news sources, although economic and language barriers do limit access. Panelists emphasized that occupied territories such as Crimea and parts of Donetsk and Luhansk regions were deprived access to Ukrainian media and other information. Due to military conflict in eastern Ukraine, Natsrada and further court rulings banned the re-broadcasting of more than 15 news channels from the Russian Federation over cable networks. The main reason offered was that the channels were not properly adapted to Ukrainian legislation, and contradicted European convention on trans-border television. Still, journalists and technically-advanced citizens can obtain access to any Russian media through Internet, satellites, or IPTV.

Lavrov added that in many cases high-quality foreign sources, such as Reuters or BBC, may be unaffordable for Ukrainian media outlets.

Generally, entry into the journalism profession is absolutely free of hurdles. According to Dutsyk, industry efforts to set up a uniform press card have failed so far. Certain

restrictions for journalists apply in the ATO area; they have to obtain accreditation and press cards from the Ministry of Defense. Kvirt added that Ukrainian journalists face problems in the occupied territories if they do not recognize those separatists' formations. From time to time, various authorities question the status of a journalist from an online media outlet.

In February 2015, the parliament and the Security Service of Ukraine issued a recommended list of about one hundred Russian media outlets whose journalists are to be denied accreditation in Ukraine. About 88 Russian journalists were expelled from the country and 83 were denied entry into Ukraine in 2014.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Ukraine Objective Score: 1.91

In the course of 2014, the situation with the application of professional standards shifted, as political events exerted tremendous influence on newsrooms, according to Dutsyk. The main national channels changed their editorial policies several times to adjust to the shifting political winds. During the Maydan protests at the beginning of 2014, television channels Inter, Pershyi Nacionalnyi, and Ukraina openly manipulated information and distorted reality; they drastically changed coverage when Yanukovich fled. Then, media again behaved differently during the presidential elections in May and parliamentary elections in October.

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).

“There are so many high-quality investigations and economic reports, and at the same time lots of superficial stories,” noted Romanyuk.

The main television channels actively placed *jeansa*—paid content disguised as news pieces—during the parliamentary campaign. Channel 1+1 expressed noticeable patriotism. According to Telekritika monitoring, news at 5 kanal (owned by the President Petro Poroshenko) and state-run Pershyi Nacionalnyi displayed the most balance.

According to Gumenyuk, media coverage of political issues improved, and the role of information programs increased compared with 2013. Ukrainian media showed the world the example of using new technologies such as Ustream and YouTube, including in the regions. The level of pluralism has increased; despite the fact that one media outlet may present information in a one-sided manner, the public has opportunities to tap alternative information from many sources. Self-censorship in 2014 was peculiar, based on patriotism, and originated from journalists themselves. In some instances journalists were silent about military crimes, Gumenyuk said.

Romanyuk stressed that according to IMI’s monitoring of national press and websites, compliance with professional standards improved, but the community is a bit polarized: about one third of journalists started to allow for more emotional judgments and patriotism in their work, although the trend is moving toward increased compliance with professional standards and objectivity. “There are so many high-quality investigations and economic reports, and at the same time lots of superficial stories,” noted Romanyuk. She also noticed a decline in *jeansa* by 20 to 30 percent, which she explained by the escape of Yanukovich and associates, who were the main clients.

The situation with regional media is different. Despite the change in government, the country’s aspiration for renewal, calls for lustration, and Russia’s information war and undeclared physical war against Ukraine, the majority of regional media have not changed their editorial policies and continued misinforming their audiences—making money on candidates during elections by publishing hidden advertising, according to Yeremenko. During parliamentary campaigning in September and October 2014, the number of paid-for stories in the monitored newspapers in Lviv, Sumy, and Kharkiv oblasts tripled compared with July, every second story was recognized as paid-for in Zhytomyr and Chernivtsi regions, and 40 percent of stories were *jeansa* in

Dnipropetrovsk. In October, 90 percent of stories placed in the Chernivtsi newspapers *Svoboda Slova* and *Chas* showed signs of hidden advertising. The general volume of *jeansa* has decreased since the beginning of 2014, Yeremenko said, but only because media outlets that place *jeansa* were disoriented for a time.

Panelists admit that the Revolution of Dignity has not happened in media. According to monitoring of regional media by Pylyp Orlyk’s Institute for Democracy, the average score of compliance with journalism standards in October in print media amounted to 3.69 and in electronic media to 3.60 out of a possible 6 points. Media do present various points of view, but adhere poorly to standards of balance—only 30 percent of stories are balanced, distinguish between facts and opinions, and fully reveal the topic.

Pogorelov, the general director of UAPP, noted that the substantial decline in the advertising market—by about 35 percent compared to 2013—reduced opportunities to pay for high-quality journalism, content, and standards. Being forced to look for any revenue, journalists are more inclined to place paid-for stories and to self-censor. Journalists try to produce full, timely news, but they are overloaded due to staff reductions and shrinking salaries due to the crisis. Sergeyev added that the widespread practice of *jeansa* during the elections showed that media are absolutely remorseless, rationalizing the practice with their need to survive and the lack of direct advertising money due to the market’s downturn.

According to Kvurt, *jeansa* emerged as a special threat given the poor conditions in the advertising market and the oligarchs’ wars. “War with the Russian Federation is also a challenge for journalism standards. There is a lack of thoughtful and well-reasoned criticism of the government. Instead, we are witnessing emotional manipulation (at Inter, 1+1 and Ukraina television channels).”

Torbich stated that lots of Internet media in Rivne oblast publish information without any proper verification of the facts or quotes. It is also not uncommon for numerous online media to republish information from other sources without an attempt to check it or provide the other point of view. Klimanov added that such copy-paste practices often violate copyright protections, while Opryshko noted that the law favors this as it protects those who reproduced information.

Dutsyk underscored the low level of professionalism of journalists, and their lack of knowledge of standards and ethical codes. “The reasons for that are the low level of salaries and the decline of general educational quality in the country,” she said.

Gumenyuk stressed that the military conflict became the largest challenge to upholding journalism ethics and standards. Increased hate speech appeared in media publications, playing a major role in discrimination against internally displaced persons as well as residents of Donbass and Crimea. Some media even published direct calls against enemies, or failed to show daily funerals ethically and professionally; there were instances when journalists would bring a family of a slain soldier from far away to look at their son's body, but take them to the wrong place and show the wrong body. Opryshko mentioned that in one case, journalists showed the face of a Ukrainian combatant who specifically asked not to be shown because his family still lives in occupied territory.

Yeremenko mentioned two regional media publications in Kharkiv that pretend that there is no conflict in Ukraine; they just never mention it. Dutsyk faced a similar situation with some regional television channels. But Romanyuk noticed the general militarization of media; they publish a lot on current military developments while corruption, social, and economic issues remain beyond their attention. Gumenyuk mentioned that IMTU issued recommendations, and one of them was not to show dead bodies of soldiers and use the word "corpse" as it may demoralize mothers and dissuade them from allowing their sons to join the army.

The panelists agreed that a new type of self-censorship appeared as journalists now display extra caution based on their patriotism. According to Lavrov, self-censorship and violation of journalism standards gained a certain war-related patriotic justification, as journalists and editors abuse so-called "respect for military appropriateness" to justify the distortion of information. Romanyuk agreed that there are two polarized groups that both substantiate their position by their patriotic desire to not damage the government, the army, and the people: one group hides unfavorable information, while the second reveals everything.

Torbich complained that regional media still tend to cover popular topics to attract attention, without bothering to dig below the surface. Gumenyuk emphasized that despite thorough war coverage, certain topics are silenced, such as the effectiveness of military actions, what are the circumstances of civilians' deaths, which weapons are used by Ukrainian army, military crimes of the Ukrainian army, prisoners of war etc. Dutsyk added that there were only a few reports about the destinies of Ukrainian refugees in Russia, while the truth about their terrible conditions could work as effective counter-propaganda.

As in previous years, the panelists emphasized that pay level is not an excuse for *jeansa* and the violation of ethical and professional standards. Romanyuk noted that the downfall

Dutsyk underscored the low level of professionalism of journalists, and their lack of knowledge of standards and ethical codes. "The reasons for that are the low level of salaries and the decline of general educational quality in the country," she said.

of the hryvnya, the general economic crisis, and stagnation of the media market has led to a noticeable reduction of salaries in media, and IMI received information from its regional monitors about the terrible situation with salaries in the regions.

According to Yeremenko, journalists at private regional media earn from UAH 1500 to UAH 3000 (\$65 to \$123) per month. Klimanov mentioned that average pay of journalists in his regional newspaper in the north of Lugansk oblast was UAH 3800 (\$163), which is not bad for the regional level. The panelists estimated that the best salaries are found in Kiev at the largest television channels owned by oligarchs, while in the capital print and online media journalists' salaries are about \$300 to \$400—with a few exceptions such as Vesti media holding, which pays higher wages.

According to Khomenok, the practice of unofficial employment of journalists and paying them in cash, even at national media, deprives them of civil rights—and pushes them to make money on *jeansa*, while employers evade taxes.

In previous years, the panelists were unanimous that entertainment eclipses news and information, social, economic, educational, cultural, and children programs, especially at the national television channels. Television watching increased in 2014 due to public interest in the country's many dramatic events. The main television channels kept their leadership, but the audience's appetite for news grew, especially with 5 kanal, 24, and 112 channels. Gumenyuk highlighted the fact that almost all television channels now broadcast live political discussions.

But Kvurt said that despite society's demand for news, entertainment has not disappeared; there are lots of pseudo-informational shows, and shows are even made out of war events. Opryshko added that many people grew tired of all negative news and sought out entertaining content.

The participants also mentioned numerous Russian soap operas widely available on Ukrainian channels. They do not require translation into Ukrainian. In February 2015, the parliament adopted a law forbidding television broadcasting

of all Russian movies and television serials produced after January 2014 and any video products produced after 1991 that glorify Russia's armed forces or law-enforcement agencies or are anti-Ukrainian (regardless of the producing country). Before the war, Ukraine was very tolerant towards imported Russian cultural products—behaving more like a cultural colony of Russia.

The panelists generally agreed that the level of technical equipment does not cause low quality news products; technologies are quickly upgraded and have become more affordable. Gumenyuk pointed to examples like the online streaming at the start of Hromadske.TV and a dozen similar initiatives in the capital and regions that started from scratch with minimal funding, but managed to produce a high-quality product. Hromadske.TV received a Silver Play Button award from YouTube and became the largest YouTube channel in 2014 in terms of the number of live hours.

Khomenok pointed to the trend of further growth in investigative journalism: several investigative television start-ups appeared at national channels such as Nashi Groshi.ZIK at ZIK channel, Slidstvo.info, and Schemy at Pershyi Nacionalnyi channel. Some joint initiatives, such as YanukovychLeaks.org and Slidstvo.info might be lacking in specialized coverage, but they reveal a lot of corruption.

Right after Yanukovych's escape a group of reporters who later created YanukovychLeaks saved more than 25,000 documents from his luxury residence Mezhygirrya, published them online, and submitted them to the prosecutor's office. A year later the journalists lamented that either these documents have not been used in open criminal cases, or cases were not opened at all. On the other hand, Nashi Groshi's oversight of public procurement is bringing real results, preventing some doubtful bids from being awarded, and saving public funds.

Lavrov said that the investigative journalism segment is far better developed in Ukraine than in the most post-Soviet countries and the countries of Eastern Europe. Gumenyuk called investigative journalism in Ukraine the best, not only for the post-Soviet space, but truly world class.

Romanyuk mentioned that economic and business journalism is well developed at the national level, while Gumenyuk emphasized the poor qualification of journalists in foreign affairs. "Now when various international agreements started to have importance, it's so easy to manipulate them, exaggerate, lie, or cause false expectations. Almost no one can adequately cover EU issues, except *Europeiska Pravda* [part of *Ukrainska Pravda*]," she said. She added

that average people lack information on the everyday life of average Europeans. Dutsyk added that niche journalism has fallen off in such areas as health care, education, and culture in comparison with a few years ago, probably due to economic conditions and war.

OBJECTIVE 3: PLURALITY OF NEWS

Ukraine Objective Score: 2.01

Ukraine still offers a wide variety of media, including those that use modern technologies. There remains a big gap between Internet usage in large cities and rural areas. Internet, both broadband and wireless, is rather cheap, but in many rural areas it is either slow or unavailable. 4G technology is not available, and 3G is still very limited.

According to an October 2014 survey by the Institute of Sociology at the National Academy of Science, only 25 percent of Ukrainians trust media, while 47 percent do not—the first time since 1994 that the level of distrust exceeded trust. Regionally speaking opinions vary. The regional breakdown of distrust is as follows: 24 percent to the west of Ukraine, 39 percent in the center, 50 percent in the south, 57 percent in the east, and 68 percent at Donbass. In 2013, 37 percent trusted media and 29 percent did not. According to a poll by the Kiev International Institute of Sociology ordered by *Dzerkalo Tyzhnya* weekly, media took the eighth place among the trusted public institutions, whereas they ranked among

MULTIPLE NEWS SOURCES PROVIDE CITIZENS WITH RELIABLE, OBJECTIVE NEWS.

PLURALITY OF NEWS SOURCES INDICATORS:

- > Plurality of public and private news sources (e.g., print, broadcast, Internet, mobile) exist and offer multiple viewpoints.
- > Citizens' access to domestic or international media is not restricted by law, economics, or other means.
- > State or public media reflect the views of the political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for media outlets.
- > Private media produce their own news.
- > Transparency of media ownership allows consumers to judge the objectivity of news; media ownership is not concentrated in a few conglomerates.
- > A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources
- > The media provide news coverage and information about local, national, and international issues.

the first three right after EuroMaydan. Only 2.4 percent of Ukrainians express absolute trust in the media.

According to InMind research ordered by Internews Network in April-June 2014, covering ten regions of Ukraine, Ukrainians get news primarily from the following sources: 89 percent from television, 46 percent online, 29 percent from print media (an 11 percent decline from 2012) and 29 percent from radio; in addition, 60 percent of people use several sources of information.

According to October 2014 research by the Kiev International Institute of Sociology, ordered by *Dzerkalo Tyzhnya* weekly, Ukrainians identified their three main news sources as follows: 83.5 percent television; 31 percent Internet; 29 percent relatives and friends; 29 percent Ukrainian newspapers and magazines; 21 percent Russian television; 16 percent Ukrainian radio; 11 percent social networks and blogs; 2 percent Russian newspapers and magazines; and 1 percent Russian radio. In the Donetsk region, 62 percent of people watch (and 57 percent trust) Russian television channels, while 77 percent watch Ukrainian television but only 24 percent trust it. In Kharkiv and Odessa, a minority reported watching Russian television channels, but trust in both Russian and Ukrainian television was low.

According to Gemius Ukraine, Ukraine's Internet audience in December 2014 amounted to 18 million people, with 87 percent going online every day. The majority of Internet users are between 14 and 44 years old. In rural areas, 18 percent of Internet users have Internet access, but cities with populations greater than 500,000 people lead in Internet use (36.9 percent). The most densely covered region is eastern Ukraine, and the least advanced is the north. Nielsen reported that 68 percent of Ukrainians aged 15-29 years old have Internet access, but the percentage slips to only 34 percent among people older than 55 years. According to TNS Infratest, now there is one Internet-capable device for every Ukrainian (compared to 0.7 in 2013). A TNS survey also reported that Google Internet is used by 96 percent of Ukrainians aged 16-24 (56 percent for the country in general).

The most popular social networks are VKontakte, Odnoklassniki, Facebook and Twitter. Facebook has most socially active users, especially among 25-34 year olds.

According to Khomenok, the lack of balance in many media is compensated by their diversity and conflicts between media owners. Dutsyk added, "The largest media holdings are in the hands of mighty oligarch groups that harbor political interests as well, and this is reflected by their editorial policies. The most illustrative examples are the television wars between billionaire Dmytro

Firtash and Sergiy Levochkin, ex-chief of Yanukovich's administration [Inter channel, on the one side] and patriotic Dnipropetrovsk oligarch Ihor Kolomoyskiy [1+1 channel on the other side] thorough their channels during 2014."

Dutsyk emphasized that despite the wide variety of news sources in Ukraine, citizens experience the opposite problem—how to find reliable information and distinguish truth from lies in the saturated information stream. She explained, "Part of the population was influenced by media, first of all, by Russian propaganda. Massive informational support during the parliamentary elections also helped some candidates gain larger ratings." Gumenyuk said that citizens can find pluralism only by consuming a wide variety of media, otherwise media tend to be polarized in their views. She also stressed that dissemination of unreliable information and fake news, including from social networks, has become a great problem. Some improvement took place compared with the previous year, but average people still feel confusion over which sources to trust.

Yeremenko stressed that in addition to the dominance of paid-for commercial and political stories, too often unverified news from social networks is published by online media and then migrates to television, and journalists do not bother to check it. Torbich noticed that many new online district-level media have appeared in Rivne and Volyn oblasts; they publish news and blogs, and very often they expose local corruption and are maintained by various civic activists with very good intentions, but they do not necessarily verify their news.

A number of interesting and successful media startups launched in 2014: *Novoe Vremya* weekly magazine and website (founded and staffed by the former team of *Korrespondent*); Hubs online project on business and politics (founded by Sevgil Musayeva, current editor-in-chief of *Ukrainiska Pravda* and a former journalist of *Forbes*), the online publication *Apostrof* (founded by the team of closed *Kommersant Ukraina*), and Petr and Mazepa (online media for Russians in Ukraine). Unfortunately, publishers stopped printing the business weeklies *Kontrakty* and *Investgazeta*.

The government does not block foreign sources of information, except some Russian sources, but the majority of the population cannot access many sources due to economic and language barriers. As mentioned before, due to Russia's aggressive propaganda against Ukraine, re-broadcasting of about 15 Russian channels, primarily those carrying news and information, cable networks and broadcasting of Russian movies has been restricted in Ukraine. Still, tech-savvy citizens can access this content

through the Internet and other means. To counteract propaganda, Ukrainians set up StopFake.org—where fake news is refuted in detail.

With the Russian occupation of Crimea and the military conflict in Donetsk and Luhansk regions, residents there were deprived of Ukrainian sources of information. Ukrainian television channels in Crimea were switched off on March 9, 2014. Forty percent of Crimeans use cable networks, in which Ukrainian channels were available for some time, and they remain accessible through satellite television (preferred by 25 percent of Crimeans). In early 2015, the Crimean government reported that 90 percent of Crimean cable operators switched off Ukrainian news channels due to a lack of interest from subscribers. It also said that 167 media outlets have been registered in Crimea—107 local, the rest affiliates of the federal media. The Russian Federation announced a competition for frequencies in Crimea for the end of February 2015; a majority of local broadcasters will not be able to participate, as they have not yet managed to complete re-registration in Russia and thus risk disappearing. Many Ukrainian websites are blocked there.

According to a Redaktorskyi Portal interview with Iryna Prokopiuk, publisher and editor-in-chief of *Kafa* in Feodosia, Crimea, Ukrainian media outlets that continue to function under Russian occupation had to re-register under Russian law, and now must operate under vague legal provisions that they have murky knowledge of at best. *Kafa* has always focused on local news and did not interfere in politics very much; it managed to keep its readership despite a 70 percent price increase. Proper registration allowed Prokopiuk to earn political advertising money during elections, but still she had to reduce staff by 40 percent, and journalists there face more difficult circumstances. For example, access to governmental information became far more challenging in comparison to conditions in Ukraine. Advertising is almost absent due to the decline of local businesses, while printing costs and taxes increased and *Kafa's* distribution network shrank from 92 small shops to roughly nine that managed to re-register. Prokopiuk commented, "We turned out to be insufficient patriots for all. For local Crimeans, we do not express enough happiness with the new government, and to those on mainland Ukraine we may seem collaborationist."

Crimean inhabitants lack Ukrainian news sources, and a number of steps in 2014 targeted some of the few remaining sources. In August 2014 law enforcement agencies seized all property of Chernomorskaya TV and the Information and Press Center (IPC), which rented space at the television station. Following a lawsuit in December

2014, the equipment was returned to Chernomorskaya TV and IPC. On January 26, law enforcement officers conducted a seven-hour search at the Crimean-Tatar channel ATR, claiming it was related to a criminal case and that they did not plan to close ATR. In early February, a local television company, Kerch, reported that it was evicted from its premises by local authorities. In January 2015, Ukrainian authorities promised to install a Polish channel transmitting from Kherson oblast to enhance broadcasting of Ukrainian channels in northern Crimea.

Russian propaganda reaches about five million inhabitants of the occupied parts of the Donetsk and Luhansk oblasts, Yeremenko estimated. Ten Russian Federation television channels are available there, and local channels such as Novorossia, separatist-controlled Oplot, etc.; Ukrainian media are unable to inform citizens there directly. Thus, some of the panelists believe, many people who simply could not move out from occupied territories are becoming brainwashed. The only hope is that some television channels, mobile phones, and FM radio stations are still available in Donetsk and Luhansk regions according to informal reports on the Internet. Gumenyuk mentioned that local Internet providers restricted access to, for example, the home page of Hromadske.TV, but it is still accessible by linking to it from another website. Yeremenko mentioned that Hromadske Radio is planning to extend its reach into Donbass. Klimanov commented, though, that FM frequencies are not available everywhere in the region, due to geography.

The newly established Ministry of Information Policy launched two channels to counteract Russian propaganda—Ukrainian Tomorrow and the Armed Forces Channel. It also focused on renewal of Ukrainian television broadcasting in occupied Donbass. In February, the minister claimed that only one-third of Donetsk inhabitants can access 5 kanal, 1 + 1, and Radio 24 and complained about the inefficiency of the state-run Concern of Radio Broadcast, Radio Communication, and Television (CRRT), which is responsible for signal transmission.

The panelists were unanimous that a large number of publicly financed state and municipal media remain a key problem. Sergeyev commented that state and municipal media serve the government, especially in the regions, and it is possible to judge the success of public broadcasting only when the relevant law is implemented. Torbich agreed that state media do not reflect the full political spectrum, with the exception of Pershyi Nacionalnyi. According to Gumenyuk, the situation with oblast-level state broadcasters remained poor but stable, with a bit less pressure than before. She also stressed that society's demand for public television has increased.

Under the new government, Pershyi Nacionalnyi improved its editorial policy, moving closer to compliance with professional standards. However, its ratings are rather low. It reaches 97 percent of the territory, but by the end of 2014 it had a regular audience of about 1 million, falling in at the end of a list of the top 20 channels—a steep drop from its eighth-place spot in 2010-2013. About 2.3 million people make up the regular audience of the state-run oblast television channels. According to Telekritika content monitoring, state-run regional broadcasters broadcast 19 to 25 percent *jeansa*, and performed poorly in terms of balance and fullness of information during the October elections. The stories appeared to have been prescribed from above, according to the panelists, with no criticism of the current government. If after the revolution the regional state broadcasters have not promoted certain political forces, now they more and more favorably cover pro-governmental political parties.

According to Yeremenko, state support influences editorial policy and makes the media dependent on the government. The authorities use the media, primarily municipal and state-owned, to place press releases and official messages from various official events. Monitoring of the print media showed that their content is about 25 to 60 percent *jeansa*. Today, there are 667 state and municipal print media outlets, and the state spends hundreds of millions hryvnia annually (tens of millions of dollars) to maintain them. The only exception is the municipal paper in Lviv, *Ratusha*, which harshly criticizes the local mayor.

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. According to Torbich, news agency subscriptions are too expensive for regional media; he could not think of an outlet that pays for them. Regional media try to get news for free from the Internet. Lavrov added that few national media can afford foreign news agencies, despite the many discounts they offer.

Private media, however, produce their own quality news content. Sergeyev stressed that local news remains the main product of regional and local television and radio stations and that attracts local audiences.

The largest Ukrainian television channels decreased their Russian television series purchases by one-third, from 212 in 2013 to 140 in 2014. The downturn in the advertising market simply rendered it unprofitable. Still, in 2014, Russian series accounted for 75 percent of the soap operas broadcast on the main national channels. Western serials might be cheaper, but managers are afraid of placing them in primetime, worried that their ratings could slip. There are only a few Ukrainian

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production companies, and it is not lucrative to produce and sell a series only in the Ukrainian market.

Six private television channels dominate the Ukrainian market now. Three of them—STB, ICTV, and Novyi Kanal—belong to the oligarch Viktor Pinchuk, the son-in-law of ex-president Leonid Kuchma; Ukraina Media Group is owned by the richest billionaire in Ukraine, Rinat Akhmetov; 1+1 is owned by oligarch Ihor Kolomoisky; while Inter is owned by billionaire Dmytro Firtash and Sergiy Levochkin (ex-chief of Yanukovich’s administration). The latter recently bought out the share of Russia’s Pervyi Kanal in Inter for \$100 million in anticipation of the ban of Russian media ownership in Ukraine. President Poroshenko owns 5 kanal, and confirmed that he is not planning to sell it.

The panelists agreed that media ownership transparency remains problematic; media cannot be traced to a chain of owners. Old oligarchs acknowledged their ownership of media years ago, although without official proof. But a lot of new players appeared at the national and regional levels, without a clue to their ownership. The media community cannot unravel ownership of channel 112, Multimedia Invest Group (MIG, uniting free newspaper *Vesti*, *vesti.ua*, radio *Vesti*, the magazine *Vesti-Reporter*, and UBR TV), and UMH holding. The official owner of MIG is Ihor Guzhwa, the former editor-in-chief of *Segodnya*, but the media community cannot believe that his pockets are deep enough for such a large-scale startup. In an investigation, Mustafa Nayem linked the funding to Yanukovich associates Kurchenko and Oleksandr Klimenko. There are also ties to Russian funding.

IMI and Telekritika analyzed the free daily *Vesti*, with readership of 700,000 per issue, and concluded that it presents Ukrainian news primarily negatively, exaggerating with provocative and panicky headlines, and unbalanced and pro-Russian content. Telekritika monitoring also noticed signs of pro-Russian propaganda and manipulation in Komsomolskaya Pravda v. Ukraine (UMH), channel 112, and the Odessa television channel Reporter. Other activists see this at Inter channel, which promotes Russian culture and celebrities as well.

Lavrov emphasized that there have been no attempts to ensure the transparency of media ownership. If in 2012 about 60 percent of media outlets used offshore registration schemes, now this percentage is growing, and the government seems to lack political will to disclose the ultimate owners. Torbich said that ownership of numerous online media, newly established even at the district level, remains hidden. Khomenok added that many media appeared in connection with the elections, and they are absolutely non-transparent in terms of ownership and financing.

Dutsyk believes that there is an imbalance of information in favor of national news, even on the part of regional broadcasters. Khomenok commented that one can hardly remember an in-depth story about the Crimean Tatars' problems in Ukrainian media, except simple news, since President Kuchma's times, or about the Gagauzy people in Odessa oblast. Sergeyev noted that in western Ukraine, close to Romania, analogue signal covers some 60 percent of area due to geography, and digital will reach only 40 percent. Villages there watch Romanian television with satellite dishes, speak Romanian, and eagerly accept Romanian citizenship status to travel over to the EU or drive cheaper cars bought in EU.

According to Gumenyuk, the lack of quality media to satisfy local needs became especially apparent during the conflict. In the conflict area and nearby zones, such as Mariupol, people need advice on where it is safe, how to travel, where attacks can be expected, how to resettle in peaceful territories of Ukraine, etc. Instead, politics dominate media coverage. In freed territories, the restored media are weak and lack the funds they need to provide quality coverage. At the same time, the local media in occupied areas manage to provide useful information to the citizens about 20 percent of the time, while the remaining 80 percent is propaganda.

During Yanukovich's presidency, Romanyuk mentioned, all local media were "mopped up"—they were either subordinated or ruined if resisted. She also underscored the low quality of information on local events in local media. However, Torbich believes that local media in Ukraine's western regions provide sound coverage of local news. Dutsyk added that international news is covered at a low professional level, as media lack correspondents in various countries and lack knowledge of foreign languages.

OBJECTIVE 4: BUSINESS MANAGEMENT

Ukraine Objective Score: 1.39

The economic stress terribly aggravated the advertising market, causing a substantial downturn, and the crisis has seriously influenced the media market as well.

"The majority of media in Ukraine are not businesses at all. Even the largest channels require subsidies from their owners, as they are losing revenue," said Dutsyk. Kvurt, however, chalks up losses at the main television channels to corrupt management.

Commercial revenues of mainstream television channels cover only half of their expenses. According to some other estimates television channels spend \$500 million per year on purchasing content and production, while the television advertising market amounts to \$400 million.

A few media are efficient enterprises, having adopted a market philosophy, and do their best not to publish *jeansa*. Sergeyev commented, "The majority of media are promotional leaflets. The few professional media prove that it is possible to be profitable in Ukraine, and they usually have the largest audiences in their regions." Klimanov agreed, describing how his newspaper in the north of Luhansk oblast increased its price but has not lost its audience—which valued the absence of *jeansa* in his

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.

newspaper. Romanyuk pointed to some new initiatives that exemplify successful management, but they are few.

Gumenyuk added that the market is now less controlled by one political force, but the lack of funds seriously undermines product quality. She mentioned the example of Hromadske.TV, which in 2013 was financed up to 70 percent by its viewers and supporters—a crowd funding method that can be used in special circumstances. Now, it has to rely more on donors. But due to its quality and professionalism, she said, it managed to launch—and a dozen other groups in the region followed their example.

Regarding the future of online television, some experts say that in a year or two quality informational online television channels may grab the audience from similar television projects (for instance, 5 kanal or 24 kanal), and some 300,000 to 400,000 viewers would be enough to secure their profitability. The All-Ukrainian Advertising Coalition forecasts double growth of video advertising on the Internet, and 40 percent of it would be advertising preceding live broadcasts of online channels.

Pogorelov believes that Ukraine urgently needs to decentralize its media and discontinue financing of municipal media. “In the current market with up to 4,000 print editions and 300 television stations, many cannot survive. State-funded media distort the market.” Yeremenko agreed that state-owned and funded media outlets, along with the reign of *jeansa*, are the main forces holding up the development of a fair media market. Kvurt stressed that corruption in media is extremely widespread and many media fail to uphold a sense of social responsibility.

Advertising, subscriptions, circulation sales, and owner subsidies are the main sources of income for most regional private newspapers. According to Pogorelov, the share of advertising decreased, and the share of subscription and sales revenue grew larger. At the same time, due to the downfall of Ukrainian currency, some costs increased substantially, and increased cover prices led to a fall in circulation. According to the State Service of Statistics, delivery of newspapers and magazines fell by 26 percent to 678 million copies.

Torbich mentioned instances of censorship by advertisers, too. For example, a local newspaper silenced a car accident involving the son of large local advertiser. Sergeyev said that the economic crisis is so deep that potential advertisers refuse, saying they are better off donating what they can to ATO rather than buying advertising.

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Lavrov mentioned that with the decrease in advertising revenues, media outlets that cannot rely on their owners try to secure financing from other donors. For instance, some journalistic projects of the *Kyiv Post* connected with business trips are donor-funded.

The panelists agreed that an imbalance persists in the advertising market between television and other media, and between the capital and the regions. Pogorelov stated that nothing has changed in the advertising market, and intermediaries are just making money—including by placing *jeansa* in the media.

According to the All-Ukrainian Advertising Coalition, the 2014 media advertising market (television, radio, print, and the Internet) totaled UAH 8 billion (\$345.4 million), a decrease of approximately 20 percent from UAH 9.8 billion (\$423.1 million) in 2013. Projections for 2015 are very pessimistic.

The 2014 television advertising market fell to UAH 3.93 billion (\$169.7 million), down by 20 percent from 2013. Print outlets decreased their advertising revenues to UAH 1.670 billion (\$72.1 million), down by 33 percent from 2013. Newspapers lost 37 percent of advertising, while magazines lost 30 percent. According to forecasts print media advertising may dip another 16 percent in 2015. Radio advertising decreased by 15 percent to UAH 290 million (\$13.5 million). Of this figure, UAH 205 million (\$9.5 million) went to national radio (10 percent down), and UAH 30 million (\$1.4 million) to regional radio (39 percent down), and UAH 55 million (\$2.56 million) for sponsorship (11 percent down). Internet advertising grew by 3 percent to UAH 2.115 billion (\$98.4 million) with a prediction of nine percent growth for 2015.

According to Slidstvo.info’s investigation, “Expensive Tame Press,” the government spends more than UAH 1 billion (\$43 million) for state and municipal media, and most of it goes to the national television and radio companies and oblast state television stations. Newspapers account for UAH several hundred millions (\$14 to \$18 million). For example,

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the parliament spent UAH 21 million (\$977,349) in 2013 and UAH 13 million (\$605,025) in 2014 for its newspaper, magazine, and television channel. Kiev became the leader among local state administrations in spending on its two newspapers, one television channel, and one radio station totaling UAH 28 million (\$1.3 million). Sergeyev added that in addition to lines in the state budget, state and municipal media enjoy other privileges, including discounted rent, compulsory subscriptions, and payments for the coverage of governmental activities.

Although publishing businesses have suffered heavily due to the economic crisis and the depreciation of the currency, a lot of hopes, according to Garaguts, are connected with the draft law on decentralization of the media.

According to Dutsyk, large media holdings and national private channels purchase and consume market research. But this is not the case for regional and state media. Sergeyev commented that professional market research is rather expensive for most regional media. Gumenyuk mentioned that ProMova conducted special research in the fall of 2013, before launching Hromadske.TV, on political and marketing aspects as well as audience interests. Hromadske.TV built itself based on that research data.

Print media circulation is not verified. TNS audience research only covers some 128 publications, while there are about 4,000 in all. Pogorelov stressed that despite any articulated drawbacks in audience research, they are produced according to international standards. Several different companies measure the Internet media, using different methodologies. Pogorelov added, "Due to the occupation of Ukrainian territories, market research companies cannot conduct their standard polls or people metering in these areas, which leads to distortion of the panel. So far, the researchers have not changed anything, except certain weighting of missing areas towards available. But if the occupation continues, they will have to alter research to make it more relevant."

Television audience research is ordered by the Industrial Television Committee (ITC), which unites four main television groups (Inter, 1+1, Ukraina, and Pinchuk's StarLight Media), 5 kanal, and four main media groups (Publicis Groupe Media, Omnicom Media Group, ADV Group, Group M) and Media Arts Group Ukraine agency. Since 2014, it has contracted Nielsen instead of GfK Ukraine. GfK Ukraine, contracted by the Industrial Radio Committee, measures radio.

Only a few regional television companies can afford to purchase professional research; meanwhile, the Independent Association of Broadcasters (IAB) has been trying to unite regional channels to obtain cheaper research. Klimanov, a publisher in the Luhansk region, mentioned that previously, he used sociology experts from local universities and was happy with their results.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Ukraine Objective Score: 2.24

Ukraine has a fairly well-developed network of trade associations, media trade unions, and media supporting NGOs. The trade associations are the ITC, the IAB, the Industrial Radio Committee in broadcasting; the Ukrainian Press Publishers Association (UAPP) and the Association

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.

of the Independent Regional Publishers of Ukraine in print media; and the Ukrainian Internet Association and Ukrainian Association of Internet Advertising representing online media.

Sergeyev believes that IAB, since its foundation, offers a lot of help to its members with informational support, legal assistance, and lobbying of the government. He admitted that with the transfer to digital television, a large number of regional broadcasters may disappear, and IAB is fighting to create small regional multiplexes to solve this problem, but so far Natsrada has not supported this.

UAPP also lobbied heavily in 2014. It managed to preserve tax privileges, established agreements on delivery quality with the post office, and protested a ban on pharmaceutical advertising. IAB and UAPP jointly conduct an annual honors competition for the profession, as well. Yeremenko added that professional associations also try to create a positive image of journalism with the public.

The National Union of Journalists of Ukraine (NUJU) and the Independent Media Trade-Union (IMTU) became more active in 2014, speaking out against numerous attacks on journalists and other violations of their rights, and developing cooperation with their foreign counterparts. The panelists noticed progress in activities of the central administration of the NUJU, but stated that many regional chapters remain weak and outdated, represented by an older generation. Torbich mentioned that IMTU's activities are more reminiscent of the activities of an NGO implementing a grant project, while the labor rights of its members and other journalists are not given enough attention. Partially, this is caused by the lack of demand in the journalism community. Meanwhile, the media trade union lacks demand from the journalism community to defend the professional rights of the journalists.

In Dutsyk's opinion, the number of professional associations and NGOs in the media area do not always prove their efficiency. For instance, the Commission on Journalism Ethics has little authority among the key market players, and only a limited number of journalists consider IMTU and NUJU reputable. Dutsyk believes that there is an acute need to re-boot some self-regulating organizations and launch a wide discussion of self-regulation issues.

Romanyuk emphasized that there are more than a dozen strong NGOs that support the media, which often combine their efforts, and she believes that this community is the most active and efficient in the whole post-Soviet space.

According to Yeremenko, numerous media supporting NGOs—namely Internews Ukraine, Regional Press Development Institute, Institute of Mass Information,

Telekritika, Institute of Media Law, Pylyp Orlyk's Institute of Democracy, Donetsk Institute of Mass Information, the Odessa media center Paritet, and the network of regional press clubs (including the Donetsk press club, which moved to Kiev) are rather active and effective, along with the most active clubs in Lviv, Kharkiv, Ternopil, Kijerson, and Rivne. But these organizations work primarily in large cities, while rural areas are neglected.

Media are usually dissatisfied with the skill level of academic graduates, and the panelists said that only three journalism schools can boast about the quality of their graduates: the Journalism School of Kyiv-Mohyla Academy, Ukrainian Catholic University in Lviv, and, more or less, the Institute of Journalism of Kiev Shevchenko University. Torbich said he wants to cry when he meets students or graduates from both private and state journalism departments who arrive as interns at his outlet. Sergeyev agreed that some interns learn more during one month of practice at a host television station than during five years of education.

Yeremenko stressed that in fact, about 40 universities all over Ukraine provide journalism education, and up to 70 are licensed—too many, she feels—and they lack relevant professors with journalism experience. Most of the professors there have not worked in media even for a day. She believes that the Ministry of Education should restrict journalism education licenses for institutions, while Klimanov suggested that industrial associations should take part in licensing of the journalism schools. Gumenyuk objected, saying that restricting licenses is the wrong way to go, as one of the best journalism schools, Kyiv-Mohyla Academy, experienced problems with licensing during the previous regime. She believes that the situation might be balanced by the appearance of new, alternative institutions.

Yeremenko added that existing media are not able to hire all the graduates of journalism departments; thus many end up at public relations agencies or the press offices of businesses and political parties.

Lavrov said that there has been no progress in improving the quality of academic education of the journalists, and therefore media either train staff themselves, or make use of short-term training workshops sponsored by NGOs. Currently, such groups offer frequent workshops on safety issues in conflict zones. The panelists emphasized, however, that these workshops should involve only journalists and experts with substantial experience working in hostile environments as trainers—not just those who spent a few weeks at Donbass—as this training is a matter of life or death for journalists. Such trainers should have multi-year experience in such a setting, which Ukrainians just do not have. The panelists said that other skills that are needed

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now involve the peculiarities of covering conflicts and approaches to trauma among the journalists. Gumenyuk stressed that editors of national media who make important decisions on such issues tend to ignore training opportunities on conflict coverage and safety issues. Kvurt commented that the number of training programs offered in 2014 increased, due to an uptick in international attention to Ukraine.

NGOs help ensure that young journalists are able to get a quality media education, Torbich said. For instance, a journalist working for his investigative reporting agency for about six months significantly improved his performance after attending eight training workshops on investigative reporting, media law, and digital security. He also mentioned an increased interest in the investigative journalism genre: 14 regional journalists and students conducted internships in his Rivne agency for investigative reporting in 2014.

Dutsyk concluded there is a need to improve both academic education and short term trainings to ensure quality journalism education.

There are no barriers obtaining broadcast equipment and the printing facilities market is fully de-monopolized. According to panelists, the only problem is the gradual increase of costs due to the plunging local currency. Most newsprint is imported, with the cost rising along with the exchange rate. Moreover, the majority of newsprint is imported from Russia—a risk in case of economic war. Alternatively, newsprint can be imported from Czech Republic or Finland. Klimanov also mentioned that for the last several years, newsprint has been imported from Russia under some corrupt schemes and is paid in US dollars, while it would be up to 30 percent cheaper if paid for in Russian currency.

According to Pogorelov, the network of press kiosks in Ukraine is eight times smaller than in Poland, and 16 times

smaller than in Germany. In 2014, problems associated with kiosks grew, as most lack adequate paperwork and there is a high risk that they could be dismantled by local authorities, he explained. Pogorelov called for the establishment of more favorable conditions for print media sales, so that kiosks selling at least 50 percent media products would obtain protections. UAPP is working on that, but lacks support from the local authorities.

Garaguts pointed to an example of the network of 100 kiosks in Dniepropetrovsk, which were transferred repeatedly to a new owner with every election and shift of the government. Since September 2014, the network has belonged to a Kiev-based company, and no one knows who is the ultimate owner. According to Khomenok, the general economic crisis and slump in the markets created a threat of monopolization of distribution and delivery of news.

Sergeev said that Zeonbud retains a monopoly of digital television transmission, with non-transparent ownership traced allegedly to Yanukovych's colleagues—and there may be a Russian connection as well. In mid-summer 2014, Natsrada ordered Zeonbud to decode all Ukrainian channels, per the terms of its license. It fulfilled the order only partially, and then encoded them again, citing a Natsrada decision of 2011. But Natsrada and the media community claim that Zeonbud is trying to make money selling special receivers needed to decode signals at twice the cost of other receivers. So far, Natsrada has failed to solve all the problems connected with Zeonbud. In fact, Zeonbud uses transmission equipment belonging to the state-owned CRRT, which is also interested in becoming a digital provider and has built two national multiplexes, though it lacks investment.

Kvurt added there are serious attempts underway to bankrupt CRRT; it accumulated a substantial debt to Oblenergo (Oblast Energy Companies), owned primarily by Russian shareholders. The Cabinet of Ministers fired the CRRT director in February 2014. Activists also accused the director of inaction in the face of Russian channels operating in occupied territories—and even of favoring them.

ICT infrastructure is gradually developing, and many technical innovations are available in the country. Since 2007, the only 3G license belongs to state operator Ukrtelekom, which did its best not to let competitors into this market—while 3G coverage network was very limited and selective. In February 2015, the national regulator sold 3G licenses for 15 years to three mobile operators Astelitelife, MTS-Ukraine, and Kyivstar. They are expected to cover cities with populations greater than one million by the end of 2015. They are supposed to convert frequencies that now

belong to the military and cover all oblast centers within 18 months and all other settlements with populations greater than 10,000 within the next six years. Eighty percent of users are ready to transfer to 3G, as they already have 3G smartphones, tablets, and other devices. Only two percent of users have 4G devices.

List of Panel Participants

Diana Dutsyk, executive director, NGO Telekritika, Kyiv

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

Natalia Gumenyuk, founder and journalist, Hromadske.TV, lecturer in Journalism School of Kyiv Mohyla Academy, Kyiv

Oleg Khomenok, independent journalism trainer and senior media advisor, Internews Network, Kyiv

Dmytro Klimanov, publisher and director, *Telegazeta*, Stakhanov (Luhansk region; now residing in Kyiv)

Kostyantyn Kvurt, board chair, Internews-Ukraine, Kyiv

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

Lyudmyla Opryshko, media lawyer, Regional Press Development Institute, Kyiv

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

Oksana Romanyuk, executive director, Institute of Mass Information, Kyiv

Gennadiy Sergejev, director, Chernivtsi Television and Radio; board chair, Independent Broadcasters Association, Chernivtsi

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

Svitlana Yeremenko, executive director and media expert, Pylyp Orlyk Institute for Democracy, Kyiv

Moderator and Author

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

The panel discussion was convened on December 19, 2014