

# UKRAINE

## INTRODUCTION

Ukraine's transition to a more democratic system continued to be problematic in 2002. The Kuchma regime's critics accuse it of involvement in large-scale corruption, bankrupting the Ukrainian economy, abuse of office, and hindering democratic development. The regime was also widely condemned for alleged arms sales to Iraq.

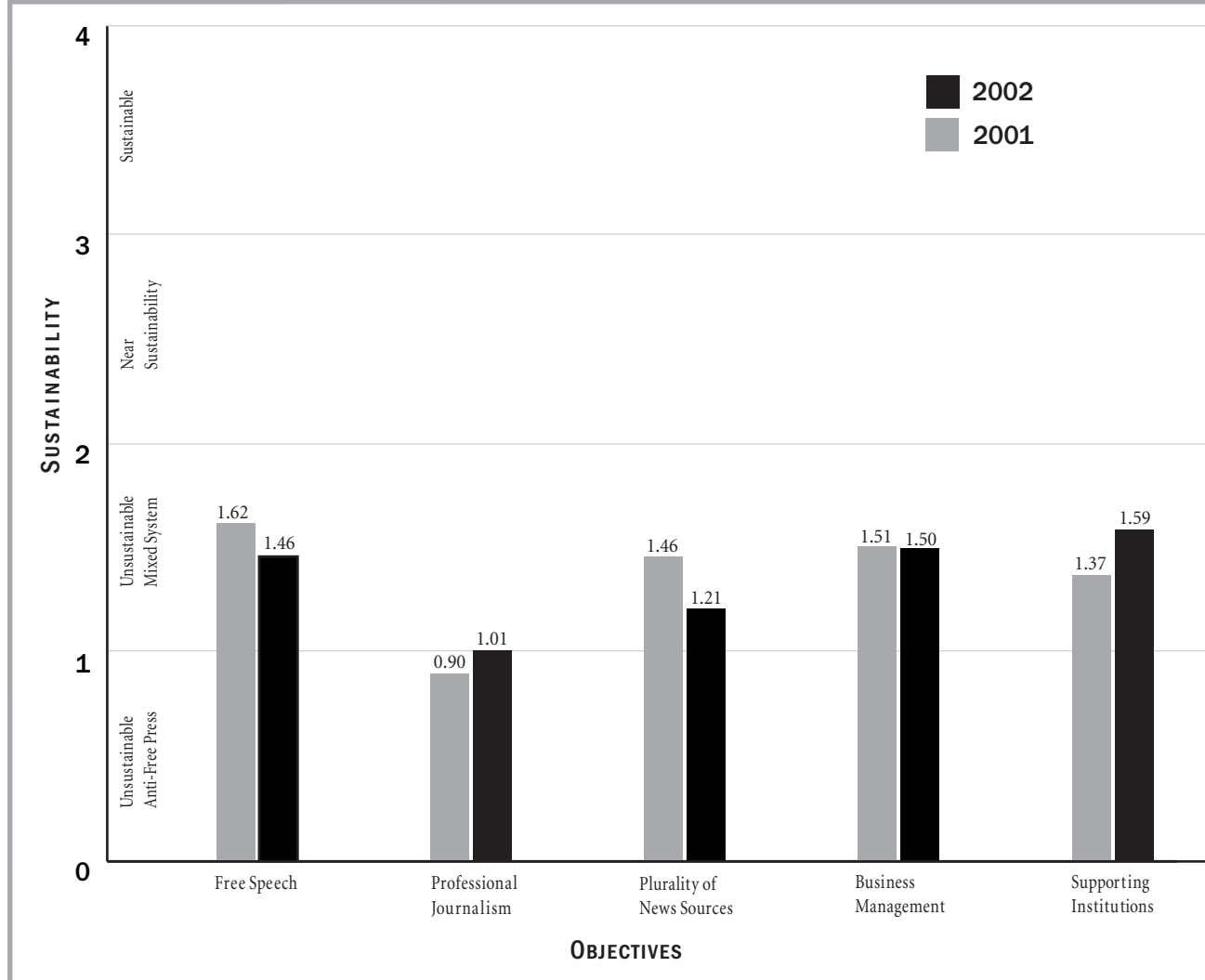
As in many former Soviet countries, on paper Ukraine appears to conform to many European and international standards of freedom of expression. However, in practice the Ukrainian government has continued to harass independent media and journalists through administrative measures (for example, tax inspectorate investigations and fire codes). Broadcast media are susceptible to intervention through unclear licensing procedures. Moreover, state-owned media continue to receive preferential treatment through subscription subsidies, printing privileges, and distribution through the state postal system. At the same time, physical threats against journalists have continued, and none have been thoroughly investigated and reported, leading to self-censorship.

Many regional and Kyiv-based journalists are familiar with the tenets of fact-based and objective journalism. While there have been improvements in Ukrainian journalism, overall most Ukrainian news coverage tends not to be fair, objective, or well-sourced. As evidenced in the parliamentary campaign period in early 2002, most Ukrainian journalists and media outlets made little effort to cover all the candidates and parties fairly. As a result, media coverage throughout the election period was one-sided, with minimal coverage of substantive issues.

On the business side, some media outlets in Ukraine are making more concerted efforts to operate on sound business and management principles. The state continues to control newspaper distribution and has maintained its monopoly on printing and broadcast transmitters. Although newspapers and broadcasters do receive money from advertising revenue, the practice of receiving money from sponsors—who are involved in the editorial content of the media outlet—is still widespread. Such sponsorship further inhibits the growth of true journalistic integrity at newspapers and stations throughout the country.

*Panelists also mentioned that there is advertising censorship in the Ukrainian media, which means that advertisers get positive coverage, and can even mean that any negative news about an advertiser would be quashed.*

## UKRAINE-MEDIA SUSTAINABILITY INDEX



### OBJECTIVE SCORING

The averages of all the indicators are averaged to obtain a single, overall score for each objective. Objective scores are averaged to provide an overall score for the country. IREX interprets the overall scores as follows:

**3 and above:** Sustainable and free independent media

**2-3:** Independent media approaching sustainability

**1-2:** Significant progress remains to be made; society or government is not fully supportive

**0-1:** Country meets few indicators; government and society actively oppose change

### INDICATOR SCORING

Each indicator is scored using the following system:

**0** = Country does not meet indicator; government or social forces may actively oppose its implementation

**1** = Country minimally meets aspects of the indicator; forces may not actively oppose its implementation, but business environment may not support it and government or profession do not fully and actively support change

**2** = Country has begun to meet many aspects of the indicator, but progress may be too recent to judge or still dependent on current government or political forces

**3** = Country meets most aspects of the indicator; implementation of the indicator has occurred over several years and/or through changes in government, indicating likely sustainability

**4** = Country meets the aspects of the indicator; implementation has remained intact over multiple changes in government, economic fluctuations, changes in public opinion, and/or changing social conventions

## OBJECTIVE 1: FREE SPEECH

**Ukraine Objective Score: 1.46/4.0**—On paper, Ukraine generally conforms to European and international norms of freedom of expression. Those rights are enshrined in the Constitution and laws and in international agreements to which Ukraine is a party. But the reality is quite different. Most panelists noted the Ukrainian government’s profound lack of respect for and enforcement of free-speech laws. Some laws contradict each other and allow the authorities to pick and choose laws to use against media. The so-called Telephone Law—through which government officials intercede to influence court decisions—is still very commonly used. Government officials frequently file suit or take other harassing steps against the media to try to intimidate them and limit negative coverage or even neutral coverage; anything other than adulation and respectful, positive coverage is anathema to the government.

On the positive side, the panelists lauded the creation of a nationwide cadre of knowledgeable defense lawyers who are practiced in media law thanks to the efforts of multiple donors and organizations such as IREX, Internews, the Association of Newspaper Pub-

lishers, and the National Association of Broadcasters. Panelists also said the media law seminars provided by IREX for trial and appellate judges have helped to even the playing field somewhat, as the media now tend to win more cases than in the past. Panelists also pointed out the trend toward collective action by journalists, through formal or ad hoc organizations including new journalists’ unions, a strike committee, and an ethics commission.

The participants said Ukrainians in general do not become greatly upset by, or take action against, abuses of freedom of speech and media, even though the public understands that censorship exists and journalism is an extremely dangerous profession. “The society does not react on the facts of abuse and even does not recognize the value of freedom of expression,” said one panelist.

A licensing procedure for broadcast media remains murky. The National Board on TV and Radio Broadcasting, which issues the licenses, remains politically dependent on the presidential administration. Panelists pointed out, however, that the presidential administration denies that licensing is political or that the process is abused. But participants agreed that very often the decision-making is geared toward the business or political interests of oligarchs, rather than based on open and honest competition between applicants. License issues also are used as a tool by the government to control stations’ news coverage policy. Stations that are too independent can find getting a license renewal problematic, one panelist said, citing as an example the popular station Studio 1+1.

There are no taxes aimed solely at the media, and it is no more difficult to start a newspaper than any other business. Nevertheless, the media are closely scrutinized by a host of controlling authorities, including tax officials, health officials, the fire service, and the police. The panelists mentioned that the ease of a media start-up depends on its political orientation and sponsorship—with nongovernment-aligned media facing a much tougher time. Broadcast media are in a more difficult position, because they need two licenses—one for a transmitter and one for frequency. “The vendor of guns needs only one license, but television and radio need two!” said one of the panelists. Panelists mentioned unreasonably high licensing costs as another barrier to start-up of broadcast media outlets.

The state-owned media receive preferential treatment in various ways, including printing privileges, favorable rates for buying newsprint, renting state-

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

owned offices, distribution through the state postal system budgetary allotments, use of state resources, and so on. One panelist mentioned that Golos Ukrainy, the newspaper of the Ukrainian parliament, will receive \$400,000 in subsidies for subscriptions this year. Many state media also receive preferential treatment in the way information is distributed, because they can be counted on to follow the government line in reporting information. There have been several instances in which local government administrations have refused to give accreditation to private newspapers because the local administration already had its own newspaper. State-owned media in the provinces are totally controlled by local administrations, with editors usually appointed by direct or indirect decision of the administration.

*According to a poll by the Ukrainian Centre of Economic and Political Research (the Razumkov Center), 78.7 percent of the people in Ukraine consider journalism a dangerous profession. But panelists also mentioned that authorities use means other than violence to punish journalists seen as troublemakers. Use of the criminal-justice system is not uncommon.*

There have been numerous attacks against journalists in recent years, and none of them has been successfully investigated and resolved. There are still not as many such attacks in Ukraine as in other countries, such as Russia, but the number is large enough to make journalists fear for their safety. Consequently, they censor their reporting, which is, after all, usually the purpose of such attacks. The panelists mentioned a wide range of crimes against journalists: murder, violence, and harassment toward the journalist or the family members. According to the Barometer of Freedom of Speech, a monitoring project of the Institute of Mass Information, 2002 saw four Ukrainian journalists killed, three arrested, and 27 beaten or harassed. Some panelists, however, cautioned against accepting such numbers at face value, and said that exaggeration might actually be weakening the efforts of campaigners for free speech

and the safety of journalists. Although it is true that several journalists were killed or attacked in 2002, there is little, if any, evidence in many of those cases to show a link between the journalists' work and the violence visited upon them. However, all panelists agreed that there are undisputed cases of attacks on journalists and other media representatives. One example: during the spring 2002 parliamentary and local election campaigns, an unknown assailant threw acid in the face of Tatiana Goryacheva, editor of the independent newspaper Berdyansk Delovoy. The investigation into the crime was without result, which is the norm in cases of violence against journalists.

"The state. . . doesn't want to protect the journalists in cases of crimes against them," one panelist said, then citing the statement of the Interior Affairs Minister, who said in 2001 that 90 percent of all journalists' death resulted from the journalists' heavy drinking and alcoholism. The Minister also said that the journalists, when investigating corruption and organized crime, deliberately risk their lives and that the only assistance police could give them would be to provide them with guns—a proposal that numerous journalists have embraced and lobbied for.

According to a poll by the Ukrainian Centre of Economic and Political Research (the Razumkov Center), 78.7 percent of the people in Ukraine consider journalism a dangerous profession.

But panelists also mentioned that authorities use means other than violence to punish journalists seen as troublemakers. Use of the criminal-justice system is not uncommon. One example came from a small, independent newspaper in Yevpatoria, Crimea, that published a series of articles about abuses of law committed by officers of the UBOP (an anti-organized crime unit). Shortly thereafter, the paper's editor (and the articles' author) was arrested by UBOP on suspicion of having ordered a contract murder. The journalist was released after several days in jail and after strong protests by the journalism community and human-rights nongovernmental organizations (NGOs). Once again, panelists praised the growing level of solidarity among journalists, saying it has at times been the only reason that officials have not been able to punish journalists wrongly or otherwise run roughshod over the media and their rights. Another way of punishing journalists is to have them dismissed from their jobs—either directly, for state-employed journalists, or through pressure on private publishers and station managers. Despite Ukraine's myriad problems, though, panelists did stress that the

situation in Ukraine is markedly better than in numerous other countries such as Iran, Iraq, or Colombia.

Libel law has changed in Ukraine in the past two years, largely due to the efforts of IREX ProMedia's legal program. The LDEP lawyers convinced Ukraine's Supreme Court to issue instructions to lower courts to give public officials no more protection than everyday citizens in libel cases. These instructions also oblige the courts to base their decisions on the European Human Rights Convention. This is a recent development, so it remains to be seen how effective the directive from the high court will be. Truth is not an absolute defense to libel accusations in Ukraine, and invasion of privacy is a troublesome area that often replaces libel as a tool used by public officials against the press; Ukraine's privacy laws are very—in fact, restrictively and ridiculously—strong. The panelists mentioned that in some cases in which judges have filed lawsuits against the media, court decisions might well be based on solidarity among judges, rather than on the evidence in the case. A judge in Kirovograd won a judgment of several million hryvnya in libel actions against television stations and newspapers after he lost a parliamentary election race.

There are constant problems for the media and public in gaining access to government information and data. This is partly societal—Ukraine still holds the Soviet mindset that information is to be guarded, rather than released. It is also the case because clear instructions do not exist regarding release of information, although the law says government information is, generally, to be considered open to public inspection and access. This is partly because information is not stored in systematic and easy-to-access manners in many departments and agencies. And partly it is because bureaucrats fear the consequences if they release something that later causes displeasure among their higher-ups. Discussing the issue, panelists agreed that access to information is the subject of bargaining between authorities. Media, in order to curry favor and thus be able to obtain information, have to censor themselves in their coverage of government agencies. Sometimes officials displeased with coverage retaliate by limiting the access of those journalists; the officials refuse to release information, or they refuse or rescind accreditation, as was done in the case of *Alubika*, the only newspaper in Alupka. The local administration refused to give accreditation to journalists from the privately owned newspaper because of what they called its “non-objective coverage of the government administration.” To overturn that decision, the courts took nine

months, during which the local government refused to release any information. Similarly, the Internet news site *Ukrainska Pravda* was denied accreditation to attend briefings by the prosecutor general.

Panelists also pointed out, though, that journalists very often do not seek information beyond press releases and comments from press officers at various government agencies. When lawyers and media assistance organizations have urged journalists to assert their rights to open government records, the journalists have declined to pursue such cases, saying they do not want to rock the boat and invite retaliation.

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Journalists have unfettered access to international news, if they can afford it. There are no government restrictions on access to such information. Foreign news agencies, newspapers, and broadcasters report from Ukraine and make their information available in Ukraine. Though few media outlets in Ukraine subscribe to international news agencies, many do receive international news reports through the Internet, and foreign news programs are available on many cable-television systems in Ukraine, albeit in their original language. One panelist did point out, however, that in provincial areas the media have fewer technical possibilities, as well as much less money. Often their only source of international news in Ukrainian is DINAU, the government-owned Ukrainian news agency, which provides filtered information. Because much international news is in English, German, or other languages not known by most Ukrainians, a language barrier to receiving international news also exists. Ukrainian media regularly send reporters abroad, and some newspapers and national broadcasters have correspondents or stringers in important foreign capitals.

No restrictions or licenses are imposed on journalists, and anyone can become a journalist. However,

journalism education in the universities—though a popular and growing field of study—remains stagnant, suffering from underfunding, poor curricula, and an overabundance of older, Soviet-style instructors with little or no practical journalism experience, especially in the post-communist era. Journalists working for state media generally receive higher salaries and pensions than those working for private outlets. By law, state media journalists receive salaries equivalent to those of other public servants. This salary discrepancy sometimes leads to hard feelings and to journalists at private media outlets jumping to state media. Some private media, however, are increasingly profitable and are able to match, or even exceed, salaries paid at state-owned media outlets with which they compete. Salaries tend to be considerably higher in Kyiv than in provincial cities, and this had caused a large inflow of journalists to the capital from those cities.

## OBJECTIVE 2: PROFESSIONAL JOURNALISM

**Ukraine Objective Score: 1.01/4.0**—Many journalists both in the provinces and in Kyiv are familiar with Western-style, quality, fact-based journalism, and have sufficient skills to practice it. Unfortunately, the more important the media outlet, the less possible it is

for its journalists to adhere to these standards. Although there have been improvements, particularly in provincial media, it cannot be said that most Ukrainian news reporting is fair, objective, and well-sourced. It is far more common for a story to be based on one information source, rather than seeking out corroborating—or conflicting—sources of information. Besides one-sided news stories, one often sees content influenced more by opinion than fact. As one panelist said, the goal of many Kiev journalists is to write beautifully, rather than professionally. A taste for sensationalism—both among journalists and readers—leads media outlets to publish entertaining, but tasteless and frequently inaccurate, information designed to titillate rather than inform.

In the parliamentary election campaign period in early 2002, most media outlets and journalists made little effort at, or pretense of, covering all the candidates and parties fairly. Instead, coverage was very one-sided, with media outlets touting either the opposition bloc or, more commonly, the pro-presidential parties. There also was minimal coverage of substantive issues, with most stories instead focusing on political squabbles and personalities. The losers in all this were the reader, viewer, and voter. However, there were some bright spots. Lured by money from the International Renaissance Foundation (IRF), several television stations hosted candidate debates in which they agreed to offer airtime and identical conditions to all candidates. (However, when the IRF first offered the grants, they found no takers, as television stations all said their internal political restrictions would make it impossible to offer airtime to candidates the stations’ backers opposed.) And nearly 30 newspapers published, a week before election, a non-partisan voters’ guide that focused on issues rather than personalities. The guide was funded by IREX ProMedia and produced in partnership with the Ukrainian Newspaper Publishers’ Association. Other outlets, on their own, strove for impartial and complete coverage and succeeded, despite being subjected to severe pressure from governmental and political forces. It was stressed during the panel discussion that the majority of media are founded and run as political projects and not as means to inform the public.

There are no generally accepted codes of ethics for Ukrainian journalists. There has, in the past year, been a laudable attempt by a group of journalists (led by numerous well-known and well-respected journalists) to create such a code, but it has not caught on widely for several reasons. One of the fundamental issues is that many journalists would reject such a code because,

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

in difficult economic times, the money they receive under the table to write articles commissioned by their subjects is an important part of their overall income, and they do not see any way to survive financially as journalists without such extra payments. “It’s useless to adopt the law, if there are no morals,” one panelist said. The fact that journalists are working unethically and in favor of one or another political force also weakens any solidarity among journalists, since they often find themselves on opposite sides of political fences, or are ordered by their political paymasters to attack or deride each others’ work.

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As long as media outlets are run as tools to enhance an owner’s or backer’s political or business standing—rather than as businesses themselves, designed to inform the public while making a profit—it seems impossible that ethical standards will take root among journalists. After all, when the publisher or station owner orders unethical behavior or slanted coverage, a journalist does not have a realistic option of hiding behind a code of ethics to which the publisher or owner does not subscribe.

Self-censorship is rife in the Ukrainian media. In a poll conducted by IREX ProMedia’s legal program, a large majority of editors said they practiced self-censorship on a regular basis, primarily out of fear. One panelist mentioned that there has been a return to “Aesopian” language in news stories, wherein the news coverage has a hidden sense to avoid outright censorship, and audiences are expected to “read between the lines.” But there are also cases of outright censorship. Since autumn, authorities tied to the ruling elite have been sending to national media—and, via regional

and local government administrations, to provincial media as well—so-called *temniks*, which are lists of events with often detailed instructions about coverage or noncoverage of particular events. According to the survey by the Ukrainian Centre of Economic and Political Research (Razumkov) in October 2002, 46.4 percent of the people in Ukraine said they thought that censorship definitely existed in Ukraine, while 27.2 percent thought censorship existed “to some extent.” Because so many newspapers and broadcast stations, particularly in Kyiv and in some of the larger cities, are owned or otherwise controlled by political interests or oligarchic business clans, journalists know that writing articles against the interests of those owners or patrons could cost them their jobs. The same is true at the state-owned newspapers and stations.

Journalists do cover most key events, but not always in a professional, thorough, or objective manner. Governmental coverage is very heavy but often not comprehensive or critical. And some events simply are not covered. The most notable recent example was opposition protests that drew thousands in Kyiv—but had limited coverage by the national television channels or newspapers (except those papers funded by and loyal to the opposition). That event also was noteworthy in that every television station was taken off the air simultaneously as the first large protests were beginning, and remained off the air for several hours during the day. The government said this was for scheduled maintenance, but such blackouts—which do occur occasionally—have never, since independence in 1991, affected more than one station at a time. The protests got minimal coverage, and the unprecedented blackout even less.

Pay levels for journalists are abysmally low, as they are for most Ukrainians. But that is probably irrelevant, as the amount of money available for buying media outlets and influencing news coverage is obscenely high. The pay system used at most newspapers gives reporters a very low base salary, supplemented by a small payment for every story printed. Officially, journalists and editors are poorly paid, even with those per-article honoraria, but that official pay is frequently supplemented with an under-the-table, untaxed sum larger than the official pay. While that gives many in the industry enough money to live on, it makes them dependent on the owner to write or print what is wanted, or face the threat of losing the larger part of one’s income, with no recourse, as the payment has been made illegally.

Most television stations do have news programming, though; of course, most of their airtime is taken up with entertainment programming. Radio news is, however, scant. Panelists also noted that the amount of time that television stations are devoting to news is decreasing. One national television channel, Novy Kanal, recently announced it was cutting its evening news slot in half—from 30 to 15 minutes—citing financial considerations. In this particular case, the financial considerations may well be genuine since the station is fairly well managed financially. However, some journalists at the station said the cut was due to political pressure and censorship.

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Technical facilities for broadcasters have improved quite a bit in recent years and are thoroughly modern in most places. All national stations have excellent, up-to-date equipment, as do some regional stations. However, one panelist mentioned that equipment for live and on-location reporting is lacking at regional outlets, thus keeping private regional stations from moving up to the next level of quality and service.

Newspapers, too, have upgraded their equipment in many cases. Printing presses in most regions are still of low quality (and usually government-owned), but more and more new, color-capable presses are being installed each year by private newspapers that are using profits, loans, or other financing to pay for the presses and generate income for the outlets.

There is niche reporting in areas such as business and sports. Successful newspapers devoted to those topics exist. But most newspapers and broadcasters do not have beat reporters who specialize in coverage of areas such as education, local government, the environment, and so on. Kyiv is an exception to this, but even

there, such beat reporting is not the norm. Investigative reporting is weak. Panelists agreed that it is an unaffordable luxury for most local newspapers to have investigative or beat reporters.

### OBJECTIVE 3: PLURALITY OF NEWS SOURCES

**Ukraine Objective Score: 1.21/4.0**—There is a wide range of news sources in Ukraine, but media generally do not provide citizens with reliable or objective information. If anything, the country has too many media outlets, spreading the available advertising and sales revenue too thin and making it difficult to win market share and earn enough money to be profitable. Nonetheless, that does not necessarily mean that pluralities of views are available in any given market. Often, because media control belongs to the state and oligarchs closely allied with the ruling elite, the people cannot receive a broad range of different points of view. Television, especially, is under such tight political control that there is often little difference between what is aired on competing stations.

Access to media outlets is generally not restricted, but that is of little import when the available media outlets cover the news selectively and poorly. The primary news source for most Ukrainians is television,

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



and the only television channel with complete coverage of Ukraine's territory is the state-owned UT-1. Private channels reach nearly all parts of the country, though, and there are local stations in all areas of the country.

There are numerous daily and/or weekly newspapers in every oblast center. However, panelists agreed that there is a shortage of sources in rural areas, where there is often little newspaper penetration, and even less coverage of local issues. There are some rural areas where the only source of information is state-run cable radio or state television's UT-1. Near the borders, the channels of neighboring countries often are easier to receive than Ukrainian channels.

Although many news sources are available in Ukraine, few are objective and reliable. Readership and subscription lists have dropped dramatically over the past decade as the purchasing power of most people has been eroded by inflation and economic dislocation. One result is that people who used to read several newspapers, which could give them information and opinion from different points of view, now can afford to buy only one newspaper.

A broad spectrum of political views generally is not aired on most television channels, and not very frequently in newspapers. Each media outlet tends to have and present its own political viewpoint, though some stations and papers do strive for objectivity. Readers or viewers wanting plurality of views can sometimes get that by reading multiple newspapers or watching the news on several channels, but most people do not have the time or money for such luxury.

Internet access is possible mostly in urban areas, and about 5 percent of Ukrainians have regular Internet access, according to several sources. For the rural population, though, Internet access is much scarcer because of high costs, poor phone lines, and lack of computer equipment. That is changing somewhat as more Internet centers, either commercial or public (such as the US Embassy's program to wire public libraries), come into operation. Many newspapers and broadcasters, unable to afford commercial wire services, take news from various Internet sites and print the material, so that the Internet news sites do reach a broader audience. Internet news sources are generally no more reliable in objectivity than are other Ukrainian media. Many of them provide an opposition viewpoint, and while that does mean a counterpart to the pro-presidential media, it does not make them objective, independent, or accurate.

International media are available, but the language barrier is a very high one, as is cost. A copy of an

international (excluding Russian) newspaper can cost up to \$5 in Kyiv or other major cities, whereas they are entirely unavailable elsewhere. Libraries generally do not carry foreign newspapers. Newspapers from Russia are widely available. Many major Moscow newspapers publish Ukraine editions, which include some local news but are largely reprints of material first published in Russia. International television channels are available only through cable television or with a satellite dish, both of which are beyond the financial reach of millions of Ukrainians. Even those who receive foreign news channels such as BBC, Deutsche Welle, or CNN, however, usually cannot understand them, as they are not translated into Ukrainian or Russian. Panelists mentioned that broadcasting the local-language services of Western broadcasters such as BBC or VOA can cause displeasure of government authorities and result in licensing or other problems for the companies broadcasting those programs. EuroNews is transmitted in Russian, but only a tiny fraction of the country can receive it. In the west of Ukraine, many people receive Polish television and radio and can understand it. In the east and in Crimea, the only regular foreign media available is from Russia. Panelists agreed that a recent decision to require additional licensing for stations rebroadcasting foreign programs is an attempt to limit people's access to the international news.

*There is very little transparency in ownership of media outlets. Panelists mentioned that the foreign owners want to remain unknown because foreign ownership of broadcast companies is limited by law to 30 percent.*

There is no public television or radio—in the Western sense—in Ukraine. State-owned media are exceedingly partisan and serve the interests of the government and president. An effort to start a quality independent news radio station has been largely unsuccessful so far, with the station available only via Internet or on the fringes of broadcast band at a frequency that most radios cannot pick up. State media is government-controlled and makes little pretense of impartiality or inclusiveness in news programming, especially during

high-pressure periods such as election campaigns. The predominant figure on state television is the president, whether he has done anything newsworthy that day or not. Panelists mentioned definite improvements in television coverage of nonpolitical issues such as education and cultural affairs.

There are private news agencies, though the independence of many is questionable, as there is little or no transparency in ownership of the agencies. The biggest—Interfax-Ukraina, UNIAN, and DINAU—all have political allegiances to President Kuchma. Many media outlets bypass the regular news agencies—for which they would have to pay to subscribe—and instead rely on free Internet news publications for their wire copy. This gives broader exposure to the Internet news sites, which often are less politically controlled than other media, but the outlets using them pay scant attention to the reliability of the information, which is often suspect. Foreign news agencies such as AP, Reuters, Agence France-Presse, and Deutsche Presse Agentur all have journalists in Ukraine and provide coverage of the country, but they have few subscribers among Ukrainian mass media (though many outlets do steal the agencies’ output from the Internet and use it without payment or permission). Some panelists said the domestic news agency situation is in crisis at present, with quality decreasing because of lessened competition after new managers took over UNIAN and, by all accounts, began softening and censoring news output, and the death, apparently by suicide, of Mikhail Kolomyiets, founder and head of the Ukrainski Novyny agency.

Broadcast news is generally produced in-house by stations, though there are some cooperative arrangements and fledgling exchanges and networks. Many stations have political talk shows, but few regularly have experts from different political backgrounds, and few put resources into investigative journalism or other news projects that would shed light on topics of interests to viewers. Broadcast news stories tend to rely on single sources, and those sources are most often governmental. Recently, it has been difficult to spot any differences between the news broadcasts of state or private national channels. Local news is different, though private stations in provincial cities usually serve the business or political interests of the owner, while government-owned stations serve the interests of local government officials or the presidential administration. Many local radio stations have their own news programs, but often they have no reporters; the news is simply rip-and-read, for one or two minutes every few hours.

There is very little transparency in ownership of media outlets, especially in Kiev and among national newspapers and broadcasters. Panelists mentioned that the foreign owners want to remain unknown because foreign ownership of broadcast companies is limited by law to 30 percent. Political and business clans have bought or otherwise acquired control of virtually all influential media outlets on the national level, and are doing so increasingly on the local and regional levels as well. However, a number of independent, privately owned newspapers and broadcasters do not shield their owners from public knowledge.

Most broadcast news is in Ukrainian, and newspapers are widely published in Ukrainian as well as Russian; however, for national media, Russian-language papers are dominant. There are small minority-language papers, television programs, and radio programs, often supported by the state, for the Bulgarian, Romanian, German, Jewish, and Crimean Tatar communities, among others. But the panelists mentioned that the state has no definite policy concerning development of ethnic-minority media.

## OBJECTIVE 4: BUSINESS MANAGEMENT

**Ukraine Objective Score: 1.50/4.0**—More than 15,300 printed media are registered in Ukraine. About 7,500 are local publications, and more than 2,600 are

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

nationwide newspapers. Many of them, however, appear sporadically, if ever, and hundreds or thousands of registered titles are simply that—registered titles, but never published. Nonetheless, there are a huge number of media outlets, which makes it difficult for any given media outlet to generate enough money through advertising and circulation to support itself and turn a profit.

Although some media outlets, particularly local and regional ones, are doing more and more to operate on sound business principles, this is still probably not the norm in Ukraine. Though national newspapers and television stations claim profitability, a cursory look at their revenue and expenses makes those claims unlikely (though this is far more true of newspapers than television stations, because television does have a far larger share of advertising market than do printed media). In the regions, government media managers often run their outlets as businesses—to enrich themselves, not the government that owns the outlet. Many local governments close their eyes to the situation as long as the outlets remain loyal. Otherwise, they act. This happened in Simferopol, where government officials became dissatisfied with the coverage of the government in the news on state-owned television. In retaliation, they claimed that the station managers had been pocketing ad revenue instead of turning it over to the station. That was, in fact, the case, but it had gone on for years with the tacit approval of the government officials—as long as coverage of the government was to their liking.

Newspaper distribution remains controlled by the state: Ukrposhta (state postal service) delivers subscriptions to home mail boxes (which also belong to Ukrposhta; as in other countries, other delivery agencies are not allowed to put anything in the boxes), and Ukrdruk controls most press kiosks and single-copy distribution. Both organizations have the possibility to interrupt distribution of newspapers that are seen as disloyal or troublesome to the local administration or authorities in general. But this power to disrupt also extends to papers that try to arrange their own distribution systems. Only a small handful of papers currently fully control their own circulation and distribution. There also are problems with the financial and management practices of the Ukrposhta and Ukrdruk. Both take advantage of their monopoly to charge high rates for their services, and both are slow in passing along to newspapers their share of revenue. In Chernigov, Ukrposhta kept money paid (in advance) for subscriptions for six months, causing one local paper to go bankrupt.

Ukrposhta's pricing is not transparent. According to parliament member Sergiy Pravdenko, a former editor of *Golos Ukrainy*, Ukrposhta's profit in 2002 was 1.2 billion hrivni (about US\$240 million), and many newspapers complained that they were cheated. It is difficult for newspapers to tell exactly how much revenue they should get, because the post office refuses to give subscriber lists to the newspapers. This also is detrimental to the papers' efforts to conduct marketing or market-research programs, and makes it virtually impossible for them to tell who is, and who is not, reading their product.

*Panelists repeatedly mentioned the abnormal business situation for media in Ukraine. Most of the national outlets, and many regional ones—whether print or broadcast—are owned or controlled by political and oligarchic business forces that see the media not as businesses, but as political tools.*

During the past year, several private distribution agencies were created in Ukraine: Courier Distribution Service, Blitz-Press, and so on. But mostly they work with the foreign press and deliver subscriptions to offices, not to homes. Attempts to arrange mailbox delivery for homes have largely failed. When such a plan was begun in Lviv, Ukrposhta prohibited the delivery company from putting newspapers into mailboxes, because they were not being delivered by the post office.

Some newspapers do distribute their papers through private systems of kiosks or at other retail outlets, and many also sell papers at a discount (but usually for cash, not credit) to individuals who then hawk the papers on the street.

In many regions, the government also has a monopoly on the printing of newspapers. The state-owned presses are antiquated and generally cannot provide quality printing at reasonable prices. And because state-owned newspapers are printed at below cost, private papers are charged higher rates to cover losses. But as more and more private newspapers buy their own presses—and make additional money by printing dozens of other titles on the presses—the situation is changing.

About a dozen national and local newspapers have bought their own presses in recent years. The private printing presses are profitable; in fact, they frequently subsidize the newspapers that own the presses.

Advertising market in Ukraine in 2001		
Average advertising revenue (millions \$)	TV	\$50.9–60.4
	Print	\$38.1–42.6
	Outdoor	\$19.2–21.8
	Radio	\$3.76–4.14
	Internet	\$0.04–0.06
Source "Marketing and Advertising"		<b>Total \$112.0–129.0</b>

Newsprint is not monopolized entirely, but it is relatively expensive, compared with other countries in the region. Instead of a monopoly, there appears to be a cartel, with several businesses controlling the entire market and thus being able to keep prices artificially high by regulating supply. Government control over the import of paper, as well as government tax policy, increase the price and allow the state to give preferential treatment to the state newspaper; it sells paper to the state newspaper without requiring it to pay import duties.

The state also has a monopoly on transmitters and related services. Even if a transmitter formally belongs to the station, only one state-owned company has the right to use it and arrange for transmission. That also is a source of pressure, because stations can be shut down at the touch of a button.

Although newspapers receive money from advertising and circulation revenue, and broadcasters receive money from advertising, quite a few of both types of outlets continue to have sponsors who provide infusions of cash to keep them going. Needless to say, there is always a quid pro quo, and the independence of such media outlets is extremely doubtful. One of the panelists mentioned that there is a tendency to hide the

sources of revenue and real figures to avoid taxes, and that diversified sources do not mean that a project is successful.

There is no standard—in Ukraine or worldwide—for what percentage of a newspaper’s revenue should come from advertising. In Ukraine, there is a huge difference in that percentage at various newspapers, ranging from 100 percent advertising to almost 0 percent advertising. The full range of newspapers can potentially meet costs or even show a profit.

There are many advertising agencies, both local and international, in Kyiv and other cities of Ukraine. There is most definitely an advertising market, and all kinds of goods and services are freely advertised. The advertising market has been growing rapidly, especially in broadcast and outdoor. There was estimated growth of about 55 percent in the total advertising market for 2002 over 2001 in Ukraine.

Print media receive about 30 percent of the total advertising pie, but, as more and more newspapers rely on research to convince advertisers that their money would be well spent, that percentage is growing. This is far more true of regional than Kyiv newspapers. The television ad market revenue is mostly concentrated in Kiev and shared between Inter (30 percent), 1+1 (30 percent), and Novy (30 percent). The rest is shared among hundreds of local and national stations. One panelist mentioned that there is a system of kickbacks for ads and that only big television stations can afford it. Panelists also mentioned that there is advertising censorship in the Ukrainian media, which means that advertisers get positive coverage, and can even mean that any negative news about an advertiser would be quashed. One of the panelists mentioned that local media have difficulty attracting business from major ad agencies, mostly because of low circulations and impoverished audiences who are unattractive to advertisers, and because specific demographic information about readers is usually unavailable.

The basic research and data needed to help support the business viability of media, such as readership profiles, broadcast ratings, and newspaper circulation figures, are nonexistent or generally unreliable. There are exceptions. For example, the Ukrainian Newspaper Publishers’ Association (UNPA) conducted readership research at the beginning of 2002 for its member publications, which are using the data to adjust their content and advertising strategies.

More and more media outlets are using market research, though many do not have the money (or the

knowledge) to commission reliable, valid research. Instead, many outlets rely on their own research, which often is unreliable. But in many cases, and especially for determining reader interests rather than attractiveness and usefulness to advertisers, that research is better than none at all.

Panelists repeatedly mentioned the abnormal business situation for media in Ukraine. Most of the national outlets, and many regional ones—whether print or broadcast—are owned or controlled by political and oligarchic business forces that see the media not as businesses, but as political tools.

## OBJECTIVE 5: SUPPORTING INSTITUTIONS

**Ukraine Objective Score: 1.59/4.0**—The Ukrainian Association of TV and Broadcasters unites about 100 members, and the UNPA includes 90 newspapers with a circulation of 5 million copies. There is also the Association of Cable Broadcasters. Formed within the past two years, these associations still do not represent the majority of the nation’s mass media outlets. (And they are not necessarily trying to; the UNPA, for example, accepts only those applicants that meet its definition of independent.) Additionally, representation of Ukraine’s journalists is, for all practical purposes, nonexistent within any current organization. The Union of Journalists has one faction, and a variety of other entities represent other factions; however, several organiza-

tions claim, without merit, to represent all Ukrainian journalists. There are some local associations that do serve the interests of members, including a few oblast chapters of the Union of Journalists. In recent months, there has been a spurt in the creation of new organizations on the local level that call themselves journalists’ unions, with an effort being made to create a national organization as well. These organizations aim for better pay and working conditions for journalists, protection of journalists’ rights (including what they say is their right to write what they want, rather than having editors or owners dictate the content of their articles), and freedom from government censorship and pressure. It is so far unclear whether these organizations will be able to significantly impact the situation in Ukraine.

The broadcasters’ association and publishers’ association do represent the interests of their members and try to do so in an effective and professional manner. Each has had successes, but neither has been without setbacks. Because of the large role of media and media outlets in politics in Ukraine, coupled with the general inability of the parliament and government to achieve almost anything of substance, lobbying efforts through the parliament and government have not been especially effective. However, the associations have succeeded in getting their views across to those bodies and to the general public through lobbying and education/PR efforts.

A large—and seemingly growing—number of NGOs are supporting free speech, free press, free journalists, and human rights. However, the bona fides of some of those groups are suspect, and in the past actions that have been designed or presented as freedom of speech efforts have transmogrified into partisan political movements and demonstrations. There are quite a few NGOs, both local and national, that do yeoman’s work to support freedom of speech and press. Several human-rights organizations look at free speech and free press as part of their wider portfolios. According to one panelist, a lot of them are in the larger cities and confine their activities to that city or oblast. Many NGOs receive support from foreign governments or international organizations, but more and more of them are trying to stand on their own feet. Panelists mentioned the active work of the Kharkov human-rights group and the Institute of Mass Information (which is affiliated with the international group Reporters Sans Frontières).

The level of journalism education in Ukrainian universities remains pitifully low. One problem is that the curriculum is closely controlled by a small group

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

of administrators and professors who do not appear to be very interested in reforming that curriculum. Thus, courses in such areas as media management, media business, advertising, media ethics, and other topics remain scarce, and individual journalism schools do not have the authority to offer such courses, at least not within the prescribed journalism curriculum. Another problem is that teachers and professors of journalism are largely the same people who were teaching the courses in Soviet times: their basic beliefs, teaching methods, and teaching materials have not changed along with the country. They frequently had little practical journalism experience even in that system, and have none in the market-oriented, free, and open system that has been developing since. The third problem concerns journalism departments created since Ukraine became independent in 1991. They often lack trained and professional teachers and make up for that lack by “importing” teachers from other departments, even if they have little understanding of or interest in journalism and media. The poverty of the universities is a massive problem. State universities have little or no money to upgrade or modernize facilities, equipment, and teaching materials, including basic textbooks. Private universities have more income—they charge tuition fees averaging US\$1,000 to \$1,500 per year. But the admissions and payment system is not transparent or fair, and usually the payment of money does not translate into a university’s developing modern facilities and equipment.

Journalism students and graduates say frequently that they have acquired most of their useful professional knowledge and skills outside the classroom, by learning

on the job. A sizeable percentage of Ukrainian journalists do not have a journalism education at all—and it is generally impossible to tell by their performance which have a journalism school diploma and which do not.

*The level of journalism education in Ukrainian universities remains pitifully low. One problem is that the curriculum is closely controlled by a small group of administrators and professors who do not appear to be very interested in reforming that curriculum.*

Informal and continuing education are in better shape, as they are not controlled by the universities or the Ministry of Education. They tend to have more modern, forward-looking curricula, often designed by and for working journalists of the current day. Because they are often financed by foreign governments or international NGOs, they also do not have the same funding problems as the universities. However, there still are not enough good Ukrainian trainers in journalism and media business (although the number is rising each year), and there are never enough informal and continuing-education training programs to meet the need. Both the publishers’ and broadcasters’ associations have offered training, often in conjunction with other partners.

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