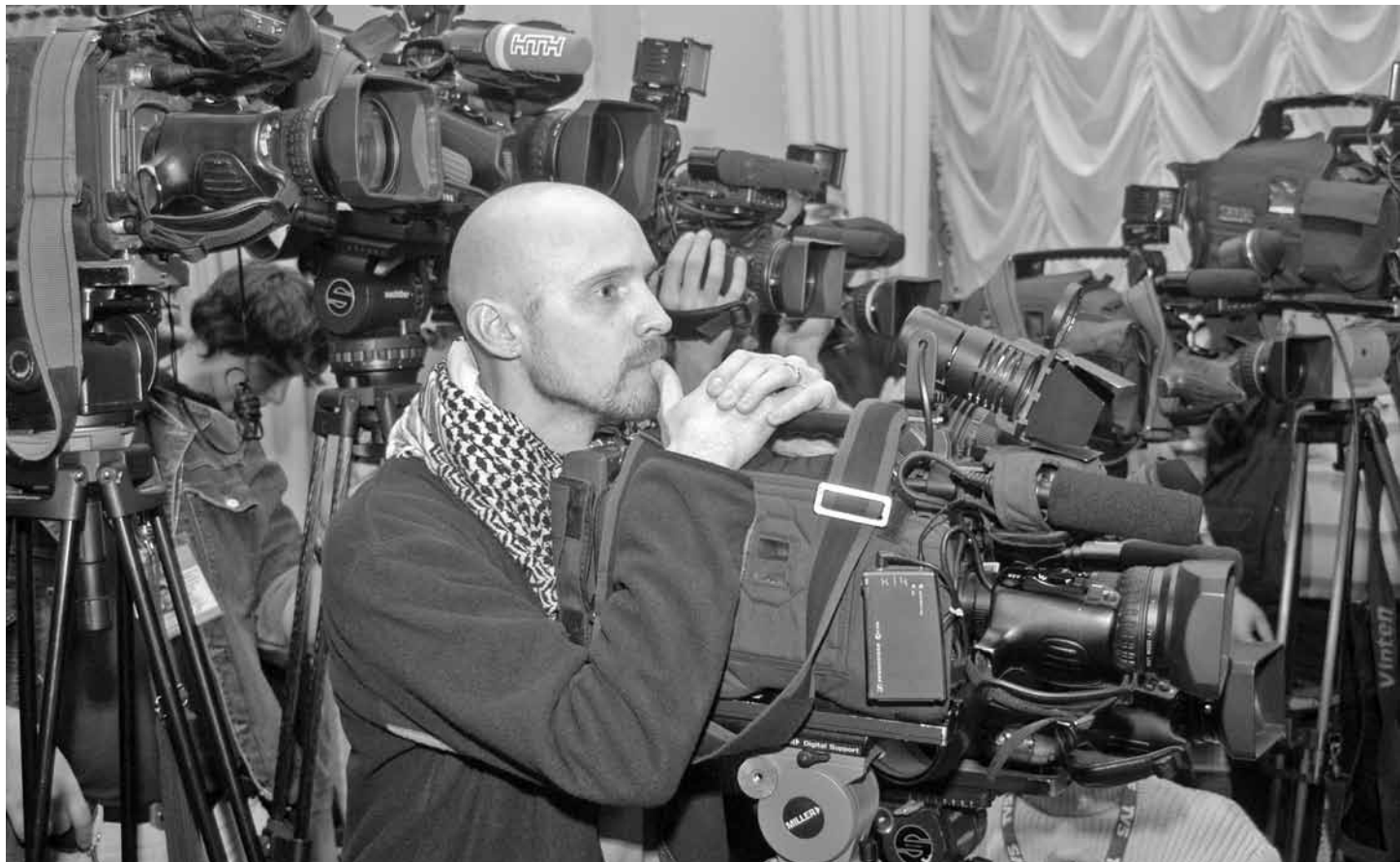

On the eve of the voting, Otar Dovzhenko, deputy editor-in-chief of Telekritika, summarized the situation: “2009. A wholesale and retail system has become standard for the most influential popular media. Politicians obtain the exclusive loyalty of certain media or media groups by entering into agreements with owners, but access to any media is not monopolized.”



UKRAINE

In keeping with tradition, an election campaign has exposed the true state of the news media in Ukraine. Ukraine faced its presidential election in early 2010 with an expectation of further suppression of press freedom and continuing erosion of the principles of journalism. Leading candidates of the older generation and their younger counterparts were united in their abuse of the media and disrespect for journalists. In spite of their pre-election rhetoric about media freedom, the political elite remain far from sympathetic to true democratic values.

Free speech was the last myth of the Orange Revolution to be shattered. In fact, as Radio Svoboda reporter Vitaliy Portnikov has said, under President Viktor Yushchenko conditions only simulated free media and encouraged oligarchic competition among them.

On the eve of the voting, Otar Dovzhenko, deputy editor-in-chief of *Telekritika*, summarized the situation: “2009. A wholesale and retail system has become standard for the most influential popular media. Politicians obtain the exclusive loyalty of certain media or media groups by entering into agreements with owners, but access to any media is not monopolized. Such a loyalty is expressed by providing candidates with special conditions or more airtime, more frequent and selective coverage, or silencing information according to the candidate’s campaign needs. Other candidates can access outlets only by paying. Instances of boycotting candidates by media are few. All agreements and payments between media and headquarters take place at the level of owners or, more rarely, of top managers. Journalists, having accepted payments, protest little and service the needs of politicians. Most principled journalists are squeezed out of the profession.”

Public broadcasting, expected in the immediate aftermath of the Orange Revolution and actively discussed over recent years, has not been established—nor is it likely in the near future. None of the major political forces show sincere support for it. Moreover, there is a risk that a switch from state to public broadcasting, should it come, would be a change in name only unless independence from political pressures could be guaranteed. In the meantime, national and municipal media financed via government still operate, competing unfairly with private media.

The most popular media are owned by tycoons with close political connections. For most of them, the motivation to use media for influence supersedes business interests. For the last several years, major media outlets have been characterized as monopolies; ownership is neither transparent nor open to the wider public. Thus, owners influence editorial policies as media are increasingly under their direct control.

In business terms, it was a hard year, as many media managers were unprepared for the challenges of the economic crisis. Losses could have been smaller with more professional management. The battle between

UKRAINE AT A GLANCE

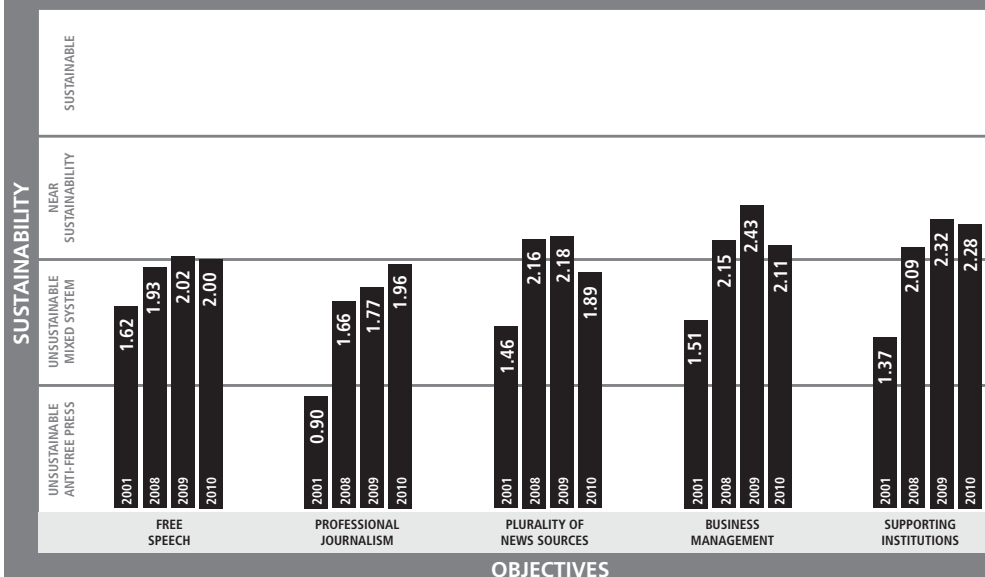
GENERAL

- > **Population:** 45,700,395 (July 2009 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%, Bulgarian 0.4%, Hungarian 0.3%, Romanian 0.3%, Polish 0.3%, Jewish 0.2%, other 1.8% (2001 census)
- > **Religion (% 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 (% of population):** Ukrainian (official) 67%, Russian 24%, other 9% (includes small Romanian-, Polish-, and Hungarian-speaking minorities) (*CIA World Factbook*)
- > **GNI (2008-Atlas):** \$148.6 billion (World Bank Development Indicators, 2009)
- > **GNI per capita (2008-PPP):** \$7,210 (World Bank Development Indicators, 2009)
- > **Literacy rate:** 99.4% (male 99.7%, female 99.2%) (2001 census)
- > **President or top authority:** President Viktor Yanukovich (since February 25, 2010)

MEDIA-SPECIFIC

- > **Number of print outlets, radio stations, television stations:** Print: 27,969 newspapers and magazines (only about 4,000 actually publish), 12 major daily newspapers; Radio stations: 524 stations; Television stations: 647, most being local stations (State Committee on Television and Radio, comin.kmu.gov.ua)
- > **Newspaper circulation statistics (total circulation and largest paper):** top dailies: *Robocha gazeta*, *Fakty I Kommentarii*, *Expres*, and *Segodnya* (reliable circulation figures N/A; estimates range from 200,000 to 500,000 copies).
- > **Broadcast ratings:** top television: Inter, Studio 1+1, Novyi kanal, STB, ICTV, TRK Ukraina (all private); top network radio: Radio Shanson, Hit FM, Russkoe radio (all private) (TNS)
- > **Annual advertising revenue in the media sector:** television: \$250 million; print: \$172 million; radio: \$15 million; Internet: \$18 million (All-Ukrainian Advertising Coalition)
- > **News agencies:** Interfax (private), UNIAN (private), Ukrainski Novyny (private), Ligabiznesinform (private), DINAU-Ukrinform (state-owned)
- > **Internet usage:** 10.354 million (2008 est., *CIA World Factbook*)

MEDIA SUSTAINABILITY INDEX: UKRAINE



Annual scores for 2002 through 2006/2007 are available online at http://www.irex.org/programs/MSI_EUR/archive.asp

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.

television and the press for advertising revenue heated up, and forced national and regional print media to overcome other problems. In an industry short on resources, the quality of media products declined.

OBJECTIVE 1: FREEDOM OF SPEECH

Ukraine Objective Score: 2.00

Panel participants were unanimous in stating that in spite of generally liberal legislation, enforcement of freedom of speech is rather weak. Broadcast licensing is more corrupt than politically motivated. Crimes against journalists increased slightly in 2009, while successful investigations of such cases remain rather rare. A number of high-profile cases remain unsolved. On the positive side, journalists have the tools to access information, and so far there are no limitations for online media and bloggers.

According to panelist Kostyantyn Kvurt, board chairman of Internews-Ukraine, corruption and political goals drive court decisions and licensing. Decisions and practice are not motivated by the law, democratic values, or protection of the interests of society or even of the state. Law enforcement bodies display a cynical attitude toward crimes against journalists. Generally, the situation is better than in many other countries, as freedom exists, but journalists are on their own when it comes to defending that freedom.

According to panelist Oleksiy Pogorelov, general director of the Ukrainian Association of Press Publishers, the laws can be enforced, but authorities often have to be forced to comply. Otherwise, authorities fail to do their job at all, or fail to do it well.

In spite of Ukraine's rather developed media legislation, harmonized with international norms for many years, essential problems of enforcement remain and the application of laws is getting worse, panelists agreed.

Tetyana Kotuzhynska, president of the Media Lawyers Association and secretary of the National Union of Journalists of Ukraine, said: "Legislation in Ukraine, to a sufficient extent, ensures freedom of speech and freedom of the media. National laws correspond to international standards of human rights as well as free speech. However, execution of these laws remains at a very low level. Ukraine lacks the system to hold civil servants accountable for non-compliance with the laws."

According to Kotuzhynska, Ukrainians do value freedom of speech. According to recent surveys, 50 percent of citizens trust the news media. But solidarity among journalists is very rare: Usually they do not trust reports on violations of

their colleagues' rights, suspecting them of serving a public relations, political or commercial purpose.

Presidential elections legislation puts journalists at a disadvantage, as it limits the media's reach in covering elections. Journalists cannot freely discuss and analyze candidates, lest they risk being accused of illegal agitation. Journalists sometimes contract with political parties to represent their interests, and disseminate political advertising or propaganda rather than journalism. It stimulates self-censorship and so-called *jeansa*, or paid-for content. Meanwhile, politicians freely use media to deliver their messages, and often violate the law themselves.

The Pechersk district court in Kyiv prohibited political advertising against then-Prime Minister and presidential candidate Yulia Tymoshenko. Following protests by human rights activists, however, the claim was withdrawn by the plaintiffs.

The state repeatedly attempted to establish state registration for Internet media outlets, but now it is limited only to voluntary registration. The Internet community was also concerned about so-called "Law 404," which aims to fight illegal content, especially pornography, by limiting the access of users to certain sources.

In November, the local department of the Security Service of Ukraine confiscated more than 100 servers of Fregat, an Internet provider in Dnipropetrovsk, accusing the company of illegally retaining and distributing the traffic police database. This interrupted operations of the city news portal and services for thousands of clients.

Broadcast media licensing is not transparent; it is corrupt and politically motivated. Anyone with the resources to launch television or radio stations resorts to corruption or fails, panelists agreed.

One example is the case of Radio Melodiya. Its license was extended pending a court decision, but it was asked to pay a full fee for several years reaching beyond the license term. The request of the National Television and Radio Broadcasting Council (NTRBC) was supported by order of the general prosecutor. Although there were other stations with unpaid license fees, the prosecutor's order applied only to Melodiya. Radio Melodiya appealed to the court, which ruled the penalty was illegal. However, NTRBC then offered Melodiya's frequencies for auction. Unofficial reports indicate one of the council members has business interests in the new recipient of these frequencies.

According to Viktor Danylov, director of Rivne-1 TV and head of Publishing House OGO in Rivne, the broadcast media licensing climate is not improving. NTRBC's practice is to issue a "warning" to a broadcaster, then exert pressure on it. On

the other hand, as noted by Tetyana Rikhtun, an investigative journalist and manager of the Crimean IPC media center in Sebastopol, state television companies obtain licenses with ease and are not prosecuted for any violations.

Viktoria Syumar, head of the Institute of Mass Information, recalled a semi-scandalous distribution of digital multiplexes a year ago, which was never remedied.

A positive trend did emerge in 2009; television and radio companies started to appeal against NTRBC decisions in court. Earlier, they did not dare. A new method of calculating license fees has been approved and is expected to decrease the amounts of fees.

Panelists also mentioned allegedly rebellious attitudes of some members inside the NTRBC against its management. The head of the NTRBC, Vitaliy Shevchenko, and his deputy resigned from management positions, but held onto their memberships, which could mean the start of a velvet revolution in the council and the industry. Some experts said that perhaps “problem-solving” might become more accessible, but also more expensive. It was also noted that NTRBC has become rather lenient toward national broadcasters and remained exacting toward regional broadcasters. Four members of the NTRBC are appointed by the president, another four by the parliament. It is expected that many members will be rotated with the change in national leadership.

Market entry and commercial regulations for media are the same as for other businesses; the Ukrainian tax administration system is very confusing and complicated to navigate for all industries. Publishers enjoy a value-added tax (VAT) exemption for sales and subscriptions of print publications. Nonetheless, Pogorelov stressed, economic legislation, especially taxation, is not equal either within the industry or in comparison with other businesses. VAT exemption privileges are harmful for the industry; VAT exemption grants minor savings, but the exemption is valid only for part of operations and the separate accounting is a tremendous additional workload.

Crimes against journalists increased, said Syumar, whose organization regularly monitors these cases. Investigations of such cases usually fail. Law enforcement bodies often refuse to act. The authorities do not want to establish a precedent that a politician may be punished for violence against a journalist. In October 2009, Hanna Herman, Party of Regions member of parliament and chairman of the parliament’s Freedom of Speech Committee, proposed restoring Oleg Kalashnikov’s membership in the party. He had been excluded after a well-known case in 2006, when he attacked STB channel journalists—but following a two-year investigation, he was not prosecuted.

Kvurt emphasized that the cynical attitude of the General Prosecutor’s Office toward high-profile cases is only worsening. This sends a clear message to the society and journalists that they are free to do as they wish, but if they meet a violent end they are likely to simply get a posthumous Hero of Ukraine award. Moreover, solidarity among journalists is very low, even when there is no doubt whether a journalist behaved properly. It is also not that easy to disseminate information about violations against journalists over all media.

In another case, in spite of the arrest of Gen. Oleksiy Pukach in the Georgiy Gongadze murder, there has been no progress in investigating the journalist’s 2000 kidnapping and death.

According to Oleg Khomenok, a media adviser for the Internews Network U-Media project, the guilty usually are not punished in cases of violent acts against journalists by law enforcement officers or other officials. This was the case when prosecutors and the courts refused to bring criminal charges against Communist Party member of parliament Oleksandr Tkachenko, who broke the microphone of STB journalist Olha Chervakova; and also the violent pressure and attempts of militia officers to file a criminal suit against ICTV journalist Tetyana Krugova, who reported a cannabis field. Several cases of beatings of journalists—for example, in Kyiv, Nova Kahovka and Khmelnytskyi—were not prosecuted. On the other hand, Khomenok stressed, the journalism community usually does not want to go to the trouble of turning to the law.

Danylov added that in 2009, in Rivne alone, there were five attacks on media employees. As an exception to the rule,

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 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 offended parties 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.

after tremendous public pressure on law enforcement bodies, the attack on Vitaliy Golubev, chief editor of Publishing House OGO, has been investigated.

At the parliamentary hearings on media freedom in the regions in December 2009, Oleg Nalivaiko, first deputy head of the State Committee on Television and Radio Broadcasting, mentioned that according to official statistics, only two cases of violence against journalists were punished under the criminal code during the past decade. He said that in other cases, authorities prefer to label these acts hooliganism.

Subsidized state and municipal media create unfair competition for private media. Government journalists have civil servant status and therefore are assured of steady increases in salaries and pensions. Legal provisions of editorial independence exist, but are not exercised. However, it is not a given that all state and municipal media will automatically receive subsidies; some outlets may be excluded. Especially now, as budget funds are limited, many municipal papers have been reduced to begging for money from officials. Very often, officials appoint their protégés as chief editors, though they do not necessarily have any journalism experience.

Since 2001, libel has been exclusively a civil issue. Syumar called decriminalization of defamation the last stronghold of free speech in Ukraine. In addition, there are many court decisions stating that a government body cannot claim “moral” damage. In November, the parliament adopted a law providing amendments to the Civil Code on moral damage so that public officials might claim higher damages than average citizens. Although the code uses a number of international standards, such as taking into account the wealth of a defendant and the higher responsibility of public officials, its application can be distorted by judges at their discretion. The president has vetoed the law so far. Panelists said they believe the parliament deputies were aiming to curb the media.

There is a tradition of defamation claims, but court practices vary. According to Kotuzhynska, a rather progressive resolution of the Supreme Court plenary session, which drew upon recommendations to implement provisions of the European Court of Human Rights, was adopted in 2009. Despite this, some decisions of the Supreme Court, with several new judges, did not reflect these positive recommendations. Moreover, a sense of “corporate solidarity” has developed among civil servants and judges. For instance, if a plaintiff in a case against the media is a judge, his claim would be, as a rule, fully satisfied. And the number of judge-plaintiffs is increasing.

Kotuzhynska said, “By and large, in Ukraine there is no ‘telephone law’ anymore for deciding the court cases on freedom of speech, but the decisions can be called independent only formally: More and more often the

decisions are made on auctioneer principles—whichever side provides the larger bribe wins. Recently, such practices are more and more inherent to appeals rather than first rulings: Decisions are made after three to four proceedings, when the sides hint about larger bribes. In 2008, there was a sentence with the largest damage compensation to the newspaper *Biznes*—an award of UAH 22 million (\$2.73 million) in the first court ruling. This case was decided in three court rulings, and it has been returned by the Supreme Court to the district court. Now, in 2009, the damage sum is about UAH 6 million (\$743,725). The decision is being appealed again. And this is not an isolated example.”

Aggravating the situation, courts do not behave independently, according to Danylov. After a much-discussed serious road accident in Rivne at the end of 2008, which was covered by all Rivne media, a suit claiming several hundred thousand UAH was filed only against the independent media outlets: *Rivne Vechirne*, *Rivnenska Gazeta*, Rivne-1 TV and the opposition party newspaper *Volyn*. The plaintiffs were the local chief of party headquarters and his son, a city council deputy who was connected to the accident; they claimed he was falsely accused in the press of being the driver. Other media were not part of the suit.

Panelists agreed that access to information is more or less satisfactory in Ukraine. The panelists deem current law adequate, but an improved law developed with contributions from a coalition of NGOs and international experts has passed a first reading in parliament, which is a positive signal. Lawyers cited several examples of successful court cases that prove it is possible to get results. Publishers mentioned the practice of using legal suits to force authorities to provide information. On the other hand, they said, journalists often fail to file information requests or lawsuits to obtain information. Furthermore, local authorities are not very skilled at proper interaction with the media; they prefer to publish their approved texts in the media outlets they financed. Usually, state and municipal media obtain more information from official sources than others do.

Rikhtun said regional media are not able to sue officials every single time information is unavailable, and complain that they are given the runaround by officials in response to their information requests. It took a month for an Azov and Black Sea Region agency to respond to a journalist’s information request by saying the office was not authorized to reply and recommending that the request be sent to a higher body for Crimea. Instead of providing access to socially important information, press offices of local authorities in Sebastopol make up information. Such offices propagandize on behalf of their bosses and do not facilitate media coverage or access to information. Instead of

publishing city council decisions, they distribute comments of the council chairman about the decisions.

Access to foreign news sources is not restricted in any way. The Internet is very affordable and widely used by media outlets. Acquisition of foreign content is widespread. Price is not generally a prohibitive factor, but in current economic conditions some media organizations have had to discontinue foreign subscriptions.

Another limiting factor is the low foreign language proficiency among journalists, a problem highlighted by Syumar. As a result, Russian language foreign sources and media products prevail over other foreign languages.

Entry into the journalism profession is free, and bloggers can obtain accreditation. Special privileges are granted to journalists of state and communal media, who are considered civil servants and therefore enjoy better social security status. Many panelists said that, unfortunately, the profession is full of pseudo-journalists lacking basic skills.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Ukraine Objective Score: 1.96

In regard to professionalism, the main problems highlighted in last year's MSI have carried over: paid-for stories in media, pressure by media owners and self-censorship, non-compliance with ethical standards, and lack of self-regulation among journalists.

Monitoring by the Institute of Mass Information shows that at the end of 2009—during the presidential campaign—the volume of paid-for editorial stories at least doubled. According to Syumar, all candidates want to influence editorial policies, and live political talk show scenarios are negotiated with presidential candidates, which is far out of touch with professional standards. Censorship increased due to political interests of owners. Elections have become a business for media.

According to Khomenok, *jeansa* and buyouts of journalists and media outlets have become an almost common phenomenon. Publications which serve audiences honestly can be counted on the fingers of one hand. At the same time, on a technical level, media are very well equipped both at national and regional levels.

Niche reporting is gradually being developed in various areas, such as investigative journalism and social programs.

Pogorelov said there are exemplary professional media outlets, especially print media, both at the regional and national levels. However, there are also plenty of

unprofessional journalists; therefore, the average for media professionalism is low. News programs at national television channels provide examples of unbalanced, purchased stories.

According to Kvurt, the main obstacles to high-quality journalism are media corruption, laziness and lack of correlation between a high-quality journalism product and the money earned by a journalist.

Nataliya-Danute Bimbirayte, director of *Vgoru*, a weekly in Kherson, said that in her region, the leading media practice partisan reporting and are well rewarded for it.

Rikhtun emphasized that covering issues from several points of view has not become a professional standard for journalists. For those working in municipal or state media, it is simply impossible. The tendency is worsening: If a few years ago certain authorities concluded agreements with independent media for placement of their information, in 2009 they launched their own print and online media. In Sebastopol, for instance, the chief justice department, the environmental protection department, the local office of the ministry for emergencies and two district councils all publish their own newspapers. The city administration publishes comments from its leaders daily. The main sources of information are press conferences and briefings of officials and deputies, actively broadcast by media. True news and various points of view are available most frequently from Internet sources.

Ihor Kulyas, media trainer for Internews Ukraine, recently discussed the quality of Ukrainian journalism on the *Telekritika* website. He noted that “lazy” newsroom practices—that is, mere inert broadcasting of products and messages of press offices, politicians and officials—has become ingrained in television news. Searching for facts, alternative opinions and expert opinions is rare. He said hysterical coverage of the flu epidemic, which fed a sense of panic, clearly demonstrated the state of the mainstream media: negligence of all professional reporting standards, and complete social irresponsibility.

Syumar said ethics is a weakness of Ukrainian journalism. It cannot be said with confidence that Ukraine's codified ethical standards are complied with by the majority of journalists. Ethics are not usually discussed in newsrooms, and self-regulation in the ethical sphere is almost absent. Activities of the current ethical commission are rather weak, according to Syumar; but as one exists, it would be difficult to justify establishing another commission. There is no tradition of shunning disgraced journalists; they simply display repentance temporarily, then continue on with their work.

Kvurt said more and more Russian journalists, not always oppositional ones, are hired by trendsetting Ukrainian media. That has led to a transfer from Western media standards

toward Russian journalism standards, which he views as pure propaganda.

“Plagiarism is the standard for many electronic media,” Rikhtun said. Fresh news is reprinted by many other media without asking permission of the original journalist. For instance, about a dozen websites cover news in Sebastopol, but only three of them produce their own news—others just republish the work of other outlets. All Sebastopol newspapers regularly publish unmarked advertising—*jeansa*. In some newspapers it accounts for up to 20 percent of editorial material. Especially flagrant violations are seen in state media. For example, the newspaper *Flot Ukrainy (Ukraine’s Fleet)*, published by the Ministry of Defense with state funding, ran paid-for stories discrediting the supreme commander-in-chief and the Ukrainian president.

There are also examples of ethics violations where journalists fail to protect victims of crime. During the presidential campaign, media uncovered a pedophilia scandal in an Artek children’s camp, and disclosed the names and photos of children involved.

Most journalists practice self-censorship, panelists agreed. Forbidden topics exist. Syumar said self-censorship is the most serious type of pressure on journalists. The inspired journalism of 2005-2007 vanished, and the economic crisis has become the best excuse for journalists who cite their fear of not being able to find another job if they take a risk and report something controversial. Instead, they tend to succumb to the pressure of owners, which increased, especially during elections.

Danylov agreed that his media, which aim for high-profile stories, have to be very careful. He said his outlets’ independence was hard-earned over many years and at great expense. For example, tense relations with the local militia

sometimes led it to clamp down on sharing information about its activities with his journalists, but they continued to follow their editorial policies.

Rikhtun stressed that self-censorship is a norm for any editor because criticism of officials is fraught with additional inspections, refusals to renew rent agreements, and loss of advertisers. She mentioned that she had even heard of a case where a local newspaper was paid so well by an oligarch to bury a story that when a politician offered to pay for coverage of the matter, the newspaper refused to do so. Self-censorship also is motivated by fear of distribution obstacles, future limits on access to information, and retaliatory unlicensed software checks.

Panelists agreed that a wide range of topics are covered, but that Ukrainian media generally tend to focus on issues that are rather superficial, easy, convenient and heavy on scandalous content for the average reader. On one hand, media are easily manipulated by the agenda set by politicians; on the other, they try to attract consumers and fight for ratings. Therefore, many socially important topics are left unaddressed by the media, including, for instance, national and international security.

According to Rikhtun, journalists rarely cover issues of government spending, environmental conditions, quality of medical services and other important topics. For example, an environmental post has been operational for four years in Inkerman, but its assessments have never been published by the media.

Salaries of journalists are adequate in Ukraine despite the deep economic crisis, and much higher than many years ago. But in some outlets employees have been reduced and salaries decreased by as much as 40 percent (or remained the same in UAH equivalent in spite of the higher U.S. dollar exchange rate).

In crisis conditions, employment and the security of an assured salary are good motivators. But the panelists said the salary level does not stop corruption among journalists. Corruption depends on the policy and management of media outlets—in properly managed media, even when news is sold at the level of owners, journalists are unable to place paid-for stories. However, it is a rather widespread practice for journalists to combine work as reporters for media outlets and as press officers or public relations consultants for certain companies or persons, for whom they try to place favorable stories. One of the best investigative reporters, Sergiy Leschenko of *Ukrainska Pravda*, commented on the Telekritika website that it is naive to think that journalists can resist corruption under the current conditions. Regular people have to stop bribing the traffic police, then journalists will stop publishing purchased stories, he said.

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).

At national channels, there are too many entertainment programs, and people cannot get analytical and useful information in news programs, with few exceptions. Political shows tend to be pure infotainment, a stage for politicians. Experts said people are tired of numerous talk shows with the same politicians answering almost the same questions. There are several political talk shows, including clones of the initial “Svoboda Slova” (“Free Speech”) at ICTV, “Shuster Live” at TRC Ukraina channel and “Big Politics” with Evgeniy Kiselyov at Inter channel.

On the other hand, there are several pure news channels. News, rather than entertainment, is the core of ratings and popularity at the regional level. As mentioned in last year’s Media Sustainability Index study, the problem of saturation with Russian entertainment products—and the difficulty of competing with them because of their low cost—persists.

According to Pogorelov, at national television stations, entertainment programming has eclipsed information programs, and news programs are of very low quality, as if all are from the same production center—the same pictures, the same texts, even virtually the same sequence of stories. And there is too much paid-for information in the news.

In print media, however, there is a lot of quality information, and news genres supersede entertainment.

Access to and affordability of technical facilities is not a factor preventing quality news production by Ukrainian media. Television equipment has become substantially cheaper. A majority of television channels use digital technologies, and radio companies are fully computerized. However, Kotuzhynska noted the serious problem of very expensive licensed software, which many media cannot afford. The authorities can confiscate computers with illegal software.

Quality niche reporting and programming exist, but are insufficient as yet, panelists said. Investigative journalism has gained strength both in the capital and in the regions. There are few new consumer issues and investigative programs on national television channels. Investigative journalism shows gradual professional growth. There are many regional investigative journalists, and several centers focusing on investigations: Svidomo bureau in Kyiv, the investigative project of the Information and Press Center in Crimea, the Investigative Reporting Agency in Rivne and the newspaper *Informator* in Lviv. Networking among them is strengthening, and there have been initiatives to unite investigative reporters. Almost 100 journalists gathered for the second annual all-Ukrainian conference on investigative reporters in November 2009. There was also the Third National Competition for the best anti-corruption investigations.

Lack of resources might set a limit to in-depth reporting. Also, as Danylov complained, even when journalists use

state-of-the-art undercover investigative techniques such as hidden cameras and night surveillance for their published investigations, each time they present authorities with evidence of violations the response from law enforcement officials is: “The facts have not been proved.”

Kotuzhynska agreed, saying quality investigations are growing but she is afraid that is not sustainable because nothing happens after their articles are published, and this discourages the journalists.

Regional media outlets are strong in covering local issues. Blogging is developing, and bloggers by and large are free to say whatever they want.

Media representatives cited the rather low quality of information programs at talk-radio stations, as well as the similarity of many radio stations and their targeting of wide audiences—while in other places around the world, radio stations tend to focus on niche groups.

OBJECTIVE 3: PLURALITY OF NEWS

Ukraine Objective Score: 1.89

Because Ukrainian media remain focused on scandals, infotainment and politics and their involvement with socially important topics is low, there is insufficient coverage of minority issues such as anti-Semitism, racism, gender issues and sexual minorities.

According to Danylov, national media are more and more grouped into large media holdings. Television newscasts and stories in daily newspapers are as similar as twin brothers.

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.

Regional broadcasters produce their own news programs, which traditionally have the highest local ratings. At the regional level, almost all media cannot afford the expensive services of foreign news agencies, and many cannot afford national agencies.

According to Kvurt, Ukrainian media offerings are rather pluralistic, and the average consumer is able to choose among many sources for information. But the trend is toward takeovers and mergers in politics, business and media. Potentially, along with absence of public broadcasting, that poses a threat to freedom of speech.

Not all news sources are objective, but at least consumers have wide options for comparison. Syumar assessed geographical inequalities as acceptable: Those who want to get news generally can get it. Use of the Internet and cell phones is growing, and the state does not limit Internet, social networks and net services. Anyone can become a blogger with relative freedom to write whatever they want.

According to the state register, from 1993 till mid-2009, 27,696 print publications were registered or re-registered in Ukraine, including 16,366 newspapers and 8,194 magazines. But actually published publications amounted to about 4,000 titles (2,453 newspapers and 1,662 magazines).

According to GfK Ukraine data, the number of Internet users is 8.25 million—about 1.6 million more than in 2008. The Ukrainian Internet audience constitutes 0.4 percent of the global audience (1.73 billion) or almost 2 percent of European Internet users (418 million). Internet penetration is in the range of 27 percent to 30 percent. Andriy Zablockiy, director of the Ukrainian association of Internet advertising, said that once it tops 35 percent, there can be explosive growth of the audience to 50 percent of the population.

Khomenok said 80 percent of Internet users in Ukraine use social networks. Vkontakte, Odnoklassniki, YouTube, Ukr.net and Wikipedia are the most visited sites by Ukrainian users. Access to the Internet is available all over Ukraine; the only issue is affordability. According to an experts report at a U.N. conference on trade and development, in 2010 Ukraine will take 10th place in the world for number of Internet users.

An expert from Gemius Ukraine said time spent on the Web by the average user has grown to 6.28 hours per month, and the average number of connections per month is 45 times. The audience is 52 percent male and 48 percent female.

According to Rikhtun, news sources are numerous, and every year there appear to be more. There is free access to foreign media, however this does not seem to translate to a lot of influence on the range of opinions and events covered. Speakers, typically officials, move from one channel to another and say the same in national and regional

publications. Officials either own media or use state and municipal media for their own interests. NGO leaders still do not have proper access to the media. For example, in Sebastopol, the chairman of the city council personally decides which deputies will win time slots on municipal television. Rikhtun charged that the media are full of quotations and opinions rather than news.

Generally, citizens' access to domestic or international media is not restricted. Among foreign media, Russian sources prevail.

Technically, access to international media varies depending on geography: In rural areas and small towns, people rely mostly on a limited choice of television and radio rather than on scarce print sources or the otherwise growing and influential high-speed Internet.

Regional panelists agreed that there are districts with very limited access. In rural areas, people might have two television channels, they may subscribe to one regional and one local newspaper, and few people in villages use the Internet.

According to a July 2009 opinion poll by the Razumkov Center for Economic and Political studies, 55.7 percent of respondents trust the Ukrainian media, while 39 percent do not trust it. Meanwhile, only 35 percent trust the Western media, and 44 percent trust the Russian media.

There is a draft law that would oblige foreign media to obtain permission to be sold in Ukraine. Publications promoting violence, terrorism, hate speech, pornography or having the same title as existing Ukrainian publications will not be able to obtain such permission. Sergiy Miroshnichenko, director of Hachette Filipacchi Shkulev Ukraine which distributes *Elle*, *Maxim*, *Marie Clair* and *Psychologies*, said Russian publications brought into Ukraine illegally amount to 10 percent of Ukrainian circulations. Official distributors of international brands suffer losses due to the "gray market" import of press into Ukraine.

As of mid-2009, the list of foreign channels permitted in Ukraine numbered 109. It does not include the popular Russian channels "Pervyi kanal Vsemirnaya Set," RTR-Planeta, REN-TV and TVCI, but many cable providers still broadcast some of these.

In July 2009, Ukraine finally joined the European Convention on Trans-border television ratified in 2008. The key issue in the convention is that all channels of the member countries can be broadcast via cable networks of other member countries freely—without licensing from local authority. This reportedly is already being executed by Ukrainian cable operators.

State and municipal media do not serve public interests, rather they blindly serve the interests of those in power.

Panelists not only confirmed that the situation has not improved, but they felt it may have worsened.

Numerous news agencies provide information, but their independence is questionable. Bimbirayte said most regional media cannot afford subscriptions to news agencies of greater scope. Her newspaper subscribes to the regional agency that covers southern Ukraine, but she is unhappy with its quality because it carries only 50 percent information and the rest *jeansa*.

Yevgen Rybka, editor-in-chief of Information Agency Ligabiznesinform, said his organization has to save. It subscribes to only one foreign agency and one national agency, which is not enough.

In the broadcast media, both national and local outlets produce their own news products, but Ukrainian channels copy many Russian formats, which are actually copied from international formats.

Media ownership is not transparent. For media experts, it is much easier to figure out ownership now than it once was, but that is simply due to freedom of speech rather than state disclosure requirements. Most people do not know or do not care deeply about ownership issues because of this lack of transparency.

According to Kvurt, Ukraine is an oligarch republic; mergers are taking place in politics, business and media. There is oligopoly in national media, and gradually it spreads over to the regional media. Independent private regional media exist, however.

In 2009, Ukrainian oligarch Igor Kolomoisky bought 49 percent of CME assets in Ukraine for \$100 million and TET channel, which will be integrated into the 1+1 group. On January 20, 2010, Central European Media Enterprises (the only large foreign investor in the Ukrainian media market, after 13 years of operation here) sold 100 percent of 1+1 channel and 100 percent of Kino channel to Ihor Kolomoisky, a rich Ukrainian businessman, for \$300 million. According to *Korrespondent* (as of January 29, 2010), since then 73.2 percent of the television market of Ukraine is controlled by the business groups of Viktor Pinchuk (\$2.2 billion), Valeriy Khoroshkovskiy (\$223 million), Rinat Akhmetov (\$9.6 billion) and Ihor Kolomoisky (\$2.3 billion).

In July 2009, the *Kyiv Post* was sold by Jed Sanden's KP Media to Istil group.

Ownership of Inter group is not officially proved, but alleged names of owners have been discussed. For example, when general producer Hanna Bezludna resigned in October 2009, many experts connected this with a change of ownership or influence structure from Dmytro Firtash in favor of

Khoroshkovskiy. Many employees were fired. After that, Inter channel changed its sharp anti-government orientation to soft pro-Russian coverage and stopped boosting Prime Minister Timoshenko's presidential candidacy.

In October, U.A. Inter Media Group bought the television channel MTV Ukraina.

Media experts also noticed a new trend. With changes of ownership come changes in outlets and employees, and in many 2009 instances of personnel changes in editorial staff of Ukrainian media, firings were prompted by suspected disloyalty to ownership, which for its part cited unprofessionalism as the cause.¹

Ukrainian media cover a wide variety of topics, including ethnic minorities, gender issues, sexual minorities, children's rights etc. There is no suppression of this information, but media and media consumers simply do not show deep interest in such coverage. Bimbirayte explained that legal nihilism is inherent both to journalists and average people; people lack a solid awareness about human rights, and therefore these issues are beyond their concern. Other panelists agreed that most of these topics are covered as news only if there are violent accidents or crimes. National journalists generally do not cover sexual minorities or children's rights. However, at the regional level, some media pay attention to these issues to an extent.

Minority-language newspapers exist, but often they are aimed at a very narrow audience and supported by grants.

OBJECTIVE 4: BUSINESS MANAGEMENT

Ukraine Objective Score: 2.11

Due to declining advertising budgets and losses on investments by media owners during the economic crisis in 2009, Ukrainian media managers had to either cut administrative expenses and reconsider business strategy, or face closures of media projects and loss of market positions. Print media lost more than 200 publications. Many reduced pages, reduced the frequency of publication, or were transferred to online versions. Some media outlets were sold. All free dailies were closed. There were closures in the segment of business IT, construction publications and women's magazines.

¹ Since the end of 2008, the state register of print media and news agencies has been available at the website of the Ministry of Justice, www.dzmi.informjust.ua. The register of television and radio organizations is available at the NTRBC website <http://nrada.gov.ua/cgi-bin/go?page=93>.

Mainstream private media outlets operate as profit-generating businesses with efficient management; however, there are lots of media outlets subsidized either by politicians or the state. In the regions, leading media use modern business approaches to increase profitability. Leaders among regional media are usually independent private newspapers and television channels. Local authorities continue to give out funds to weak municipal newspapers with low circulation, low quality and no concept of how to run media as a business.

According to Rikhtun, state and municipal media enjoy privileges that mean regional print media hardly compete with them. Discounts for office rent and utilities fees put state and municipal media beyond competition. Privileges in salaries of writers and editors lure journalists to move to these publications. Municipal media outlets are overstaffed, while private media have to save on everything. For example, *Flot Ukrainy (Ukraine's Fleet)*, published by the defense ministry in Sebastopol, is a biweekly with 1,200 copies per month and is staffed with 60 employees. In another example, the Chief Department of Justice in Sebastopol announced the list of the three most popular publications in the city by circulation. The third position in the list was taken by *Zerkalo*, surprising even to *Zerkalo* itself, as, with its printed circulation of 2,000 copies—it could hardly outrun private *Sevastopolskaya Gazeta* or *Vesti*. Sometimes, so-called independent media are not true businesses, but tools for promoting their owners or certain political interests. For example, *Nezvisimoe Televidenie Sevastopolya (Sebastopol's Independent Television)* regularly quotes opinions of Party of Regions representatives and emphasizes the incompetence of opponents.

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.

In May 2009, it was reported that press sales would increase by 10 percent over the year, but on account of price increases and inflation rather than circulation growth; the market is expected to total UAH 1.43 billion (\$177.3 million). Distributors were also expected to raise their margin, which was 50 percent to 60 percent, because their profitability was lower than 8 percent as in Europe or 17 percent as in Russia. In April, the press sales network *Fakty and Kommentarii* was closed. Meanwhile, the Ukrainian Association of Press Publishers (UAPP) said its subscription would be lower by almost 10 percent.

Media receive revenue from a multitude of sources, and among them are hidden business and political advertising that influence editorial policy. This influence is not transparent. At successful media outlets, the advertising share of revenue is growing faster than other types of revenues. The economic crisis and the accompanying fall of advertising revenue put many media at risk of bankruptcy. Most professional media survived, but many caved under political influence. Bimbirayte cited an increase of political pressure in her region, leading her to a pessimistic view of the economic independence of media. Danylov said that even for private regional media leaders the economic situation is not sustainable; sources of financing are insufficient.

According to Kvurt, at the national level advertising business is significantly monopolized and corrupted. It is highly hostile to newcomers. This is a potential threat to freedom of speech and the pluralism of voices in society.

Danylov complained that regional advertising revenues allow his channel to produce just six or seven of its own programs, compared with 35 a year ago.

The panelists explained that there are big discrepancies in advertising revenues between national and regional television stations, as well as between television and print press, and also between national and regional print media. Television advertising is monopolized primarily by three agencies which send the lion's share of advertising to 1+1, Inter and Viktor Pinchuk's media holding. Regional television stations are left with little. Television agencies and channels conduct open war claiming inefficiency of print media advertising with dubious arguments. Advertising agencies also are active participants in production and placement of jeans.

Among advertising agencies working with the print media, there is a certain trend of improvement: Agencies and many advertisers tend to use more regional media to cover all of Ukraine in their campaigns rather than relying on nationwide publications. The regional press association has launched a kind of syndicate sales for advertising within the group.

Panelists agreed that for mainstream national and regional media the ratio of revenue sources meets international norms, and is sometimes even more in favor of advertising than seen in other countries.

According to the All-Ukrainian Advertising Coalition, the 2009 media advertising market (television, radio, print and Internet) totaled UAH 4.437 billion (close to \$550 million), down about 20 percent in these segments from 2008, and will gain about 22 percent in 2010. In addition to this figure, political advertising was estimated at UAH 1 billion (\$124 million) with more than 50 percent of it in television.

The television advertising market reached UAH 2 billion (\$247.9 million), down 26 percent from 2008, with the share of regional television, including so-called advertorial television programs, at just UAH 100 million (\$12.4 million), 35 percent lower than 2008. In addition, the television sponsorship market was estimated at UAH 280 million (\$34.7 million), down 20 percent from 2008. In 2010, national television stations might add 25 percent in advertising revenues, while regional television might gain 15 percent.

During the economic crisis, television advertising reinforced its leading position. Channels significantly lowered prices and by May were totally sold out. They even escaped the seasonal summer slump, then established auction sales and increased prices.

Major market players have finally decided on independent sales of advertising that increased competition in the market. In November, a new sales house was established for StarLightMedia group, which united Viktor Pinchuk's channels (Novyi kanal, STB, ICTV, M1, M2, QTV), which separated from Inter-reklama. 1+1 channel and TRC Ukraina sell advertising independently. 1+1 channel is still in court proceedings with Prioritet, the agency that has handled its advertising sales for many years.

Print revenues decreased by 33 percent: UAH 1.376 billion (\$170.6 million) compared to UAH 2.052 billion (\$254.4 million) in 2008. But in 2009, the total press market grew to UAH 1.892 billion (\$234.5 million) because the associations of publishers added an estimated 500 extra regional publications and classifieds which were not included before. Out of this figure, only 25 percent went to regional publications. A major portion of display ads, UAH 706 million (\$87.5 million), went to magazines, another UAH 317 million (\$39.3 million) to newspapers, and the rest, UAH 352 million (\$43.6 million), went for non-display ads in various inserts and unmarked advertising (*zakazukha*). In 2010, the print media expects to see a 19 percent increase.

In 2009, the number of closed projects exceeded, many times over, the number of start-ups. By the end of the first quarter, all free daily newspapers disappeared. Business and specialized publications suffered a lot in the economic crisis. Other

publications reduced page numbers or publication frequency. In addition, a new law that prohibits alcohol and tobacco advertising on television and outdoors took effect in January 2009, and such advertising in print media was restricted in January 2010, with the exception of specialized publications.

Radio advertising decreased by 25 percent to UAH 120 million (\$14.9 million), and might regain 25 percent in 2010. It started to revive in the last quarter of 2009. The industry, primarily in the capital, switched to a new DAR CATI measurement system.

Internet advertising grew by 45 percent to UAH 145 million (\$18 million), with a forecast of 40 percent growth in 2010.

Another company that evaluated the Ukraine advertising market—Cortex—published slightly different data: Overall media advertising in 2009 decreased by 26 percent, television advertising by 15 percent, press by 31 percent and radio by 35 percent, and growth in Internet amounted to 45 percent. Cortex predicted 18 percent growth in 2010.

Independent commercial media outlets do not receive official government subsidies. Ukrainian authorities used to conclude agreements on coverage with local media for small amounts of money, and leading regional media were not influenced by this money. Authorities tend to use a selective approach in distributing these costs, and preferentially treat more loyal media.

According to Pogorelov, direct subsidies for press do not exist as the state does not have a policy to promote certain issues. But existing mechanisms allow for speculation and a kind of bribing by officials of those media covering their activities. The VAT exemption for circulation sales and fixed percentage fees for subscriptions via the state post office are types of subsidies. Kvurt added that preferential licensing of broadcasters can be considered a kind of subsidy or bribing of media.

Regular audience and market research is undertaken for mainstream television and print media. They are produced by Media Monitoring, TNS Ukraine and Communication Alliance companies. Regional leaders do limited research on their own. The largest national and regional media leaders participate in research as a cost-effective way to increase the advantage they have over other media. Market research is unaffordable for the majority of media, especially regional broadcasters.

Pogorelov noted that all research companies include in their studies only those media outlets that pay for it; others are not represented in the research and do not have access to the data. This means that less than 10 percent of print publications are monitored. One company, MMI Ukraine Media Research, ranks among the top three researchers in Europe in quality.

Sergei Chernyavskiy, a UAPP media expert, emphasized that press advertising dynamics are measured based on

250 publications which pay for monitoring (3.67 percent of newspapers and 10.65 percent of magazines). Regional publishers, advertising agencies and research companies do not invest in research of market size.

Viktor Chubenko, owner of Zhovta Gazeta Information Group, said research is conducted regularly, primarily in the cities with populations greater than one million. The data are used by large advertising agencies, which pay for it along with special software. During the last decade, regional media research has been conducted several times, either aided by donor organizations or paid for by regional media, but this has not influenced the division of the advertising pie. The causes for this are probably the non-transparency of the advertising market, traditions of favoritism, and organizational weaknesses of regional media. Syumar emphasized that there is no trustworthy system to measure all types of Ukrainian media.

There is no circulation audit. Most print publications, even the leaders, lie about their circulation figures since all their competitors lie as well. Nobody calculates true circulation figures. Several past attempts to create an audit bureau of circulation failed. Pogorelov said advertisers and advertising agencies, not the industry, are primarily to blame because they are not interested in investing money to get this verification instrument.

Cortex experts said that the market share of the press decreased from 30 percent in 2008 to 25 percent in 2009, and may decrease to 24 percent in 2010. The lack of high-quality modern measurements of press circulation is an obvious obstacle for the print industry to increase market share, yet its absence is due to lack of interest by print media. Many magazines, in fact, printed 10-20 times fewer copies than claimed circulation.

A television panel was created long ago as a way to favor several top television channels, said Kvurt. Technically, 200 People Meters are available in Kyiv, and some 20 meters are available in regional centre such as Rivne. These data do not reveal anything specific about regional television. According to Danylov, the absence of quality research of newspaper audiences in the regions, false circulation figures, and unavailability of broadcast ratings for regional broadcasters restrain the development of the advertising market and, consequently, the economic independence of media.

For the Internet there are several metering systems, both Ukrainian and foreign. They measure audience and clickability. The panelists argued over how reliable they are, mentioning scandals with the most popular (Bigmir), and finding some cause for hope with Polish Gemius. But Pogorelov insisted that exaggeration of ratings is a software and computer specificity and it will be always so. Furthermore, he said, Internet

measurements and the availability of data are fantasy at best. Panelists pointed out that media outlets can exaggerate or lie in interpreting this data.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Ukraine Objective Score: 2.28

According to Syumar, the level of industry self-regulation is low. Professional associations defend primarily business interests, and do not stimulate better-quality informing of the society or a higher level of professionalism.

Among the major achievements of the Ukrainian Association of Press Publishers are the conference of publishers and distributors in September 2009, panel discussions with Internet media on copyright issues, representation of the Ukrainian press at international markets (reporting to the World Association of Newspapers and other international organizations), work on legislation, lobbying for and reacting to legislative initiatives, and legal assistance to members. The UAPP also created classifications of print media, which help the industry to evaluate itself, and it helped the all-Ukrainian advertising coalition to measure the advertising market, especially in regions and in classifieds—having added some 600 publications to their estimations.

The younger Independent Regional Press Publishers Association conducted a token event, the First Ukrainian Newspaper Congress in October 2009, which was a small international forum to help participants feel associated with world media. The association also attempted to create a joint sales house for regional print media in order to reapportion the advertising pie (an estimated \$3 million) by combining efforts of many regional publishers. The group is now limited and unites the advanced regional leaders, but it is too early to judge the results.

The Independent Association of Broadcasters (IAB) conducted a digital forum in September 2009, an international conference on the transfer to digital television. IAB established a website to facilitate exchanges of programs among television companies all over Ukraine and held its annual congress in May 2009.

According to Gennadiy Sergeyev, director of the Chernivtsi television company, media NGOs and trade associations conduct training workshops, render legal assistance, lobby and help to measure the media market. Danylov agreed that trade associations work rather effectively; they are moderators of various professional exchanges, they work with legislative initiatives, and they support the media in legal cases. However, they are still developing their strategies and becoming more professional, a process that will take years.

The panelists improved their assessment of the National Union of Journalists of Ukraine, the largest Soviet-type organization, which united all municipal media employees. Previously, the journalists of independent media kept away from it. Now its membership has started to grow (exceeding 17,000), because they conducted a number of sound professional competitions. About 1,000 people joined in the past year, and 32 percent are under 30 years old. However, one panelist cautioned that this may not necessarily be a sign of success, but possibly attributable to the requirement by Schengen Agreement embassies that a journalist's application for a visa include certification from a professional association—motivating many journalists to seek membership. Some regional affiliates have become better and more useful for journalists.

Rikhtun said that thanks to NGOs, conditions are developing to support the professional growth of journalists. There are opportunities to raise professionalism through internships abroad.

But there is a big gap in fighting for the professional rights of journalists. The idea of the independent media trade union failed both in Ukraine in general and in Sebastopol. This influenced the quality of journalism and professional solidarity of the media. Management is used to dealing with dissenting journalists on a case-by-base basis, not by law. By and large, journalists earn salaries in envelopes, meaning that only part of the salary is official and taxed according to the law. The other, often larger part is paid unofficially—without taxation, without legal documents. If any conflict arises, the employee cannot prove the true size of his salary.

There are many national and regional media-support NGOs, such as Internews Ukraine, the Institute of Mass Information, the Academy of Ukrainian Press, the Regional Press Development Institute, the Media Reform Center, the

Association of Journalists of South Ukraine (Kherson), the Journalism Initiative (Kharkiv), the Poltava Media Club, Media Professionals in Cherkassy, the Information and Press Center in Simferopol, the Association of Free Journalists in Crimea etc. There are also examples of smaller regional organizations of journalists. The Media Law Institute and the Association of Media Lawyers deals with media legislation and the legal protection of media and journalists. Almost all of them rely on financial support from international donors. The NGOs do not have other sustainable sources of income, partially due to legal restrictions on economic activities of non-profit organizations. Nonetheless, the “third sector” in Ukraine is rather well developed.

Pogorelov said trade associations, media and human rights NGOs work together effectively, but many initiatives meet either open resistance by the powers-that-be or deep misunderstanding of free speech and free press issues.

According to Kvurt, monopolization of political life pushes efficient and reputable NGOs to the edge of extinction. The panelists said they feel the international community is tired of Ukraine and seems to believe that it achieved democracy and free media. There is no tradition of support for NGOs by central powers or municipal authorities. It does not appear this will change in the near future. Even if it did happen, panelists said, they fear such financing would be a channel for new “pocket” institutions to steal state funds and discredit the practice.

The problem of low-quality journalism degree programs remains unchanged. The academic education system is inflexible. Curricula and teaching are outdated, and education falls far short of meeting industry needs. Few graduates are hired by media outlets.

The only quality academic program for journalists is the Journalism School of the Kyiv-Mohyla Academy (NAUKMA). Razvitie Ukrainy (Development of Ukraine), the foundation of Rinat Akhmetov, the richest Ukrainian oligarch, is financing a new media course on the digital future of journalism at NAUKMA.

The industry compensates for the lack of professional education with short-term training courses. But these are insufficient to satisfy the industry's needs. Due to the economic crisis, overall demand has diminished, and the number of training courses offered has dropped accordingly. Three-day workshops are hardly being filled, and the longer courses do not have a chance to become self-sustaining. Internews Ukraine used to offer longer courses in television journalism, and almost reached sustainability before the economic crisis, but now they go unfilled. Media owners and employees can afford to pay for some short workshops; Danylov said he allocated funding every year for his staff

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 in private hands, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

to attend some workshops. In 2009, the International Renaissance Foundation financed the Laboratory of Legislative Initiatives to conduct a program with the journalism school New Ukraine; but these were just four three-day workshops for some 25 participants.

Danylov said there are successful short-term journalism school and multimedia workshops. He said his budget for outsourced training was smaller in 2009, but often his employees are interested to pay part of the costs themselves. He said newsrooms motivate journalists to seek self-education. Training workshops are sufficiently available, Danylov said. According to the panel, those who want to study find opportunities.

However, according to Khomenok, during the economic crisis demand for training workshops has dropped substantially and donor support is necessary for long-term journalism training initiatives.

Private printing facilities are available, and access to them is not constrained by political influences. Pogorelov stressed that the country does not have a centralized system to buy newsprint, and local producers do not supply enough of it.

The situation with retail newspaper stands and kiosks varies in different regions. The two problems inherent to the system are bribing at the level of the local government and strong competition: If a retail network belongs to certain publisher, competitors have problems getting distributed by it.

Sergiy Chernyavskiy, the UAPP media expert, estimated the annual volume of the distribution market as UAH 289 million (\$35.8 million), with 6,222 press sales outlets having average revenue between \$1,000 and \$2,200.

There are not enough press kiosks per capita in Ukraine, and the State Committee on Television and Radio said in October 2009 that the government had prepared a resolution and allocated funding to enlarge their number. Local bodies will be responsible for its implementation. In April 2009, the parliament adopted a moratorium on the dismantling of press kiosks in order to favor the industry.

The state monopoly postal service, Ukrposhta, increased subscription delivery prices 28 percent in January 2009. Its representatives commented that it would increase the subscription price for nationwide publications by only 2 percent to 8 percent. Ukrposhta delivers subscriptions of about 10,000 titles, or 1.2 billion copies.

The Law of Ukraine on the state support of media and social security of journalists provides for limitation of subscription delivery fees to 40 percent of production cost. The difference between the calculated fee and this limit has to be compensated from the state budget. Usually it is compensated, with delays. Any publication can get it if it proves the relevant

figures. The number of publications which enjoy this privilege is about 90 titles, with total single-copy circulation of 4.1 million, which is equal to 35 percent of all subscriptions. This privilege is helpful for newspapers with large circulations, and those who enjoy it advocate for it. They also say that it curbs Ukrposhta from further tariff increases; otherwise more media would receive this privilege. Ukrposhta and DP Pressa are not happy with delays in compensation from the state, and usually delay payments to the media for this reason.

List of Panel Participants

Nataliya-Danute Bimbirayte, director, Vgoru weekly, Kherson

Viktor Danylov, director, TRC Rivne-1; owner, Publishing House OGO, Rivne

Tetyana Kotuzhynska, president, Media Lawyers Association; secretary of the National Union of Journalists of Ukraine, Kyiv

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

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

Tetyana Rikhtun, manager, IPC Sevastopol media center; investigative journalist, Sebastopol

Yevgen Rybka, editor-in-chief of Liga news project, Information Agency Ligabiznesinform, Kyiv

Viktoria Syumar, executive director, Institute of Mass Information, Kyiv

The following participants filled out a questionnaire but could not attend the panel discussion.

Viktor Chubenko, publisher, Zhovta Gazeta Information Group, Poltava

Oleg Khomenok, media advisor, Internews Network U-Media project, Kyiv

Tetyana Lebedeva, member of the National Council for Television and Radio Broadcasting; chairman of the Independent Broadcasters Association, Kyiv

Gennadiy Sergeyev, director, TRC Chernivtsi, Chernivtsi

Moderator and Author

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

The panel discussion was convened on December 21, 2009.