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UKRAINE

Ukraine's political development in the past few years has been an uninterrupted relapse to a level more associated with authoritarianism, corruption, selective justice, and crony capitalism. Over the course of 2011, President Viktor Yanukovich's administration stepped up its efforts to silence the opposition and stifle independent voices, and the private media did not escape its attention.

In an article published by Telekritika, Otar Dovzhenko observed that society's apparent indifference has helped the government move against media freedom while the government merely imitates democratic attributes. He characterized 2011 as a year of habituation to the symbolic walls between the authorities and the society, with Putin-style press-conferences and Brezhnev-style inarticulate answers to simple questions. He decried the parade of loyal faces in the president's pool and their servile stories while reliable and proven reports on corruption and other crimes led to nothing.

In 2011, media professionalism sank—especially among television outlets—with journalists and media managers succumbing to self-censorship and a desire to appear loyal to the government. Valeriy Ivanov, president of the Academy of Ukrainian Press, said in an interview with *Korrespondent* that such politically committed television did not exist even during the infamously oppressive presidency of Leonid Kuchma. Telekritika Board Chair Nataliya Lygachova-Chornolutska underscored that the regime does not pay for its public relations, as its predecessors had to do. The media provide public relations coverage of the authorities for free, simply for the chance to survive. No matter how much money opposition parties might offer, the majority of television channels and many print media will not pick up their stories. This is true not only for *jeansa* (paying for positive news coverage) but for marked advertising as well, she said.

Kostyantun Kvurt, board chair of Internews-Ukraine, noted that this was a year of testing how much pressure citizens and institutions can withstand. Except for a new law on access to public information, which entered into force in May 2011, the situation for the media worsened, he said. Regulations and court practice are aimed at protecting the business interests of groups and individuals close to those in power. This year's bout with television licensing—in which private regional stations were effectively cut out from the digital transition—devastated many broadcasting companies that had been building their business for years.

Viktor Danylov, director of TRC Rivne-1 television and head of the publishing house Ogo, emphasized that the media are still experiencing the effects of the economic crisis, yet he found cause for optimism. Ukraine still has centers of media resistance, he said, including in the regions. As long as such publications as *Ukrainska Pravda*, *Levyi Bereg*, and *Lviv Expres* circulate, the government cannot ruin everyone, he said.

UKRAINE AT A GLANCE

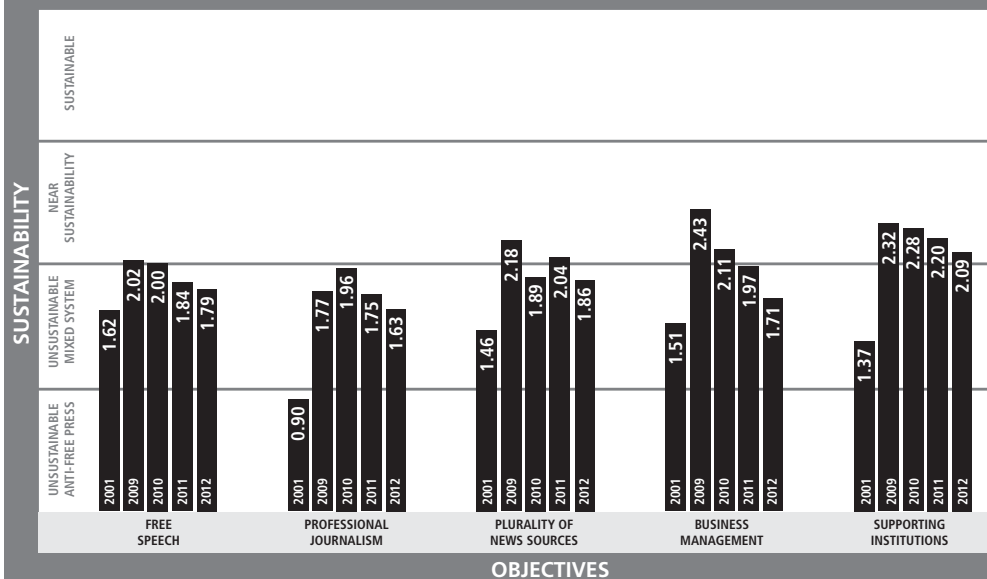
GENERAL

- > **Population:** 44,854,065 (July 2011 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)
- > **Religions (% of population):** Ukrainian Orthodox - Kyiv Patriarchate 50.4%, Ukrainian Orthodox - Moscow Patriarchate 26.1%, Ukrainian Greek Catholic 8%, Ukrainian Autocephalous Orthodox 7.2%, Roman Catholic 2.2%, Protestant 2.2%, Jewish 0.6%, other 3.2% (2006 est., *CIA World Factbook*)
- > **Languages (% of population):** Ukrainian (official) 67%, Russian 24%, other 9% (includes small Romanian-, Polish-, and Hungarian-speaking minorities) (*CIA World Factbook*)
- > **GNI (2010-Atlas):** \$137.9 billion (World Bank Development Indicators, 2011)
- > **GNI per capita (2010-PPP):** \$6,580 (World Bank Development Indicators, 2011)
- > **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:** 27,969 publications (only 4,200 of which publish regularly) including 12 major daily newspapers; 524 radio stations; 647 television stations (most local) (State Committee on Television and Radio, *comin.kmu.gov.ua*)
- > **Newspaper circulation statistics:** Top three dailies (all private): *Segodnya*, *Fakty i Kommentarii*, *Komsomolskaya Pravda v Ukraine* (2011 TNS research)
- > **Broadcast ratings:** top television: Inter, Studio 1+1, TRK Ukraina, ICTV, STB, Novyi kanal (all private); top network radio: Hit FM, Radio Shanson, Russkoe radio (all private) (MMI)
- > **Annual advertising revenue in media sector:** television: \$416 million, print: \$305 million, radio: \$34 million, Internet: \$55 million (All-Ukrainian Advertising Coalition)
- > **News agencies:** Interfax (private), UNIAN (private), Ukrainski Novyny (private), Ligabiznesinform (private), RBC-Ukraine (private), UNIA Ukrinform (state-owned)
- > **Internet usage:** 15.3 million (*internetworldstats.com*)

MEDIA SUSTAINABILITY INDEX: UKRAINE



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

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.

OBJECTIVE 1: FREEDOM OF SPEECH

Ukraine Objective Score: 1.79

Basic provisions for the freedom of speech and free media exist at the level of the constitution. Panelists agreed that Ukraine has good media laws but they are not implemented. Media lawyer Lyudmyla Pankratova said that the situation remains more or less the same from year to year, because even if the legislation improves poor implementation practices, additional regulations end up canceling out the improvements.

Moreover, there is no social demand for free speech; people do not insist on exercising their rights and do not fight for them. In the same way that Ukrainians have not supported protests of Afghanistan veterans and clean-up workers of the Chernobyl nuclear disaster site, they will not stand up for journalists and the media. Ilona Fanta, editor-in-chief at the media company Zhyttya I Dilo in Poltava, speculated that the indifference is probably due to the lack of respect for the journalism profession in Ukraine. Lyudmyla Gumenyuk, executive director of the Media Reform Center, gave different explanations: "So far, Ukrainians have failed to connect the freedom of speech and the media with their own welfare or their chances for a free and good life. Moreover, they will never stand up to protect, for instance, television—as Czech

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

FREE-SPEECH INDICATORS:

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

Pankratova said that Ukraine has seen no real progress in investigation of crimes against journalists. She noted that increasingly, journalists are blocked from doing their jobs, especially in shooting photos or videos; they are banned from covering certain events; or they are hauled into court.

citizens protested to support their television—because they do not believe that television is capable of pursuing social interests. Rather, it exists to advance those of the regime or parties."

Ligachova stressed that the government and politicians also do not value the freedom of speech. In the two years since Yanukovich became president, the government has increased its control over media editorial policies, regarding television in particular, through collusion of power and media oligarchs. People connected to the presidential administration and the Security Service of Ukraine control the editorial lines of the private Inter channel and the state-owned Pershyi Nacionalnyi, for example. Often the two channels demonstrate a unified information policy.

On January 13, 2012, the ruling party in parliament engineered the removal of Andriy Shevchenko, MP from Tymoshenko's oppositional block, from his position as head of parliament's Committee on Freedom of Speech and Information. In an interview he gave to the Ukrainian Independent Information Agency (UNIAN), Shevchenko described the action as politically and personally motivated, and marred by a number of regulatory violations. He said that he believes that the ruling party wants to control the committee until the parliamentary elections. He also said that his concern "is connected with protection of journalism and free speech... The parliament has actually become the machine to vote in the president's and the government's initiatives... The story of the law on access to public information is rather a unique exception from the general cheerless picture. The committee was, and must continue to be, a source of information regarding pressure on the media and other hot issues endangering free speech." On February 23, 2012 the parliament elected Yuri Stets, MP from the oppositional faction Nasha Ukraina-Narodna Samooborona to head this committee.

Despite the fact that several old and new laws protect journalist sources of information, Ukraine lacks effective procedures to ensure that journalists are not compelled to

According to Pankratova, if state television and radio companies have editorial statutes, they are not publicized. Although the law requires public and private broadcast media alike to publish editorial statutes, regulations are not enough to ensure control of editorial quality or transparency of television companies' policies.

disclose their sources. Ukrainian law also lacks guarantees to appeal the unlawful search of journalists. Such practices lead to self-censorship and inhibit the activities of investigative reporters.

Even in their homes, journalists cannot feel secure that their materials won't be searched or taken by law enforcement bodies. Two recent high-profile cases exemplify the problem. In one incident from January 2011, involving the blogger and activist Olena Bilozerska, police confiscated all of Bilozerska's data storage drives and recording devices in relation to a criminal case that she witnessed. Bilozerska's case has been petitioned to the European Court for Human Rights (ECHR). Another case took place in Kharkiv in July 2011; police searched the offices of online review and newspaper *Glavnoe*, along with the Bat'kivschyna opposition party office and some neighboring premises, in connection to a criminal case that had no relation to a newsroom.

Panelists said that at least two more incidents had occurred in which the authorities asked journalists to disclose their sources, but media lawyers of the Regional Press Development Institute supplied the journalists with adequate legal arguments to stop the requests.

Dmytro Dobrodomov, general producer of Lviv's ZIK channel (Mist TB), said that his success story is an exception to the general rule: in December 2010, the Lviv district court attempted to ban ZIK's investigative program *Who Lives There?*, which covered the corrupt activities of the head of the Lviv railway. Despite the court's decision, the program was broadcast thanks to sound legal arguments, and the plaintiff finally revoked his claim. Moreover, after the Higher Council for Justice heard the case, the district court judge was sanctioned for his decision.

This year, the National Television and Radio Broadcasting Council of Ukraine (NRADA) started working intensively to implement digital television, which is a great milestone for Ukrainian broadcasting, panelists said. However, the principles

of provider selection and distribution of places in the digital space shocked the industry, and several scandals erupted over the distribution of frequencies among electronic media.

As Ihor Rozkladai, a lawyer of the Media Law Institute, said in an interview with *Telekritika*, "This year put an end to the hope that digital television will develop according to Western examples. We got a monopoly digital provider with Cyprus [offshore] roots, and it is not known who is behind it. Digital competition brought new players to the market such as Bank-TB [the channel of the National Bank of Ukraine], but left regional broadcasters hanging indefinitely. Moreover, the methodology of the license fee approved by the Cabinet of Ministers this year introduced artificial barriers to the development of new technologies of signal delivery, first of all, for IPTV."

In his UNIAN interview, Shevchenko, too, expressed concerns over television licensing. Due to unprecedented competition for digital frequencies, the majority of regional companies lost an opportunity to broadcast in digital after 2015, when analog television will be withdrawn. Oppositional TVi was denied, and 5 kanal received only of the two frequencies it requested. The opposition's Crimean TRC Chernomorskaya landed in this situation as well, Shevchenko said, and Rivne-1, TRC Chernivtsi, and TV-4 in Ternopil face the same problem. These reputable companies are well established in the regions, but NRADA introduced new players that have never broadcasted in the market, and granted them licenses for years ahead.

Tetyana Lebedeva, honorary chair of the International Broadcasters Association, said that out of the 68 private regional broadcasters across Ukraine, only the independent and professional company VTV plus in Kherson received a digital license by chance. Dobrodomov confirmed that out of the three mighty regional broadcasters in Lviv in operation for years, none received a digital license. State and municipal companies received licenses with obvious preference and free of any obstacles, violating the principle of equality of proprietorship. Loyalty to the regime in light of the forthcoming elections was the necessary pre-condition—a notion articulated rather openly.

Licenses went also to many companies that were set up on the eve of the competition. For instance, national frequencies went to five newly established and interconnected companies, while the existing national media group 1+1 did not receive all of its expected frequencies. Moreover, there were attempts to cancel the so-called universal programming service, which allows analog broadcasting companies to be present in cable networks.

Initially there was loud talk about protests and lawsuits, but finally the industry just surrendered and submissively accepted the results, choosing not to quarrel with the power and NRADA, Shevchenko said. By comparison, Lebedeva said that for the previous seven years, while she was a NRADA member, no regional companies lost the right to broadcast for political or other reasons, although various interest groups fought with each other.

The only two remaining places in the digital multiplex were reserved for two television companies, as a tool of further pressure. Dobrodomov mentioned another lucky regional broadcaster, Avers, in Lutsk, which managed to obtain a license only due to great pressure from local governor. Panelists named many cities that echo this example, such as Chernivtsi, Kharkiv, and Sebastopol.

Kyiv Post journalist Vlad Lavrov expressed concern with the non-transparency of the licensing process and the ownership of some of the new license winners, as well as the licensing crackdown on channels that have expressed criticism of the government.

In January 2012, the district administrative court of Kyiv refused to satisfy claims filed by the channels TVi (three legal entities), Malyatko-TV (children's channel), and TRC Era, who appealed the results of the digital competition. At the time the MSI chapter was prepared, a few more channels had filed similar lawsuits at the relevant regional courts (TRC Chernomorska in Crimea, TRC "Chernivtsi," and SAT-plus in Donetsk oblast).

Newspapers and news agencies are subject to registration at the Ministry of Justice, and so far, obtaining registration has not proven complicated. Yevgen Rybka, chief editor of projects at LigaBiznesInfrom agency, stressed that the only achievement in this area is that the current regime has not yet introduced licensing requirements for Internet media and bloggers.

The government imposes no additional conditions on media businesses. Simply launching a television or radio station is the hardest part, as interested parties need frequencies and licenses, said Fanta. Kvurt said that entry to the media market—especially broadcasting—is substantially aggravated if you are not close to the ruling elite. This is true for other business segments as well.

Ukrainian Publishers Association General Director Oleksiy Pogorelov commented that the new tax code has complicated the VAT exemption, which is already applied absurdly. Electronic and print media are treated unequally, he said—if you sell content in print, you have tax privileges; if you broadcast ads or sell online, you are at a disadvantage. The business conditions are not favorable for media, despite its

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social responsibility. Pogorelov argued that the state should take better care of media, otherwise running a media outlet is no different than selling alcohol or tobacco.

Journalists continue to endure threats to their physical safety as well. In his UNIAN interview, Shevchenko commented: "For the last two years, attacks on journalists increased... Especially alarming is the attitude of law enforcement bodies and the militia toward the journalists. In 2011, at Tymoshenko's court hearing, photojournalists were thrown away by the scruffs of the neck, and one of Berkut officers commanded to his subordinates: 'Hit their legs!' Purposely they were destroying or taking away equipment." On July 6 and 7, Berkut and Grifon police forces physically dislodged the journalists from the courtroom.

Shevchenko said that such harassment never happened under Kuchma's presidency, and added that the most dangerous form of censorship is when journalists are afraid for their health and lives.

Many panelists expressed the opinion that the government creates the illusion of taking steps to improve the situation regarding journalists' safety, but in reality does nothing. Crimes against journalists are not rare, and are investigated slowly, according to Fanta. Pankratova said that Ukraine has seen no real progress in investigation of crimes against journalists. She noted that increasingly, journalists are blocked from doing their jobs, especially in shooting photos or videos; they are banned from covering certain events; or they are hauled into court. Cases of crimes against journalists make it to the courtroom are closed or re-qualified as simple hooliganism or light physical injury. Judges refuse to recognize many acts as crimes against journalists, which fall under article 171 of the criminal code.

In March 2011, the general prosecutor's office opened a criminal case against ex-president Leonid Kuchma related to the murder of prominent investigative journalist Georgiy Gongadze in 2000. Some observers expressed concern that the purpose was to exert pressure on his son-in-law Viktor Pinchuk, a well-known oligarch. Others commented that the true purpose was to put an end to accusations toward

Kuchma. The district court closed the criminal case in December on the grounds that it was opened illegally, as Melnichenko's tapes and other statements did not constitute legal proof. The Court of Appeal confirmed this decision in January 2012, and the general prosecutor commented that the decision will be appealed again in the next instance. Gongadze's widow might petition the case to ECHR.

In the case of Vasyl Klymentiev, the editor of Kharkiv newspaper *Novyi Styl* that disappeared in August 2010, the police named two suspects, and continue investigating two questions: Was the disappearance unrelated to the journalist's professional activities, or was the crime against Klimentiev pre-arranged by "enemies" to discredit officials? Dobrodromov mentioned two cases of consecutive attacks against ZIK channel journalists that were simply closed, without explanation and despite high publicity, availability of video proof, and the highest law enforcement officials promising to personally control the investigation.

Other crimes in 2011 included injuries to the photojournalist Maksym Trebukhov, when he reported on protests staged near the parliament on November 3. Armed police dislodged peaceful protesters along with journalists. In July, the apartment door of Oleksiy Matsuka, editor of *Novosti Donbass* in Donetsk, was blocked and set on fire, with a funeral wreath left nearby. Oleksandr Vlaschenko, a journalist of *Nashe Misto* and the website *Novosti-N*, was shot on October 16. He survived despite a bullet to the head. Police opened a criminal case and soon arrested suspects, but the police claimed that the perpetrators were simply robbers because they took Vlaschenko's camera recorder and cell phones. Rybka mentioned that a photojournalist for *LigaBiznesInform* was forced to delete photographs taken during a tax police raid at *Incom* company.

On November 23, a coalition of media support groups presented a petition to the general prosecutor's office, the Ministry of Internal Affairs, and the presidential administration demanding proper investigation of crimes against Ukrainian journalists. The coalition included members of the Stop Censorship movement, the Ukrainian Media Association, the Independent Media Trade Union of Ukraine, and the National Union of Journalists of Ukraine, and worked with support from the International Federation of Journalists and Reporters without Borders. The petition listed the cases of Gongadze and Klymentiev along with more than 40 attacks and violations of journalist's rights in recent years, and named 45 journalists that have died since 1992.

The president ordered the General Prosecutor's Office to properly investigate crimes against journalists, and in July, the president set up an inter-agency working group to analyze compliance with free speech laws and the protection of

journalists' rights. Headed by Press Secretary Darka Chepak, the working group includes other members of the president's administration, the General Prosecutor's Office, the State Department of Guard, the State Committee for Television and Radio Broadcasting, the Parliamentary Committee on Freedom of Speech and Information, the National Union of Journalists of Ukraine (NUJU), the Institute of Mass Information, Reporters without Borders, and *Telekritika*. The group conducted several assemblies and discussed the most serious cases. It is not yet clear whether the group will be able to accomplish any goals.

On July 4, OSCE and Reporters without Borders held a workshop for the State Department of Guard on interaction with the media. The department also conducted explanatory work among its employees on tolerance and cooperation with media.

In January 2012, the Ministry of Interior reported that law enforcement bodies filed 139 criminal cases involving crimes against media employees. There is a clear upward trend; the report states that Ukraine had 64 similar cases in 2000, 88 in 2006, and 98 in 2010. According to the deputy general prosecutor, out of 108 cases checked, only three cases actually related to preventing journalists from executing professional activities.

There is no political will to privatize state or municipal media, as the government wants to maintain its grip on power. However, according to a *Telekritika* interview with Tatyana Kotyzhynska, president of the Ukraine Association of Media Lawyers, a draft law on reforms for state and municipal media is pending, and was proposed by Stepan Kurpil, MP and a branch chairperson for NUJU. Kotyzhynska said: "Behind the talks that municipal media are interested in receiving state funds and do not want to cut their leash, in fact, there is a hidden stubborn desire of the power to have the resources to praise local officials, moreover for more than modest budget money."

Fanta said that all appointments of municipal media editorial boards are made from above. Editorial independence of municipal media exists, but is very limited. The country has no laws that give explicit privileges to state media journalists, but they are guaranteed a higher level of social security.

According to Pankratova, if state television and radio companies have editorial statutes, they are not publicized. Although the law requires public and private broadcast media alike to publish editorial statutes, regulations are not enough to ensure control of editorial quality or transparency of television companies' policies. Lebedeva stressed that the state television and radio company has neither an editorial statute nor editorial or supervisory boards, and lacks transparency in its financing. The shameful law on state

support of state media still influences staff decisions and activities, Lebedeva added.

Another draft law on public television is awaiting the president's submission to parliament. The risk of a simple change of a label from state television to public television remains, as it appears that compliance with international standards is just window dressing. Experts are sure that there is no political will behind the draft law, so no positive progress in this area can be expected.

Libel has been considered a civil law issue since 2011; however, the burden of proof rests with the defendant. According to Pankratova, there were no high-profile defamation cases during the last year, and no outlandish damage claims. In practice, prosecutors have difficulty proving moral damage, but some courts may favor a certain plaintiff.

Most worrying, a new law on court fees opened the door for huge damages into the millions of hryvnias. Court filing fees now cannot exceed three minimum salaries, i.e. a total of about UAH 3,000 (\$370), while previously, claims for more than 170,000 UAH (\$20,920) were subject to a 10 percent filing fee. As a result, 2011 saw at least two court decisions awarding damage sums against media totaling tens and hundreds of thousands of hryvnias. For instance, in December 2011, the Luhansk district court ruled in favor of Luhanskteplovoz company in its claim against for damage to its business reputation, and awarded damages of UAH 250,000 (\$30,764). As *XXI Vek* ran the story a year ago, its editor connected the timing of the case with the decrease of litigation fees.

The earlier 10 percent fee did not stop large businesses from filing suits, but it did make smaller businesses think twice, and some fear that the change may continue to encourage more officials and district deputies to file lawsuits. On the other hand, media could benefit from the change when filing appeals. For example, a few years ago, the weekly *Biznes* appealed a claim for damages of about UAH 22 million and had to pay 10 percent of this amount in fees.

Danylov and Rybka mentioned a new cause of concern regarding libel: user comments on websites. Although no one has filed a lawsuit so far, the politicians and officials that have attracted negative comments have complained and tried to obtain IP addresses. According to the law, if there is no way to identify the author of the comment, the final responsibility for users' comments lies with the entity that technically enables their placement, i.e. the website owner.

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The public information law introduced short turnaround terms (five days, with few exclusions), the citizen's choice of any form of request (verbal, written, e-mail, etc.), and the obligation for the government to proactively publish information. Obtaining the expected information depends heavily on whether journalists formulate their questions properly and refer their questions to the appropriate source.

Panelists agreed that this law will require a few years to be implemented fully. The Cabinet of Ministers and the Ministry of Justice put up the most obstacles to this law's enforcement. For instance, the regulation on publishing public information on the Internet was adopted only on November 21 and published on December 27, 2011. According to Pankratova, the new laws provide appropriate legal tools, but it will take time to learn how to use them and train the authorities to respond to requests. Judging by the court decisions now available in the register, there has been movement in the right direction, and it has to cemented.

Some panelists said that implementation is improving gradually, while others expressed more doubt. According to Kvurt, the government wants to hold up the access to information law as a success story, in an illusion of transparency. In her interview with *Telekritika*, Kotyzhynska said that the laws are up against ingrained habits. "This law relies on European thinking of officials, deputies, and citizens," she said. "If an official who earns a salary all his life and does not hide his luxurious lifestyle, but just refuses to inform the public about the sources of his fortune, if authorities hide excessive expenses and threaten journalists who reveal this with court cases, and if citizens only dare protest in their kitchens, of course, the law is not yet working well."

In addition, the law on information has unified accreditation procedures and defense of journalist sources. Rights of print media journalists are now expanded to include all contributors, including freelancers. However, accreditation rules require journalists to carry documents confirming their status, and this enables authorities to abuse journalists' rights. The same rules may also restrict freelancers and journalists of websites—which cannot register as media. In addition, the law lacks a specific list of accrediting documents; before, journalists needed either a press card or membership in a professional union.

Lebedeva added, however, that she sees prospects for journalists' solidarity in regard to access to information: one request can be ignored, but likely not a dozen requests sent by journalists from different regions and media. Although panelists agreed that the number and promptness of replies has increased, the quality and completeness of answers remains low. Vitaliy Kamenskiy, director of TRC VTV Plus in

Kherson, mentioned that receiving comments from certain officials remains difficult. Fanta added that often, officials do not consider it their duty to communicate with journalists. They refuse to be interviewed by telephone, and often try to get their boss's permission before talking to journalists.

Gumenyuk stressed that the laws on access were very positive achievements, but they were leveled immediately by other media-related laws and regulations, such as the law on protecting personal data and the reanimation of the litigation fee. Panelists also pointed to the Constitutional Court explanation of October 21, which states that evidence received by non-authorized persons cannot be legitimate.

Panelists also decried a law, adopted October 18 on first reading, that increases the scope of the National Expert Commission for Protection of Public Morality. The law allows the commission to forego court resolution and proper arguments and arbitrarily fine a media outlet, withdraw its registration or license, and block its relevant website. Despite a presidential decree threatening to liquidate the commission, it is still active and lobbying for more authority.

The law on protection of personal data, which came into force in July, brought the burden of registering personal databases, with substantial fines for non-compliance. Many court decisions that substantiate authorities' refusal to provide public information are based on the provisions of this law. For instance, in January 2012, the court refused to satisfy *Ukrainska Pravda's* claim for release of information on the amount that Yanukovich paid to the state for his residence land at Mezhygirrya, because he has not provided his consent to collect, store, use, and disseminate confidential information about him. His refusal is allowed under the law on personal data.

Tetyana Riktun, a journalist and the director of the Information and Press Center–Sebastopol, remarked that not all journalists in Crimea have taken advantage of the new law on access to information. Earlier, many complained about the 30-day waiting period for a reply, but now with just a five-day period, they still aren't using this tool. She also added that positive legal novelties are contradicted by the accreditation regulations that various city and district councils adopt. For instance, in Sebastopol, officials may ban a journalist's access press conferences and official interviews, and journalists may be denied accreditation for one year if found in violation of regulations. In Simferopol, journalists cannot interview a deputy if he/she does not want to be interviewed. According to Riktun, in November 2011 the Crimean parliament initiated amendments to the law on access to information, and that might cancel all achievements of the law.

Oleg Khomenok, senior media adviser of Internews Network, added that accreditation problems are seen in other cities of Ukraine, in the Cabinet of Ministers, and in the Kyiv city administration. A journalist for the investigative reporting website of the Information and Press Centers (IPC) in Simferopol was blocked from attending an event, as the website is not a registered media outlet.

The law does not restrict access to or use of local or international news sources, though economic reasons and/or language barriers often limit access. Ligachova stressed that Ukrainian media would use foreign news sources more frequently, but cost is a prohibitive factor. She mentioned that the number of regional radio stations re-broadcasting BBC Ukrainian service had dropped, before the BBC ultimately closed the service for economic reasons.

Pogorelov mentioned that he is unhappy that Ukrainian media do not provide enough or relevant information about Ukraine for consumption abroad, and as a result, reports on Ukraine are not complete and often become distorted in foreign media.

Panelists noted that Ukrainian media outlets violate each other's intellectual rights very frequently, leading to many lawsuits. Sergiy Guz, executive secretary of the Independent Media Trade Union of Ukraine and former *Sobytie* editor-in-chief in Dneprodzerzhynsk, mentioned that *Sobytie's* owners require its journalists to sue violators for stolen stories, while the owners do nothing to protect copyrights.

Generally, entry into the profession is free. According to Guz, this sometimes is a negative, because media owners can easily get rid of inconvenient professional journalists and hire new people off the street. He mentioned what he described as German standards of hiring journalists: either you hire a journalist with a diploma, or you teach the journalist during a year in-house. He also mentioned that even the International Federation of Journalists still discusses whether all bloggers can be considered journalists. Kamenskiy added that in the regions, any more or less educated person can become a journalist.

Although entry is free, journalists face obstacles once they begin work. They may be refused access to local authorities or certain important events if they are just freelancers or work for Internet media. Journalists from established media may also face difficulty obtaining accreditation for the president's media pool, or permission to attend administration events. Sometimes these events are announced too late for the press to make the event, or journalists don't receive notice about their permission in time. The panelists commented that these seem to be intentional tactics to keep away undesirable (i.e. critical) journalists.

Sergiy Leschenko, editor of *Ukrainska Pravda*, analyzed 14 international presidential trips and noticed a strange pattern of the most loyal media and journalists regularly being invited to accompany him. Leschenko questioned the spending for the trips, and noted that some press participants represented low-circulation media, while others never published stories about half of the visits.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Ukraine Objective Score: 1.63

According to Kvurt, turnover in the journalism profession is frequent, and professionalism is sliding. Rare positive examples such as TVi, comments.ua, and a number of promising regional projects cannot offset the generally negative trend. The wounded economy, the poor political culture, and the regime's agenda to build an atmosphere of fear in the country make it very difficult for journalists to adhere to professional standards.

Victoria Syumar, executive director of the Institute of Mass Information (IMI), noted lack of balance, increased manipulation of sources, selective choice of comments, absence of independent views, and high self-censorship as hallmarks of Ukrainian media. She mentioned a recent newscast of one of the national channels, which aired a real protest as background footage for a story on the firing and arrest of Volodymyr Galytskiy, the corrupt head of the state employment service. The footage implied to viewers that a bad apple in government was the reason for the protest, and that the government was responding to public

JOURNALISM MEETS PROFESSIONAL STANDARDS OF QUALITY.

PROFESSIONAL JOURNALISM INDICATORS:

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

Pogorelov, for his part, defended Ukraine's professional media. "A lot depends on the personal qualities of journalists, editors, and the everyday practices of a specific media outlet," he said. He emphasized that most media leaders practice good professional standards and avoid self-censorship, and the sector has many quality journalists who do their job well.

concern by firing an official. It was a total distortion of truth; the footage was likely from one of the social protests in November and December, perhaps by Chernobyl liquidators or Afghanistan veterans, with no direct link between Galytskiy and the protest.

According to IMI's monitoring of professionalism in six leading national publications, only 35 percent of stories comply with all professional standards. Of the six standards measured (balance of opinions, timeliness, reliability, separation of facts from comments, accuracy and fullness of presented facts), balance and fullness are violated most frequently, results indicated.

Ligachova described an experiment conducted by TVi in February 2011 that illustrates the lack of professional rigor. Journalists including Kostyantyn Usov pre-arranged a protest meeting on the rights of female senior citizens. Other media aired footage of the protest, without researching or commenting on the organizers of the protest.

According to Fanta, radio news is the most superficial type in Ukraine, as most radio stations do not produce their own news but quote other media or news agencies. Fanta said that the general professionalism of journalists is insufficient, and regional journalists have poor knowledge of standards and ethics. She said that most journalists in regions write advertising articles essentially, and a high degree of political and business *jeansa* remains. Some publications do not distinguish between copy and advertising at all—which has led to a stirring of interest in parliament for legislative regulation of the issue.

Based on his recent editorial experience at a regional newspaper, Guz noted that journalists tend to provide two different points of view, but that does not necessarily mean that readers can glean the truth. Dobrodomov said that he failed to find in any Ukrainian media comprehensive

Fanta added that 70 to 80 percent of Ukrainian journalists are women, who apparently are willing to accept lower salaries.

reporting of voting for the elections law; no one provided deep analysis or full information.

On the topic of regional professionalism, Kamenskiy noted that regional media experience serious problems with attrition: they find it necessary to mentor and train journalists in-house, but their employees often they take their skills and leave for larger cities.

Dobrodomov emphasized that violations of professional standards, including journalist bias, explicit *jeansa*, unprofessionalism, and paid-for stories, hand the government strong arguments to present to the public that some media are biased, and effectively cast doubt on honest journalism.

In her *Kyiv Post* article on January 20, 2012, staff writer Svitlana Tuchynska quoted a number of media watchdogs that spoke about the recent increase of paid-for news articles, as politicians have unofficially started campaigning for the 2012 parliamentary elections. The media experts said that inserting a positive comment about a politician into an otherwise fair story is one of the delicate ways in which political public relations is accomplished. A few journalists said, on condition of anonymity, that politicians' PR managers have repeatedly offered them some \$800 to \$1000 for "a paragraph with positive mention of the politician." According to the PR consultants mentioned in the article, "On television it is usually the news desk chiefs who accept the money. In print or web, if it is a story with a [hidden advertising] message, it usually is paid to the journalist" and "up to 50 percent of a campaign budget is spent on purchasing positive coverage in media.

The article also describes the new trend of purchasing positive coverage on Internet sites rather than on television and print publications, as many media can re-run Internet stories easily. The reporter found a price list for news stories at *vlasti.net*: \$100 for a news piece, \$350 for an analytical news piece, and \$600 for a top article of a webpage.

Another ethical question that generated heated debate among the panelists is whether it is necessary to show an interviewee the final article before publication. Lavrov, who works for *Kyiv Post*, said that he is surprised by how ready journalists are to verify interview content with sources—although when a journalist refuses, 99 percent of interviewees drop the demand. Ligachova said that she has

established a rule to verify interview transcripts with sources, because journalists do make mistakes—sometimes technical errors, sometimes distortion of facts. The newsroom then decides which corrections to accept. Pankratova added that the requirement to verify interviews with the source required by law—but is done only as requested by interviewees.

Editors have shown some resistance to the growing political influence of their outlets. This year saw several flare-ups between chief editors and owners of mainstream Kyiv newspapers. In mid-March, a conflict arose at *Gazeta po-Kievski* (a chain of regional newspapers and websites) between Founder and Editor-in-Chief Sergiy Tykhyi and Ihor Kolomoiskiy of Privat Group, which owns the paper. Tykhyi said he was dismissed for budget reasons ostensibly, but his belief is that it was a political move and punishment for his critical story about the president's live communications. Journalists protested, and a new editor was appointed in April, but publication of *Gazeta po-Kievski* ceased when Tykhyi and other founders claimed their rights to its registered trademark. In January, Privat Group simply launched a renamed product—*Gazeta Kievskaya*.

In December, another fight began at Segodnya Multimedia, owned by Renat Akhmetov, between Ihor Guzhva, the editor-in-chief, and Alena Gromnitska, its general director. Guzhva and a group of journalists supporting him accused Gromnitska of introducing censorship and paid-for publications in the second half of the year. In January 2012, management fired both Guzhva and Gromnitska.

Similarly, in mid-April, *Kyiv Post* owner Mohamad Zahur fired Editor-in-Chief Brian Bonner, allegedly due to his refusal to drop an interview with the minister of agriculture. The outcome in this case was different than others in 2011, however. After journalists protested and the international community intervened, the editor was reinstated, and the newsroom staff and the owner came to an agreement on non-interference in editorial policy. The newspaper has a long-term reputation of compliance with high professional standards, according to the panelists.

Pogorelov, for his part, defended Ukraine's professional media. "A lot depends on the personal qualities of journalists, editors, and the everyday practices of a specific media outlet," he said. He emphasized that most media leaders practice good professional standards and avoid self-censorship, and the sector has many quality journalists who do their job well. But this is not a rule for all newsrooms. In his view, the further you move from the capital, the more that power and money dictate the work of journalists and media outlets.

Ligachova named several contributing factors to the imbalance in media content. Despite Ukraine's number

of ethics codes and its Commission for Journalists' Ethics, authorities and owners interfere with editorial policy and drive many journalists to consciously violate professional standards, she said. Independent experts are rarely involved in news and talk shows; very often, media present people engaged with one political force or another as independent. She added that owners force journalists to write paid-for stories, and no separation exists between advertising and editorial stories. The level of political *jeansa* has decreased, but only because the government controls the opposition's access by making media placements too expensive for them, she said.

According to Lavrov, the decline in professional standards is caused by the hard economic situation of journalists, who earn low salaries and have little social security. To augment income, many journalists accept gifts from businesses and rarely mention who paid for the trip. Other media members will participate in business-funded press tours, and then feel obligated to self-censor in the businesses' favor. Lavrov expressed outrage that staff from half of the country's media outlets traveled to the Yalta European Strategy forum on the expense account of the oligarch Victor Pinchuk. Although, when the *Kyiv Post* asked for an invoice to pay these costs itself, it faced a difficult time obtaining it.

Danylov mentioned that at other media outlets in his city, journalists and newsrooms display various diplomas and awards presented by state and local authorities, law enforcement, and tax entities. He said that he tries to persuade his journalists to refuse such shameful awards.

Guz noticed serious breaches of ethical standards in media coverage of crime and entertainment. Lebedeva mentioned that the rights of minors, victims of violence, and minorities are violated frequently. For example, in January 2012, *Nova Ternopil'ska Gazeta* published a story about African and Arab foreign students in Ukraine, with an insulting headline and collage featuring a background photo of real African students alongside two monkeys attached to a white woman.

Guz also confirmed pessimism among the many journalists that have been discouraged from covering certain issues. So far, the discouragement has been more in the form of recommendations as opposed to outright restrictions. Even the channels that previously would not have taken this approach are starting to reformat their editorial policies, he said.

Journalists might also act out of fear of consequences for their publications. Kvurt mentioned that law-enforcement bodies launching investigations based on a publication would start by interrogating a journalist and checking whether he or she is a legal employee.

Panelists agreed that advertisers apply pressure on journalists to avoid certain critical stories in exchange for advertising, or they ask to be placed on pages that have no negative stories. Dobrodomov mentioned an exception: in Lviv, half of the media there have published critical stories on a certain company, even though it is a large advertiser.

Fanta mentioned that advertising in the regions has not changed over the last three years: today, the most popular newspaper is a private digest that never identifies its content as advertising, is full of *jeansa* about agricultural enterprises, and runs pleasing stories about the openings of banks and such. Fanta blamed the readers, who do not demand objective journalism or distinctions between news and public relations.

In contrast, media owner Kamenskiy's experiences indicate that paid-for stories sometimes drive audiences away. He gave the example of one seven-minute marked political advertising piece that he later regretted running. He said he felt apologetic toward his viewers and hopes that such advertisers will never approach him again. Guz mentioned reforms as well: in his region, some publishers have converted to all-news formats and eliminated paid-for stories. Newspaper circulation grew by 20 percent very quickly, he reported.

Syumar mentioned many instances of quiet dismissals at national channels—in particular at 1+1 channel and Pershyi Nacionalnyi (at the end of 2010). Oleg Deyneka, an anchor of 1+1 investigative program *Groshi*, was removed temporarily and later fired, ostensibly for stories alleging corruption by the head of the Khmelnytskyi oblast administration. The third story on this topic was not broadcast. Rihtun shared a similar story of dismissal at Sebastopol state television: an unwanted journalist could not be released due to an employee contract, so management simply waited for the end of contract and then fired the journalist.

Those released did not follow a certain editorial framework, according to Syumar. TVi channel was enriched by hiring some of these departures, but other outlets only increased self-censorship in reaction.

Ligachova agreed that investigative journalism, boosted by international donors, has become more a developed and recognized genre among Ukrainian journalists. A number of investigative bureaus operate in Kiev and several regions of Ukraine. However, investigative reports tend to relate more to social issues. Not all media are ready to seek the initial reason for the problem—which often lies in governmental policy. Rikhtun said that the number of investigative journalists and stories has stayed steady, and commented, "We always try to

publish investigations not only on the Internet, but [also] on television and in print media.” However, most investigative reporters write with a certain caution; Ukraine’s history of poorly prosecuted crimes against journalists has a chilling effect. Investigations are increasingly published on the web only, as print media will only print softer versions of the truth, and often television channels refuse to air such reports altogether. There are a number of names (oligarchs, top governmental officials) that television channels will never investigate, panelists said.

According to Ligachova, the media are progressively stifling important political, economic, and social issues. Telekritika monitors eight channels and identifies the topics that they avoid. Every month it publishes a list several pages long of repressed topics. In addition to political issues, freedom of speech, protest actions, and various social problems top the list regularly.

The media also neglect such acute problems as tuberculosis and HIV. Lebedeva said that she was outraged by the response from one media outlet invited to a workshop on tuberculosis reporting. Essentially the outlet’s staff said, “let them give us money directly and we will cover their tuberculosis!” She agreed that many media members are corrupted by the practice of payment for coverage.

National television is filtered and sterilized, but citizens can still access information from the Internet and national weeklies. In an interview with Telekritika, media expert Ihor Kulyas said that viewers of Ukraine’s major central channels have not learned about the world’s negative reaction to such topics as Tymoshenko’s sentence; the case of Lutsenko, the ex-minister of the interior, and how witnesses proved the prosecutors accusations absurd; or the real motivations of those protesting Chernobyl liquidators.

Gumenyuk added that the state-owned media present and exaggerate minor gains in the fight against corruption as a way to deflect attention from the systematic corruption that reigns in the country.

Pogorelov agreed that various problems exist with coverage, but noted that the general situation is not catastrophic and the media do cover most issues. The origin of the problem is not simply pressure from politicians, but also the unprofessionalism of journalists. Talented journalists will always find a way to be published, he said.

Regarding the state of pay for journalists, Syumar stated that dismissals at national television channels were accompanied by salary decreases. At one of the leading channels, the average salary of a reporter is UAH 4,000 to UAH 6,000 per month (\$492-\$738), which prevents the station from retaining qualified journalists. Channels tend to hire young

and less experienced journalists that are manipulated easily. Ligachova mentioned a big gap in salaries between print and television media, which compounds the problems with professionalism—young journalists prefer to work at television, where they are more likely to be forced to violate standards. According to Danylov, salaries at state television are 1.5 to 2 times higher than in private media.

Salaries are markedly lower at regional media. Guz said that in the regions, the average salary of journalists is UAH 1,500 to UAH 2,000 (\$185 to \$246). He said that this leads to low professionalism as well as the trend of hiring people without even the appropriate life experience to understand basic issues, let alone professional training.

Rikhtun emphasized that pay levels force many journalists to work for state media, in order to gain fringe benefits, or to work part-time elsewhere. This often leads to conflicts of interest; for instance, many journalists, especially from state media, work simultaneously for press services of various authorities. Fanta added that 70 to 80 percent of Ukrainian journalists are women, who apparently are willing to accept lower salaries.

Due to the global financial crisis, media companies made staff reductions and decreased journalist salaries—inevitably influencing the quality of stories, according to Danylov. However, as previous MSI panels have emphasized, pay levels cannot excuse *jeansa* and the violation of ethical and professional standards.

Government programming takes the majority of television airtime. For example, at Pershyi Nacionalnyi, 74 percent of airtime is dedicated to the regime, with only 26 percent to the opposition. Panelists were unanimous that entertainment eclipses news and informational, social, economic, educational, cultural, and children’s programs—especially at national television channels. Fanta said that 2011 marked an explosion of entertainment at national channels. She expressed the belief that Ukraine produces such programs at an even higher rate than Russia.

Monitoring by the Academy of Ukrainian Press (AUP) quantifies the media’s shift from social and political issues to entertainment. According to AUP, in 2011, 20 percent of news related to politics—a sharp decrease from 2004-2006, when half of all news focused on politics. News about culture, criminal chronicles, and catastrophes make up the difference. Inter and TRC Ukraina channels prefer international news not related to Ukraine, while 1+1 channel increased coverage of mundane, day-to-day issues.

Kamenskiy noted that news and information production still prevail in regional media, as usually they cannot afford the production of expensive shows. Rybka noted that affluent

national shows take away part of the audience from such regional channels. Osmanov added that generally, citizens can find a large amount of news and information in print media and on the Internet.

Guz and Danylov said that in recent years, the quality of technical equipment at regional media outlets has deteriorated. With the economic crisis, media companies cannot afford to update their equipment as frequently. Kamenskiy noted, however, that often media can find discounted offers for professional equipment on the market. The panelists generally agreed that the level of technical equipment does not hurt the quality of news productions, and they noted that as technology evolves quickly, it becomes more affordable.

According to Rybka, the situation with the specialization of journalists is improving gradually. Fanta and Dobrodomov added that while niche reporting is developing gradually, usually regional media cannot afford journalists with narrow specializations. Syumar said that the niche of economic publications is one of the most developed. Moreover, economic publications such as *Ekonomicheskie Izvestia* and *Delovaya Stolitsa* meet professional standards to a greater degree than other publications. Fanta singled out Nashi Groshi (“Our Money”), a website monitoring public procurement bids and publishing information on the most notorious examples, as one of the most interesting projects of the year.

OBJECTIVE 3: PLURALITY OF NEWS

Ukraine Objective Score: 1.86

According to Rybka, it became harder to find reliable, objective media coverage in 2011, especially regarding the top officials of the country and the regions—but he added that the plurality situation could be a lot worse. Ukrainians with enough time and resources to get news from multiple sources (including television, Internet and print media) are able to see a more or less qualitative picture. Fanta had a more skeptical view: average people would never go to such trouble to get the news, she said, and despite the plurality of news sources, most belong to large business and the government. She also said that she believes that at the regional level, all media are engaged and controlled. Guz added that although news sources are numerous, they often appear uniform, as media outlets reprint information from each other frequently.

Ukraine has many new media choices, brought about by expanding technology (social networks, SMS alerts, etc.).

While most middle-aged Ukrainians have switched to the Internet, older people either do not feel the need to go online or they cannot afford it. In villages and small towns, Internet penetration is about 20 percent. Two percent of the population accesses the Internet primarily from smartphones. More than half of Internet users are 15-to-29-year-olds.

However, there is a big gap between Internet usage in large cities and rural areas.

Numerous state-owned and municipal media depend heavily on the government, and their editorial policies are based on this allegiance. Private media tend to reflect the economic and political interests of their owners, who, for the most part, are very dependent on the ruling party as well. They produce their own news programs, but coverage bends increasingly toward infotainment, entertainment, crime stories, and sensationalist issues. Only two nationwide channels, 5 kanal and TVi, maintain an independent editorial policy, and they suffer from pressure, including licensing problems, as a result.

A telephone poll by Gorshenin Institute attempted to find out where Ukrainians get their news, and what is most important

MULTIPLE NEWS SOURCES PROVIDE CITIZENS WITH RELIABLE, OBJECTIVE NEWS.

PLURALITY OF NEWS SOURCES INDICATORS:

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

In his UNIAN interview, Shevchenko expressed deep concern with the ruling party's media monopolization. There are four large holdings that divide the television airwaves—groups of Viktor Pinchuk, Ihor Kolomoyskyi, Valeriy Khoroshkovskiy, and Renat Akhmetov—and all four are loyal to the president. This explains succinctly the problem with Ukrainian television.

to them in terms of content and quality. The November 2011 poll surveyed 1,000 respondents in all oblast centers and Kiev and Sebastopol. More than 75 percent named television as their major source for news, around 40 percent listed newspapers as a source, 21.1 percent named radio, and only 16.8 percent pointed to the Internet. Many citizens reported that they are not sensitive to the quality of product: for around 45 percent, the convenience of the broadcast time dictates the choice of channel. About 25 percent cited whether they understood the style of presenting information, and roughly the same cited their trust in the channel. Around 23 percent mentioned the objectivity of the information. Half of respondents said that they are mostly interested in political and economic news, with social issues, crime coverage, and sports following. More than 60 percent of respondents said that they analyze information from various sources, while about a quarter rely on opinions of respected people, and 23 percent noted their trust in programs in which participants speak without preparation.

Syumar stressed that most people do not have access to wide variety of channels, but depend primarily on the notorious Pershyi Nacionalnyi and Inter, which have the largest coverage in the country. Even if many other people read press publications, she said, the largest circulation newspapers are *Fakty*, *Segodnya* and numerous publications of the Ukrainian Media Holding—which are far from the best reading in terms of professional standards. Syumar said that she believes that general frustration with this state of affairs paved the way for the success of high-quality media, such as TVi and Korrespondent at the national level and ZIK channel in Lviv.

According to Telekritika statistics on ratings, television leaders have changed. In 2010, Inter led all audience segments, except the 14-49-year-old bracket; in 2011, three channels could be named leaders. In 2011, Inter led for the audience 18+, while 1+1 (all Ukraine sample) and STB (sample of cities with 50,000+ inhabitants) shared leadership in audiences

18-54 and 14-49. TRK Ukraina took the second place for audience 18+, 50,000+, but for audience 18-54, it took fifth place. Novyi channel took fourth place in its target audience (14-49, 50,000 +)—only slightly superseding ICTV.

Among the general interest publications, according to MMI Ukraine 2011/2 + 2011/3, the top five leaders are *Fakty I Kommentarii* (reaching 8.4 percent of the population), *Argumenty I Fakty* (8.2 percent), *Segodnya* (8 percent), *Komsomolskaya Pravda v Ukraine* (6.3 percent), and *Expres* (2.7 percent). *Korrespondent*, *Gazeta Po-Ukrainski*, *Focus*, *Vokrug Sveta*, and *Ukrainskiy Tyzhden* round out the top 10, reaching between 1.3 and .3 percent of the population.

Citing research from the agency Universal McCann, Telekritika revealed that 30 percent of Ukrainians simultaneously watch television and read papers, and 10 percent also listen to the radio at the same time. Internet is used alongside television by 12-14 percent; among youth, this share is 23 percent. Syumar said that Ukraine lags behind other countries in terms of the pace of Internet penetration: while Kiev has an ICT infrastructure developed to the level of western capitals, rural areas are neglected. Some parts of Volyn and Rivne regions are not covered even by television, and access to alternative sources of news is limited.

According to InMind, 14.3 million Ukrainians (or 36 percent of population) were using the Internet in September 2011. Growth is expected to slow over the next year, adding only 2 to 3 percent. While most middle-aged Ukrainians have switched to the Internet, older people either do not feel the need to go online or they cannot afford it. In villages and small towns, Internet penetration is about 20 percent. Two percent of the population accesses the Internet primarily from smartphones. More than half of Internet users are 15-to-29-year-olds.

According to Telekritika, at the beginning of 2011, 1 million Ukrainians were on Facebook; in just one year, the number increased by 70 percent. Ukrainian Twitter users doubled to 160,000. According to GfK research on how Ukrainians utilize social networks, 67 percent use VKontakte regularly, 43 percent use Facebook, and 12 percent use Twitter. The largest increase of new users is on LinkedIn. GfK also reports that social networks are drawing more older users: use is up 371 percent for people 60 years and older. Experts said that among the media outlets, Korrespondent and Ukrainska Pravda work most effectively with social networks. Ukrainska Pravda's Facebook page is one of the most popular pages in Ukraine.

The government does not block new media or foreign sources of information, but cost and language barriers still inhibit access for most of the population. Foreign-language

media are published or sold primarily in Kyiv, and some in western Ukraine, although their market share is insignificant. Ukrainian law forbids hindering the free distribution of print media, but for foreign publications must obtain permission for importation and pay customs duty (per Article 39 of the Law on print media). Russian publications are available widely.

According to Rikhtun, Internet media cover the most pressing social issues. For instance, only online media properly covered credit company fraud—a very important topic in 2011 for all Ukrainians. Although many senior citizens suffered from this fraud, their ability to read online stories was limited because Internet access remains low for that population. Rikhtun emphasized also that many websites are not high quality—copying content from other sources, spreading *jeansa* or yellow journalism, or overwhelming and disappointing readers with poor organization.

In terms of the state-owned media's balance of coverage, Academy of Ukrainian Press data revealed that the leading national channels dedicated 60-70 percent of coverage to government officials and their allies, while the opposition received 20-30 percent of attention. The trends were more obvious at Pershyi Nacionalnyi and Inter, while Studiya 1+1, ICTV, Novyi, Ukraina, and STB showed more balance. Political talk shows invited government speakers two times more frequently than opposition speakers.

The panelists were unanimous that a persistent key problem is the government's financing of a large number of state and municipal media, as their full dependence prevents them from criticizing the government and local officials. Danylov noticed that state media regressed substantially in its efforts to present balanced coverage of events.

In his interview with UNIAN, Shevchenko said that the National Television Company of Ukraine received the lowest scores for political balance and representation of the opposition, according to television monitoring conducted by Telekritika and the Academy of Ukrainian Press. During 2011, there were several months in which the state channel news did not quote the opposition a single time. The problem extends to oblast and district newspapers, Shevchenko noted—the lower the level, the greater the dependence on the authorities, he said.

In August 2011, state television channels aired an anti-Tymoshenko documentary "Stolen Popcorn," which many panelists considered propaganda. In January, regional state television companies aired another manipulative documentary, "Simply Yulya." Neither film provided any information regarding the producers. When pressed as to who ordered them to show this film, the outlets explained

that regional state channels are united within the exchange system of programs and the shows were just available in this network.

Ukraine's major news agencies include the private UNIAN, Interfax, Ukrainski Novyny, LigaBiznesInform, RBC-Ukraine (Ukrainian agency of the Russian RosBiznesKonsulting Group), and the state-owned Ukrinform. The poor economy forced many regional media to cancel their subscriptions to news agencies. Danylov, whose paper subscribed to Reuters and some Russian wires just a few years ago, said that subscriptions were the first things that regional media cut to cope with the crisis.

According to Guz, media also do not subscribe to agencies because some publish paid-for stories (including UNIAN, according to Kvurt), and because much of their content is available for free on the Internet. A regional publishing house for which Guz worked recently subscribed just to a photo agency. Syumar predicted the end of the news agency business due to total violation of copyright by other media.

Ligachova noted that with development of online media, news aggregators enjoy more favorable market conditions compared to news producers, drawing higher ratings and winning more advertising. And yet, private media still produce quality news content, panelists said. Rybka said that he assumes that with the number of journalist layoffs related to the economic crisis, private outlets will produce less content as well. However, regional media representatives (Guz, Dobrodomov, and Kamenskiy) stressed how greatly they value local content, and they always try to increase it—which also boosts local news ratings. Pogorelov expressed the belief that the local news niche is rather prosperous, given the current conditions.

The consolidation of major media companies into a few conglomerates continues. Lavrov emphasized that non-transparent ownership of television channels and concentration of influential channels in the hands of several families leads to distorted coverage of many socially important events, where coverage would contradict the interests of the investor. At the same time, regional media are very vulnerable to editorial pressure from the local authorities.

In his UNIAN interview, Shevchenko expressed deep concern with the ruling party's media monopolization. There are four large holdings that divide the television airwaves—groups of Viktor Pinchuk, Ihor Kolomoyskyi, Valeriy Khoroshkovskiy, and Renat Akhmetov—and all four are loyal to the president. This explains succinctly the problem with Ukrainian television.

Danylov stressed that there is absolutely no ownership data available for the new outlets that obtained digital licenses

in 2011. It is much harder to identify the Internet content owners, as illustrated by instances of defamatory information campaigns against journalists. In October 2011, the website Daily.ua published a story discrediting Leschenko. But as the author, editor, and domain owner are hidden, Leschenko could not respond with a suit. The following day, a few other unreliable media reprinted the article, and presented it as though it came from a legitimate source. *Kyiv Post* also came under attack in paid-for fake news on several websites.

Ligachova stressed that media increasingly represent the interests of large employers and big businesses. Telekritika's monitoring of eight national channels showed that the number of news with signs of political influence or censorship increased by five times during the last couple of years. Ligachova also said that the number of topics avoided by key national television channels grew tremendously this year. The topics include questions surrounding the president's residence at Mezhygirya, privatization, personal lives of politicians, corruption, inflation, and the ruling party's sinking popularity.

According to Osmanov, who is a Crimean Tatar by nationality, minority issues are solved positively in Ukraine; newspapers, magazines, and programs in minority languages are available in Crimea. It is rare to see minority issues addressed in the mainstream press.

According to Rybka, media present local, national, and international information, but the balance is not satisfactory. Guz said that leading regional newspapers have sections for local and national news, and have learned to localize national and international events. Pogorelov commented that the economic crisis forced media to think about their audiences, and this encouraged them to better serve the needs of various groups, as well as provide more comprehensive local and national coverage.

Lebedeva insisted that regional electronic media face less favorable conditions, and regional/local broadcast content will likely decrease in quality and quantity.

OBJECTIVE 4: BUSINESS MANAGEMENT

Ukraine Objective Score: 1.71

All of the Objective 4 indicators fell this year. Little has changed since 2010 in regard to business management, and the panelists said that the situation is unlikely to improve soon. Media businesses are still experiencing the consequences of economic and political crisis and the authorities or competitors with connections to the ruling party can potentially pressure smaller media businesses. The government continues supporting unfair market

competition from state-owned and municipal media. Political pressure makes the media more dependent on owner subsidies and corporate advertisers, advertising distribution remains preferential, and ratings and audience research is unaffordable for the most part.

Media enterprises in Ukraine are not efficient businesses, said Lavrov, and this compounds the dependency on owners and advertisers. In response, most media refrain from publishing stories that step on those interests.

According to Lebedeva, the majority of national television channels are unprofitable, and many are close to zero profitability. The problem stems from their owners, who do not treat them as businesses but rather instruments of influence for political, economic, and personal gain. There is no market in electronic media. Kolomoisky said that her channels are not profitable, and depend on the investments of their owners. Inter also ended the year with losses. Regional channels are in a bad position, as national channels swipe up a large percentage of regional advertising. In the radio advertising market, the largest national holdings earn a half of the regional advertising share.

Kvurt noted that especially in 2011, television channels overspent on multiple costly entertainment shows, which hugely influenced their profitability. Kvurt, in turn, questioned the efficiency of television companies. He also said that in general, market leaders do not always work efficiently or transparently; the market is too competitive; and conflicts of interest are rife. The state does not support media transparently in terms of public interests.

MEDIA ARE WELL-MANAGED ENTERPRISES, ALLOWING EDITORIAL INDEPENDENCE.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets operate as efficient and self-sustaining enterprises.
- > Media receive revenue from a multitude of sources.
- > Advertising agencies and related industries support an advertising market.
- > Advertising revenue as a percentage of total revenue is in line with accepted standards.
- > Government subsidies and advertising are distributed fairly, governed by law, and neither subvert editorial independence nor distort the market.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor the product to the needs and interests of the audience.
- > Broadcast ratings, circulation figures, and Internet statistics are reliably and independently produced.

Fanta expressed more optimism, believing that 70-80 percent of Ukrainian media are true businesses that developed according to relevant laws. Fanta defended a number of leading regional publishing houses, noting that their owners do not rely on other revenue sources, and they write business plans and employ various specialists in media management. Often they run additional media-related businesses, such as distribution networks or printing facilities. Their profitability depends on their efficiency and local conditions. Indeed, the economic crisis and the lack of political will to close state media aggravated their situation. Regional television has been particularly hard-hit. Danylov added that most of these publishing houses are supported largely by classified advertising, and would surely benefit financially from closing newsrooms and general interest publications—but they understand their social role and mission, and the importance of civic responsibility.

According to Osmanov, though, most regional media operate without professional managers or business plans, but still reach some profitability. On the other hand, state-owned and municipal media spend budget funds irresponsibly, with bloated staff levels and a lack of motivation to improve their products. Panelists agreed also that state and municipal media compete unfairly. Rikhtun said that each state body has a certain budget for media, but authorities often support state media with non-material privileges as well, such as a promotional boost from post offices.

For most regional private newspapers, the main sources of income are advertising, subscriptions, sales, and owner subsidies. Many publishing houses, such as in Chernivtsi, Melitopol, have their own printing facilities and earn profits from that as well.

According to Fanta, large companies rarely advertise in regional and local media, forcing the regional media to rely on local advertisers. The regional media market is very sensitive to the small business economy, and in 2011, numerous private entrepreneurs closed their businesses.

Kamenskiy stressed that financial independence is very hard to achieve, but is still possible. He added that a couple of years ago, national advertising agencies would bring him some revenue—however shaky—but in 2011, their share of his channel sales hardly reached one percent. Kamenskiy complained that the situation in regional television worsens each year. With a few new channels appearing annually, they all bite from the same limited advertising pie. Ukraine has too many media for the size of the population, he said, blaming the lack of governmental regulation.

According to Pogorelov, print media missed an opportunity to use the economic crisis and reduction in advertising

According to Pogorelov, high-quality marketing research is conducted, but publishers use it poorly.

to increase management efficiency. Although no reliable data exists on how many media increased their streams of revenue, it is clear that the press lost its market share to television. Danylov agreed that the economic crisis created greater imbalance in the distribution of advertising between television and other media, and other panelists agreed that a disparity and between the capital and the regions remains as well.

Usually, advertising agencies do not care about the price or effectiveness of ad placements—only about their own commission. According to Pogorelov, advertising agencies do not look to improve services or quality, and merely continue media planning based on cost per thousand (CPT).

Dobrodomov said that ZIK channel buys a monthly package from the market research company GfK and publishes its ratings. Sales managers have spent a lot of time explaining CPT to inexperienced clients, and gradually, clients have become more knowledgeable on placing advertising. Lebedeva added that the regional television market is not well measured. According to her, about five regional television companies that can afford it follow ZIK's practices.

According to Sergiy Chernyavskiy's print media market review for Telekritika, the press market was estimated for the first time in 2010. For 2011, the market totaled UAH 5.867 billion (\$721,973,000). The breakdown of revenue includes 42.4 percent from advertising, 28.88 percent from subscriptions, and 28.73 percent from copy sales. According to Chernyavskiy, by 2010, the press market had recovered partially from the crisis by cutting inefficient projects, personnel, and printing expenses in 2009. Increases in political advertising and the advertising growth in magazines proved that while the media industry experienced losses, it did not suffer as tremendously as other sectors, such as real estate or the automobile industry. There was no systematic closure of print media, distribution companies, or printing facilities. With intensifying competition and a reduction of advertising revenue, the publishers became more interested in circulation sales, and therefore adjusted content to attract the target audiences. According to Chernyavskiy, subscription revenues increased by 10 percent in 2011, but the number of subscribers fell due to price increases.

According to the NGO All-Ukrainian Advertising Coalition (AUAC), the 2011 media advertising market (television, radio,

print, and Internet) totaled UAH 6.844 trillion (close to \$885.5 million). The total is up nearly 20 percent from 2010, and may gain 14 percent in 2012, thanks to the 2012 European soccer championship and the parliamentary elections.

The 2011 television advertising market reached UAH 3,327 billion (\$415.9 million), up 24 percent from 2010. The share of national television was UAH 3,206 billion (\$394.5 million)—up 25 percent up from 2010—and the share of regional television was UAH 121 million (\$14.89 million), up 5 percent up from 2010. Expecting a new wave of economic hardship, a number of advertisers decreased their activity in the second half of the year, and therefore 2010 estimates for one-third growth in 2011 were not fulfilled. Predictions for 2012 are that national television stations could add 15 percent to their advertising revenues, while regional television might gain five percent. Television sponsorship is estimated separately at UAH 370 million (\$45.5 million), up 10 percent.

Print revenues in 2011 increased by about 10 percent as well, according to the experts' council of the Ukrainian Association of Press Publishers (UAPP), which represents the largest publishing houses and leading advertising agencies. The association estimated print revenues at UAH 2,436 billion (\$304.5 million) compared to UAH 2.21 billion (\$272 million) in 2010. In 2011, UAH 689 million (\$84,786,000) went to newspapers (up 18 percent), UAH 874 million (about \$107.5 million) to magazines (up 6 percent), UAH 57 million to inserts and supplements (up 9.6 percent) and UAH 250 million (\$30.76 million) to classifieds (up 105 percent). Unmarked advertising took UAH 566 million (\$69.65), down 10 percent. Print advertising is expected to grow 9 percent in 2012.

According to the UAPP forecast, the largest increase of advertising is in the business press—up 21 percent due to efforts to restore the financial sector. Women's publications take second place at 15 percent, and lead revenues at UAH 359 million (\$44.18 million), while general interest social and political publications increased by 12 percent. The automobile, finance, pharmaceutical, and trade industries fueled the growth. The so-called advertising and informational publications lost five percent in advertising.

In July 2011, the Association of Independent Regional Publishers of Ukraine updated the regional print media advertising market forecast: UAH 656 million (\$80.73) for 2011 compared to UAH 604 million (\$74.33 million) in 2010.

In 2011, radio advertising increased by 35.5 percent to UAH 271 million (\$33.9 million), and might increase 15 percent in 2012. The estimates were made by AUAC with assistance from ORT Media, which surveyed 65 percent of players in the radio market. The AUAC estimate of the volume of radio

sponsorship is the first of its kind. Other media analysts expect this segment to continue to grow.

Compared to 2010, Internet advertising grew by 57 percent to UAH 440 million (\$55 million), based on data from the Association for Internet Advertising. That figure is expected to grow in 2012. In January 2012, UMH and Digital Ventures jointly launched Ukraine's largest Internet sales house, Digi Media, which will exclusively sell advertising at 16 leading websites that generate 400 million hits per month. The sites include news sources Segodnya.ua, Korrespondent.net, KP.ua, Focus.ua, and AiF.ua—reaching nearly half of Ukraine's Internet users.

According to Guz, placement of state advertising in regional outlets discriminates against the independent media. Danylov added that in the past, the authorities would keep up appearances by announcing some pro-forma bids for placing various official announcements, but now they quietly tuck them into state-owned media.

The majority of regional media cannot afford to purchase professional market research. During the economic crisis, regional media outlets cut their marketing departments first. Danylov stressed that regional media still conduct some in-house research once per quarter, including low-budget surveys, printed questionnaires, telephone polling, and focus groups.

According to Pogorelov, high-quality marketing research is conducted, but publishers use it poorly. There is no reliable data on how many publishers conduct their own research, but the quality of media materials and reader satisfaction remains low. In planning pages and programming, ratings drive the media, which sometimes descend into tabloid territory in response. Syumar agreed that the media do not use the results of market research to satisfy the cultural and social needs of the public. Guz said that when media consider adapting content according to the research, they find they cannot satisfy all needs and they lack journalists qualified to contribute to certain subject areas. According to Dobrodomov, sales staff have a hard time persuading regional clients to advertise in accordance with marketing data.

The independent companies GfK and TNS measure television data, but the panelists agreed that website usage and print circulation are not measured independently. Danylov believes that the reliability of audience measurements, as well as trust in ratings, has diminished. Lebedeva agreed, and expressed absolute unhappiness with the reliability of Internet measurements and the common practice of many online sites to pay for an artificial increase in traffic. She added that GfK's measurement of television is not ideal, either, as it uses

a rather limited number of people-meters, but it still reflects main trends accurately.

The media sector has no audit bureau of circulation, and the panelists did not consider it likely to be established soon. Most print media lie about their print runs, the panelists said. Danylov mentioned a case in Lutsk, in which an anti-monopoly committee checked circulations and forced publications to indicate their true figures, but noted that such an audit has never happened in his city, Rivne. The anti-monopoly committee has conducted such audits in Kharkiv, Dniepropetrovsk, and Kyiv oblasts, and levied fines against several publications as a result.

GfK won a bid recently to measure radio audiences as well as television, replacing TNS as the company to conduct measurements in Kyiv and beyond for the next three years. GfK was chosen by the Radio Committee, which unites 60 percent of players in the market and includes the two largest media holdings (TAVR media and Ukrainian media holding) and three network agencies (Publicis Groupe, ADV Group, and Group M), with IAB as the managing body. The number of respondents wishing to participate doubled from the last survey, and stands at about 47,000. The Radio Committee will cover half of the cost, while the rest will be sold at open market—and smaller players fear that they will not be able to afford to participate. Non-paying stations are lumped into the “other” category, placing them at a distinct disadvantage with advertisers.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Ukraine Objective Score: 2.09

Scores dropped slightly this year for Objective 5. Primarily, the panelists attributed the decline to monopolies and other disappointing trends related to media distribution channels (indicator 7). Indicator 4 (academic journalism programs) continues to be a low point for this objective as well. Efficient self-regulation and a sense of solidarity still elude Ukraine’s journalists.

Ukraine has developed a network of trade associations, media trade unions, and media-supporting NGOs. On the broadcast side, the trade associations include the Industrial Television Committee (ITC), the Independent Association of Broadcasters (IAB), and the Radio Broadcasting Committee. The Ukrainian Press Publishers Association (UAPP) and the Association of the Independent Regional Publishers of Ukraine serve the print media, while the Ukrainian Internet Association and Ukrainian Association of Internet Advertising support online

media. AUAC measures both the media advertising market and the non-media advertising market.

However, trade associations have been active in preventing corruption surrounding the introduction of digital broadcasting, and IAB advocates for regional broadcasters’ interests in digital broadcasting. ITC measures audiences in television and radio. According to Lebedeva, trade associations work hard to defend their members’ interests. IAB, for instance, fought with the National Council for Television and Radio Broadcasting on the results of digital competitions. Kamenskiy agreed that he always valued IAB’s legal support.

Pogorelov agreed that trade and professional associations perform their job rather professionally, as do NGOs that support the media. However, these organizations tend to focus on protecting the largest publishers, according to Goos. Panelists also noted that there is a need to better coordinate interaction within the industry, and to build cooperation to solve some of the most pressing problems in order to strengthen the voice of media and its influence on the society.

According to Lygachova-Chornolutska, trade associations do not always join the movements for free speech and against censorship—media trade unions and media support NGOs typically address these problems more rigorously, she said.

The National Union of Journalists (NUJ), in its current form, more accurately represents editors and managers’ interests

SUPPORTING INSTITUTIONS FUNCTION IN THE PROFESSIONAL INTERESTS OF INDEPENDENT MEDIA.

SUPPORTING INSTITUTIONS INDICATORS:

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

According to Lygachova-Chornolutska, trade associations do not always join the movements for free speech and against censorship—media trade unions and media support NGOs typically address these problems more rigorously, she said.

than journalists. Moreover, managers of state and municipal media fill key positions; Fanta agreed that is true for her city of Poltava. From time to time, NUJ challenges the post office, mostly with regard to pricing, and attempts to better protect its editors. This year it began cooperating with the International Federation of Journalists to improve the security of journalists, and lobbied against morality laws. Its head also made several public statements this year to support the protection of journalists.

However, Dobrodomov registered displeasure with NUJ, noting that the regional branch in Lviv has never said a word regarding important journalist-related cases. Unfortunately, NUJ brings down scores for this indicator due to its pro-governmental position and financial dependence, he said.

Panelists agreed that where NUJ falls short in the development of independent media, NGOs help significantly, especially in the field of investigative journalism. Gooz added that in 2011, the Independent Media Trade Union of Ukraine overcame its internal conflicts and united with the Kyiv trade union. The union is still not a self-sustaining organization, he admitted, but it expects UAH 150,000 (\$18,450) in membership fees next year.

Rikhtun confirmed that media trade unions guard the interests of journalists, and have become more active since 2010. However, neither trade unions nor other support institutions focus on professional standards, she said.

Lavrov stated that in most cases, journalists cannot rely on support from professional unions, and typically fight for their own labor interests or seek support from international organizations instead. Gumenyuk noted the lack of solidarity among journalists in protecting their rights as well as upholding their social mission. Journalists are generally highly educated, and can professionally articulate social issues and mobilize citizens; however, to survive in the menacing political climate over the last two years, they have tended to be less noticeable, consistent, and persuasive than other social groups (Afghanistan war veterans, Chernobyl liquidators, veterans, pensioners, and single mothers).

According to Ligachova, Ukraine has NGOs willing to fight censorship and protect journalists' rights. The main NGOs that support the media are the Academy of Ukrainian Press, Institute of Mass Information, Internews-Ukraine, Media Law Institute (MLI), Media Lawyers Association (MLA), Regional Press Development Institute (RPDI), Telekritika, and the regional Information and Press Centers (IPC) in Simferopol and Sebastopol.

The Stop Censorship movement founded in 2010 continues its activities. In September 2011 a number of NGOs, including the Institute of Mass Information, the Media Law Institute, the Investigative Reporting Bureau Svidomo, and Telekritika, united in the Ukrainian media association to better coordinate activities. Telekritika's web publication serves as a constant discussion platform for media-related issues. Osmanov agreed that there are media-focused NGOs throughout Ukraine, but have few funding streams.

Approximately 80 universities in all parts of Ukraine have journalism departments. However, most of them emphasize communication skills and serve as a poor base for journalism in practice; the programs and teachers remain inadequate for industry needs. Dobrodomov mentioned that only 7 to 15 percent graduates of Lviv University journalism departments find jobs in journalism after graduation.

The School of Digital Future at Kyiv Mohyla Academy, financed already for a few years by Renat Akhmetov's foundation, remains the only attempt to bring innovation to journalism education, panelists said. The academy has master's and doctoral programs in journalism that are also practice-oriented, but in July 2011, the Ministry of Education stopped financing the master's program. The Ministry justified its decision by noting "political sympathies of the University" and the absence of a bachelor's program. The academy labeled the decision absurd and politically motivated. The program was free previously, and students were accepted to the master's program based on their merits. Without funding, enrollment will likely shift to favor those who can afford to pay for the program. In response, the academy is raising funds from its graduates, media, NGOs, and charities to cover a certain number of stipends.

Gumenyuk added that in June 2011, the Ukrainian Catholic University in Lviv received a license to offer a journalism master's program for 17 students per year, emphasizing practical skills in television, radio, print, and online journalism.

According to Lavrov, short-term training programs and in-house workshops remain the most effective means of journalist education. Short-term classes, focusing on basic journalism skills, are usually funded by Western donors,

but the number of available workshops has decreased significantly in recent years. Guz commented, "Within the trade union, we articulated the need for master classes. Recently, there have been a lot of workshops dedicated to new technologies, but not enough that emphasize basic reporting and interviewing techniques." Rihtun also mentioned the need for media literacy training at schools.

Lebedeva, however, said that demand for this training has decreased. An IAB survey confirmed that managers of regional media feel that resources are too tight to encourage their employees to pursue professional development opportunities. Still, some regional representatives disagreed with that, commenting that those who care about their development look for learning opportunities.

The printing market is fully de-monopolized. In almost all regions, there are several decent-quality alternatives for printing. Many of those print houses are equipped with second-hand Western equipment. Government authorities have the potential power to apply pressure on printers through various inspections and audits.

According to Chernyavskiy's research presented in his press market review for *Telekritika*, the economic crisis led publishers to decrease the percentage of unsold copies from 30-40 percent to less than 20, and 5-15 percent for high-circulation dailies. Many of those who decreased to 10 percent lost 30 percent in sales. Chernyavskiy also reported that the price for newsprint in Europe increased by 8 percent in 2010; in Ukraine, it increased by 20-40 percent and even up to 50 percent at times. The panelists stated that newsprint is cheaper in Sweden and Finland, and they also suspect a cartel of equipment suppliers.

Retail sales and subscription systems remain problematic. Local authorities can easily control the distribution of print publications in the regions, and Pogorelov said that the distribution network is a huge problem for all print media. Due to unregulated land usage, more than half of press kiosks are unlawful. Existing permits, which expire in 2011, cannot be prolonged by legal means or may cost more than UAH 20,000 per kiosk in bribes. Local authorities also contribute to the problem. Kiev's local authorities were particularly well known this year for dismantling kiosks. Panelists lamented the lack of clear legislative regulations to address kiosks, broken post boxes, and slow delivery.

According to Kartel, in the distribution structure, press kiosks amount to 45 percent of sales, gas stations and supermarkets amount to 30 percent, street vendors fill in about 23 percent, and press shops 2 percent. Circulation decreased over the last three years to around 30 percent, while the revenue of

Guz commented, "Within the trade union, we articulated the need for master classes. Recently, there have been a lot of workshops dedicated to new technologies, but not enough that emphasize basic reporting and interviewing techniques." Rihtun also mentioned the need for media literacy training at schools.

distributors was around nine percent during 2011, due to price increases.

The largest distribution networks in Ukraine are Katel, MPS, Soyuzpechat (Donetsk), Soyuzpechat (Kyiv), and *Tvoya Presa*. Trade commission fees for the press are 60 to 100 percent in Ukraine. Due to publication closures, distributors that had previously lacked space to display new titles and charged high marketing fees have started to nurture sales turnover. Press selections in supermarkets decreased in 2009, and stopped serving as the main sales channel for most publications; they remain the strongest channel only for glossy magazines and weeklies.

The quantity of newsstands has reduced over the last few years to 8,158, without post offices taken into account. That amounts to 1 press stand per 5,600 people. By comparison, Russia has 1 sales stand per 3000 people; the United States has one per 1,600 people, and Poland has 1 for every 600 people. There are 14,500 post offices all over Ukraine, but they are unpopular with publishers, because they tend to retain a high percentage of unsold copies and it is difficult to coordinate deliveries and receive feedback on sales. Moreover, people are not used to visiting post offices frequently.

According to Chernyavskiy, the increase in newsprint and distribution costs for publishers was offset by subscription sales, which increased from 30 to 200 percent between 2008 and 2011. The maximum increase was for informational publications with television programs, and the lowest for classifieds.

Chernyavskiy explained that subscriptions are managed by Ukrainian Post and its daughter distributing company, *Presa*, along with a number of large subscription agencies (*Blitz-presa*, All-Ukrainian subscription agency, KSS, *Mercuriy*, *Press-Centr*, *Sammit*, *Factor-Presa*) that operate primarily in large cities. There are local agencies in oblast centers

and large cities, often based on local newspapers such as *Melitopol* and *Feodosiya*.

Ukrainian post has not increased tariffs since the beginning of 2010. Due to the introduction of a monthly subscription system, the industry managed to avoid the situation of 1998-1999, when publications that stopped printing could not reimburse their subscribers. About 200 publications disappeared, with a total circulation of 80,000 copies. Nineteen publications stopped or reduced periodicity in 2008-2011.

Ukrainian post revenues from subscriptions decrease every year, and therefore it has to reduce its expenses at the expense of quality and efficiency. A number of publications enjoy the privilege provided by Article 9 of the law on state support of media and social protection of journalists, which limits subscription tariffs to 40 percent of the print cost of the publication. This works well for publications with large circulations. The state budget compensates the difference to the post office only partially.

Currently, the television distribution infrastructure is more problematic. The state-run Concern owns the radio broadcasting and radio connection, and RRT television owns transmitting towers and regulates prices unilaterally.

Since an inspection in late August, ATN news company in has been forbidden from operating. Broadcasting was stopped at its 7th channel; providers simply refused to transmit the signal. On September 15, two more television channels—ATV/k and Fora, which broadcast ATN news—were switched off from broadcasting, while some other providers lost the technical capacity to transmit its signal. Journalists and managers at the affected channels expressed the belief that these actions are an attempt to silence media critical of the current Kharkiv mayor and governor. Fora channel resumed broadcasting in late November under new management.

In 2010, the National Council on Television and Radio Broadcasting designated the offshore-registered Zeonbud company as the digital provider of four national multiplexes (MX-1, MX-2, MX-3, and MX-5). Zeonbud is an artificial monopoly in both markets: programming services (not defined by the law) and telecommunications (regulated by the National Commission on Communications Regulation). Using the multiplexes, 154 transmitting stations are now working in a test mode. Out of 28 national channels,

21 stations broadcast via the multiplexes, and regional broadcasters are gradually switching to this system, too.

According to IAB, Zeonbud overpriced its services significantly—by about five times. Telekritika reported that the first invoices from the provider appeared in October 2011, but not all television companies hurried to pay them. For digital competition purposes, Zeonbud required the companies to sign an agreement—with the exception of state-owned outlets, which must only present a memorandum of intent to pay. Simultaneously, broadcasters still pay for analog transmission.

In 2014, when Zeonbud is supposed to be paid in full, the television market will have to pay 30 percent of its advertising revenues. Only 10 national channels are able to afford this, while the rest will have to ask their owners for subsidies. For regional broadcasters, digital broadcasting will never become self-sustaining, according to TRC Avers from Lutsk. Experts estimate the cost to be 15-20 percent of annual turnover.

While analog networks cover almost 99 percent of the population, the planned capacity of Zeonbud will cover only 55-60 percent of territory—65 to 70 percent of population. Some experts have said that a certain portion of frequencies were not coordinated with international and special internal users. Moreover, experts stated that approved standard DVB-T2 excludes a few million owners of modern television receivers, while the state is supposed to provide set-top boxes, averaging 32 state channels, for low-income homes. These circumstances have led to predictions that broadcasters and users will switch to satellites and IPTV.

According to Astra Satellite Monitor, at the end of 2010, 17.25 million Ukrainian households had televisions, with a breakdown of 49 percent broadcast, 34 percent cable, 16 percent satellite, and one percent IPTV.

ICT infrastructure is developing gradually, and many technical innovations are available in the country. The gap between large cities and rural areas in Internet and other technologies remains. According to Danylov, the main barrier to providing mobile content is that publishers would get back only 25 to 30 percent of their selling prices; the system is set up to benefit telecommunications providers. Still, RIA Corporation and other pathfinders will be selling mobile content. Among Kyiv publications, a few have begun offering AppStore or Android mobile applications.

List of Panel Participants

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

Dmytro Dobrodomov, general producer, TRC Mist-TB – TV ZIK, Lviv

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Lyudmyla Gumeniuk, executive director, Media Reform Center, Kyiv

Sergiy Guz, executive secretary, Independent Media Trade Union of Ukraine, Kyiv

Vitaliy Kamenskiy, director, TRC VTV plus, Kherson

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

Vladyslav Lavrov, journalist, *Kyiv Post*, Kyiv

Tetyana Lebedeva, honorary chairperson, Independent Broadcasters Association, Kyiv

Nataliya Lygachova-Chornolutska, chair of the board, Telekritika NGO, Kyiv

Lyudmyla Pankratova, media-lawyer, Kyiv

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

Tetyana Rikhtun, director, Sebastopol Information and Press Center, journalist, Sebastopol

Yevgen Rybka, chief editor of projects Liga News and Liga Dossier, 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:

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

Arsen Osmanov, media lawyer, Committee for Press Freedom Monitoring in Crimea, Simferopol

Moderator and Author

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

The MSI panel convened on December 5, 2011.