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MACEDONIA

In 2010, Macedonia faced a stalemate in the Euro-Atlantic accession process and experienced further decline of the democratic political culture. The name dispute with bordering Greece (Greece objects to the Republic of Macedonia's use of the name, because it has a province named Macedonia) and internal political and economical problems kept Macedonia out of NATO, and significantly downgraded Macedonia's hopes for European Union accession. Continuous hate speech against the opposition in both political and public spheres gave the media a negative tone. The ruling party launched a media campaign against the opposing parties, civil organizations, and critical media, systematically blaming them for the failures of its own policies. The campaign reached its peak with a police blockade of A1 TV—the most critical, influential television station in the country. One month after the blockade, the authorities arrested the A1 TV owner and his manager for alleged tax evasion.

Social networks and new media played an enormous role in the media scene in 2010. A couple of significant investments in Internet-based media, and the ubiquity of digital networks, helped broadband penetration reach more than 45 percent of Macedonian households. Subsequently, the Internet ranked second place as the audience's choice for news, right behind television (based upon data from advertising agencies and the State Statistical Bureau's data for broadband Internet penetration). Newspapers, however, suffered and faced a crisis of dwindling circulation. They are not losing readership, but their web versions are overtaking print as the preferred format. Media outlets now must confront the need to redesign their business models.

Business management continues to be a weakness of the media, along with strategic planning and an understanding of applying market research to program design. This problem became increasingly evident in 2010, when the full effects of the economic crisis also hit the media; advertising income fell more than 20 percent.

In another important development, the Association of Journalists of Macedonia (AJM) took important steps to get back on track. Elections brought in new leadership, and AJM announced its mission to restore dignity to the journalism profession.

Despite the ongoing political problems, the Macedonia's overall score improved somewhat although still dwelled in the middle of the "unsustainable, mixed system" scoring category. This increase was driven by minor improvements in Objective 1 (freedom of speech), Objective 2 (professional journalism), and Objective 5 (supporting institutions). Macedonia still has a long way to go to recapture the ground lost from the middle of last decade, when it consistently scored nearly a point higher in every objective.

MACEDONIA AT A GLANCE

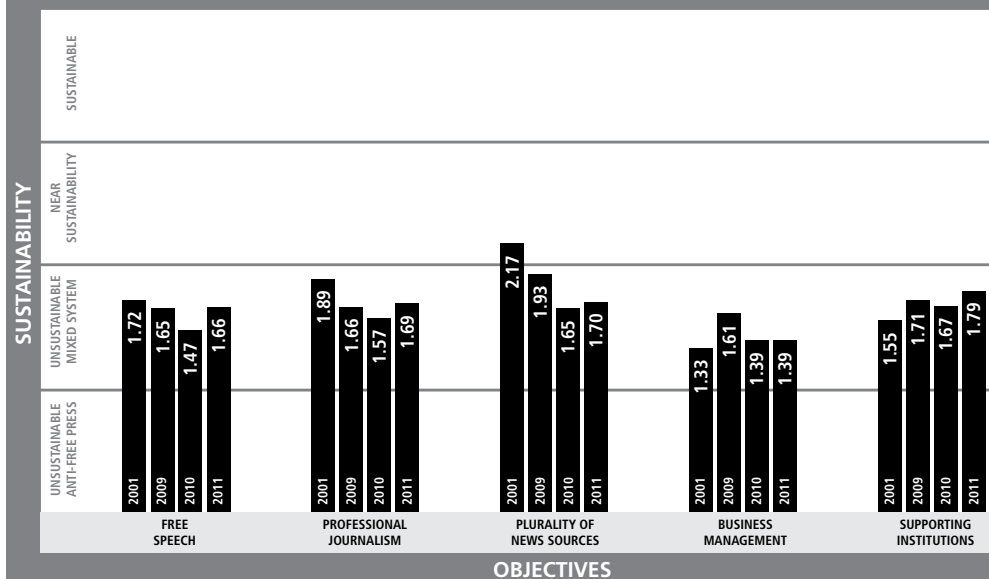
GENERAL

- > **Population:** 2,072,086 (July 2010 est., *CIA World Factbook*)
- > **Capital city:** Skopje
- > **Ethnic groups (% of population):** Macedonian 64.2%, Albanian 25.2%, Turkish 3.9%, Roma 2.7%, Serb 1.8%, other 2.2% (2002 census)
- > **Religion (% of population):** Macedonian Orthodox 64.7%, Muslim 33.3%, other Christian 0.37%, other and unspecified 1.63% (2002 census, *CIA World Factbook*)
- > **Languages (% of population):** Macedonian 66.5%, Albanian 25.1%, Turkish 3.5%, Roma 1.9%, Serbian 1.2%, other 1.8% (2002 census, *CIA World Factbook*)
- > **GNI (2009-Atlas):** \$8.983 billion (World Bank Development Indicators, 2010)
- > **GNI per capita (2009-PPP):** \$10,550 (World Bank Development Indicators, 2010)
- > **Literacy rate:** 96.1% (male: 98.2%, female: 94.1%) (2002 census)
- > **President or top authority:** President Gjorge Ivanov (since May 12, 2009)

MEDIA-SPECIFIC

- > **Number of print outlets, radio stations, television stations:** Print: approximately 600 daily, weekly, biweekly, monthly, and periodical editions. There are 147 commercial broadcasters (5 television and 3 radio stations with national coverage) and 3 nonprofit broadcasters; 16 television channels broadcast via satellite. (Broadcasting Council, 2009)
- > **Newspaper circulation statistics (total circulation and largest paper):** Total average daily circulation is 252,372. *Vreme* and *Spic* are the largest daily papers (newspaper sources)
- > **Broadcast ratings:** Television stations: TV A1 (21.07%), TV Sitel (13.95%), and TV MTV1 (6.84%); Radio stations: Antena 5 (14.57%), Radio Ros Metropolis (7%) and Channel 77 (3%), (Broadcasting Council, 2009)
- > **Annual advertising revenue in the media sector:** €347 million, of which €338 million is spent on television and €9 million on radio. (Broadcasting Council, 2009)
- > **News agencies:** Macedonian Information Agency (state-owned), MakFax (private), and NetPress (private)
- > **Internet usage:** 1.057 million (2009 est., *CIA World Factbook*)

MEDIA SUSTAINABILITY INDEX: MACEDONIA



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

Macedonia Objective Score: 1.66

The minor improvement in this objective came as a result of better panelist evaluations of indicator 2 (media licensing), indicator 4 (attacks on journalists), indicator 5 (legal guarantees of editorial independence for public media), and indicator 7 (access to information). However, almost all the indicators scored close to the objective score. Only indicator 8 (media access and use of domestic and international news sources) stood out compared with the objective score, but could not garner good enough scores to exceed it by even a full point.

There are constitutional guarantees for the freedom of expression, freedom of thought, and free access to information. Also, a legal framework sets the standards for implementation. However, in practice, the law is applied selectively and arbitrarily, and the judiciary is subject to harsh political influence. "Judges should be aware of public interest. Public interest should be above all, even when journalists make mistakes," commented Stole Naumov, a member of the Broadcasting Council of Macedonia. Through selective enforcement of the law, the authorities have greatly endangered basic operations of media that dare to criticize the government, and created an atmosphere of fear among

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 or public media.
- > Libel is a civil law issue, public officials are held to higher standards, offended party 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.

Biljana Sekulovska, a journalist with A1 TV, described her own experience to illustrate: "I complained formally that the police suppressed my guest's freedom of expression, and mine, by preventing them from entering the studio. The complaint was not processed at all."

journalists. The legal system fails to process complaints that the police overstep their authority, even when complaints are filed according to the correct procedure.

Biljana Sekulovska, a journalist with A1 TV, described her own experience to illustrate: "I complained formally that the police suppressed my guest's freedom of expression, and mine, by preventing them from entering the studio. The complaint was not processed at all." The ultimate police blockade of A1 TV revealed all the problems that Macedonian state institutions have implementing the laws. One legal action of the tax authorities turned into a police intervention.

For the most part, public reaction to obvious breaches of the freedom of expression is minimal. In one notable exception, however, a couple hundred people rallied during the police blockade of A1 TV.

Only broadcast media are required to obtain licenses. However, the panelists objected that even for the broadcasters, the licensing procedure is a formality. The regulatory body awards too many licenses, overcrowding the market. Unable to stay afloat on their own, many of these media outlets end up depending on subsidies from political and business powers, which undermine their independence. The panelists described the licensing procedure as politically dominated and unfair; there are media that do not fulfill basic requirements to be on the air, and yet no regulatory action follows. Furthermore, certain media secured licenses despite the law's clear anti-concentration clauses. The regulator's poor administrative capacity, combined with political and business pressures, greatly undermine the independence of the regulators' licensing procedures. Essentially, the regulators are the technical service providers of the authorities. "It's all about the money. If we have a handful of strong television stations instead of 10 weaker stations, the advertising money could be divided between just a few, giving them financial independence. It is harder to influence financially stable media," observed Zaneta Trajkovska, of the Macedonian Institute of Media (MIM).

Robert Popovski, president of the Macedonia Association of Journalists, commented, "I believe that tax enforcement is a tool for pressure against the media. Almost all owners act similarly [by not complying with tax laws], but tax control is selective."

For the most part, the taxation system does not differentiate between media and other businesses, although the VAT rate of 5 percent for newspapers is favorable (the normal rate is 18 percent). However, the panelists pointed out that in practice, the tax authorities apply pressure on the media, hampering their operations (as seen in the A1 TV case). Robert Popovski, president of the Macedonia Association of Journalists, commented, "I believe that tax enforcement is a tool for pressure against the media. Almost all owners act similarly [by not complying with tax laws], but tax control is selective." Despite public demands that all of the media outlets should be cross-checked by the public revenue office, to prove that the approach is non-selective, as of the time that the MSI was published only A1 TV had been targeted by the financial police and the public revenue office.

Again this year, journalists and other media workers suffered from violent acts—and as usual, the state did not investigate or prosecute the incidents. Verbal threats are commonplace, and the state largely ignores them. Popovski described threats on the lives of journalists issued in certain media—yet no action was taken against the person who made the statement.

Public media outlets are under strict political control, despite legal guarantees for editorial independence and institutional autonomy. The Public Broadcasting Service (PBS) assembly elects the board, which consists of one-third politically appointed members. The rest of the members are civil society representatives, and in theory it should represent the balance of society. However, pro-government representatives dominate the board. Given PBS's long-standing financial instability, the government has regularly funded its budget shortfall—in turn, giving it leverage in the choice of managers and the tone of the news coverage. Mira Kostic, a Macedonia Radio journalist, noted, "Financial independence of PBS is a precondition for editorial independence."

Defamation cases are punishable under the criminal code, and journalists bear the burden of proving their innocence. The panelists noted a significant uptick in cases in the past three years: at the time the MSI was published, 170

defamation cases stood before the courts. Most cases are filed by government or party officials. Although there have not been any cases where journalists have been imprisoned for libel, punishments generally involve relatively high fines—and when they lose a case, journalists are also liable for damages. However, there is no proof of corruption in the courts.

There is a law on access to information, but it functions only partially and arbitrarily. Some, but not all, state institutions abide by the terms of the law. And, at an individual level, compliance by officials with access to information is selective. Furthermore, noted Roberto Belicanec, program director of the Media Development Center, "Institutions treat journalists or public figures differently than common citizens. Citizens face far greater obstacles to gain information, despite the fact that the law does not differentiate between the two." Journalists consistently state that there is a problem with access to information, and that institutions are too closed, but there are no organized efforts underway to address the problem.

The media's access to, and use of, local and international news and news sources is not restricted by law. The only limitation is outlined in the copyright law to guard intellectual property, which is in line with international standards.

Entry into the journalism profession is free, and not limited by any legal means. The government does not intervene in admissions procedures to journalism schools, either. The government, however, demonstrates preference toward certain media and journalists, and openly suggests to the public which media they consider oppositional and untrustworthy. In a similar vein, bloggers are not generally perceived as journalists.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Macedonia Objective Score: 1.69

The small increase in score for this objective resulted mostly from better scores for indicator 3 (self-censorship) and 6 (balance of news and entertainment). Indicator 7 (modern facilities and equipment), however, received a lower score this year. None of the indicators scored greater or less than half a point than the overall objective score.

In general, the panelists agreed that journalists do not respect professional standards adequately. They said that there is an ongoing "media war" between the major media blocs to break news first, and journalists cut corners and neglect standards in the heat of competition. Common shortcomings include mixing facts with opinions, leaving out certain details,

and selecting facts to fit journalists' personal views. The panelists also commented that media owners and editors fail to support journalists who attempt to adhere to standards. "The standards are respected by certain professionals, but at the end of the day their editors often choose a different approach," said Kostic. However, radio journalists adhere to the standards a little more than other types of media—probably because radio is under less political pressure, noted one panelist.

Biased reporting is pervasive. Media are divided politically, and political affiliations strongly influence the news. Even though journalists consult different points of view generally, the panelists said this is only to create the appearance of balance—while the thrust of the news is still biased. A whole set of techniques are deployed to pass off biased information as neutral. For instance, important aspects of a story are neglected in order to support opinions that favor the politics of the moment. The ruling political parties categorize the media as friends and foes, and usually try to avoid appearing on unfriendly media—thus making it appear incapable and unprofessional, and undermining its credibility. For example, A1 TV repeatedly invited the spokesperson of the police to be a guest to explain why the police officers blockaded A1 TV, yet the police spokesperson chose to present law enforcement's case on the friendly Channel 5 and SITEL instead.

There is a widely accepted code of ethics, and its standards are aligned with those of the International Federation of Journalists. But breaches occur on a near-daily basis, including hate speech, labeling, and bias. Although the full extent of bribery among journalists is not known, the practice is

Blogs, Twitter, and Facebook communities tend to provide feedback and opinions, rather than producing the news.

believed to be widespread, especially with editors who accept gifts or money on top of their salaries. Also, in most media, there are no clear rules or policies that distinguish public relations material from regular content. Self-regulation of ethics is very weak for the most part. Furthermore, only Macedonia Radio and Television (MKRTV) and Media Print Macedonia (MPM, owned by WAZ Media Group) have created internal codes of ethics. Yet, according to the panelists, there is no visible, public sign that MKRTV enforces its code in everyday work. WAZ Media Group, on the other hand, designated an ombudsman to help ensure the independence of its editorial policy. The manager of *Vest*, one of MPM's newspapers, called upon the WAZ ombudsman to mediate a complaint against one of the general managers of the company—whose contract was ultimately terminated.

Self-censorship exists due to two major factors—journalists fear losing their jobs, and they also hope to secure extra benefits if their work fits the frame of their owners. Self-censorship is closely connected with the political and business interests of owners.

In general, media tend to cover most of the crucial events in society—even though they do so in highly partisan and biased manner. An exception is Roma language media, which have limited resources. Key Albanian language media pay attention to most major events, however. Blogs, Twitter, and Facebook communities tend to provide feedback and opinions, rather than producing the news. YouTube is used as a tool for party propaganda, and on some occasions, the mainstream media use YouTube videos as a source for news.

Journalists on the panel agreed that salaries are low—and that contributes greatly to the low level of professionalism. "Salaries of journalists depend on their will to obey the interests of the media owner. I refused orders aimed at fulfilling his interests, thus my salary is lower than that of my colleagues who are willing to do so," commented Sekulovska. Private media journalists are paid somewhat better than public journalists, but salaries, except for the profession's most prominent stars, are low. Many professionals either compensate with honoraria work for other media outlets, or they use journalism as a trampoline to other, higher paid professions. In the past several years a trend emerged for ex-journalists to leave the media entirely for employment in the public relations sector, especially to become spokespeople for businesses or state institutions.

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.
- > Facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- > Quality niche reporting and programming exist (investigative, economics/business, local, political).

The trend of using light talk shows to promote governmental policies continued. Ministers and key governmental figures use such programs to pitch their policies to the public while avoiding serious journalists—minimizing the chance they might face criticism or unpleasant questions. Newscasts are still important for television ratings. Almost all media—except for some music radio stations—tend to keep rather large newsrooms in order to provide news coverage. Entertainment programming takes up a larger portion of the broadcasting in volume, but newscasts are still very important. Mixed infotainment programs are also appearing.

Macedonian media outlets are in the process of digitizing their newsgathering equipment. Media facilities, especially in the private media, are mostly sub-standard, with small studios.

A certain level of specialization among journalists exists. As far as niche reporting is concerned, most major media have economy and entertainment news departments. There are also reporters who specialize in healthcare. However, there is not enough technology, science, and cultural reporting. The shortfall in the coverage of technology news is compensated, though, by the specialized Internet portal www.it.com.mk. Investigative journalism is very rare; managers and editors consider it quite expensive, and risky.

OBJECTIVE 3: PLURALITY OF NEWS

Macedonia Objective Score: 1.70

The situation regarding plurality of news remained more or less static. Indicator 4 (news agencies) and indicator 6 (transparency of ownership) did receive slightly higher scores, but indicator 7 (coverage of minority issues) received somewhat lower scores compared with last year. A few indicators scored differently than the objective score: indicator 2 (citizen access to media) received a score just slightly more than half a point higher; indicator 3 (public media are nonpartisan) and indicator 6, despite improving, lagged behind by nearly three-quarters of a point.

Macedonia has 150 broadcasters—half of them radio and half of them television—and around 10 nationwide daily newspapers. Furthermore, there are a number of news web portals. Yet most of the panelists believe that this plurality does not provide quality news for common citizens. “There is a plurality of sources but not of viewpoints within the news; if you search the websites of the media, you will find out that the same news repeats in 15 sources, and almost 70 to 80 percent of the wording matches,” said Darko Buldioski, of the New Media Center.

Most of these media outlets are privately owned, except for the public broadcaster, MKRTV. Aside from the news web portals, there are no media that use mobile networks to deliver content. Social networks, such as Facebook and Twitter, are rapidly changing the way the audience receives news. The major political parties favor YouTube to disseminate party propaganda. On several occasions, anonymous posters on Facebook and YouTube provided raw material for the media. For instance, material on YouTube was instrumental in spreading the news of the scandal surrounding the ex-president’s public relations strategy, “Hope.” YouTube sources revealed that the ex-president used a sizable portion of his office’s budget to create a public relations strategy aimed at diminishing the ratings of the government (dominated by his political opponents at the time). Allegedly, he used the money to contract Slovenian experts directly, without following proper procedures for public procurement. In a separate incident, Facebook was used to spread the payroll of the A1 TV journalists, providing personal data to the public.

Trust in the mainstream media falls year to year; Goran Momirovski, Channel 5, said that he saw one research study that indicated that 65 percent of Macedonians mistrust the media. As a result, the media are losing audiences. According to Broadcasting Council reports covering the past three years, domestic television stations are losing 2 to 3 percent of their audience annually. Newspaper circulations dipped around 10 percent per year in the past two years, and in the last year

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) exists 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 non-partisan, 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.

they even started to lose their Internet audiences, according to data on Alexa.com.¹

There are no legal restrictions of any kind that limit citizens' consumption of foreign news or media. Some sources indicate that broadband Internet connection penetration has passed half of all households, while cable television penetration is around 60 percent. It is commonly believed that price drops for both cable and Internet connections contributed significantly to the fast growth—especially of the broadband connection penetration. However, there is still a digital gap due to cost. Almost 40 percent of the population—mostly rural areas—cannot afford access to these distribution systems. The panelists did not report any cases of censorship, jamming, or embargoes against foreign media, nor of the government blocking access to foreign websites on the Internet.

The public service, MKRTV, is biased and totally dominated by the ruling party. According to the panelists, despite its legal obligation to provide news impartially, in practice MKRTV is considered heavily partisan in favor of the state. Not only does MKRTV spend a predominant amount of time reporting on the government, but when it reports on other issues it presents the news from a pro-governmental lens. Usually, any government criticism is presented in a negative context. As for the educational and cultural programming, they tend to be very low-quality productions. Such programming is available on private media channels, but it is commercialized.

Aside from the state-owned Macedonian Information Agency (MIA), there are no active news agencies; mainstream media use Internet portals instead. Almost all major media outlets, print and electronic, rely on international news agency services, including AP and Reuters, and AFP to a smaller extent. Credit is provided.

Local media, unlike national outlets, rarely produce their own news. "In my region, only four out of seven television stations produce about seven-eight news pieces per day; in the eastern parts of Macedonia the situation is even worse," said Mevaip Avdiu, from TV Koha. Some local web portals compensate for the lack of the local news in the traditional media, but usually they are of low quality. In the panelists' view, bloggers are spectators and commentators on the media scene—not news producers.

Media ownership is somewhat transparent. An entire chapter in the broadcasting law sets standards for media ownership transparency, and obligates the media to publish their ownership structure annually. On the print side, there are no such obligations, and the panelists commented that

¹MPM, the biggest publisher in the country, provided the print circulation figures based on confidential internal documents, so the source cannot be published.

ownership concentration is very hard to regulate. Still, the public knows generally who owns certain media, even though in some cases, the legal owners are not the owners on record with the registration office. Most of the media have single owners, who influence newscasts according to their political or business interest. Two of five major broadcasters are owned by the sons of members of parliament. The broadcast law clearly states that holders of public offices, and their family members, may not own broadcast outlets—but the regulators take no action.

Local news on the national media is often neglected; local issues are covered only when something bizarre or scandalous occurs. International news is included in the regular news coverage, but always in the shadow of domestic issues. International news rarely hits the front pages or the first minutes of the newscast. Also, there is a lack of specialized news.

OBJECTIVE 4: BUSINESS MANAGEMENT

Macedonia Objective Score: 1.39

Objective 4 scored identically compared with last year. There were very minor improvements in many indicator scores, offset by a noticeably lower score for indicator 1 (efficient and self-sustaining media enterprises). All indicators scored close to the objective score.

Media companies are mostly dominated by their owners, who, for the most part, are not professional media managers capable of running their outlets as efficient businesses.

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.

Owners are responsible for company performance and human relations operations. The media have very little experience producing and realizing strategic plans. Mostly, managers improvise. Furthermore, media outlets are usually part of a bigger business conglomerate owned by same person, and most media profits come from advertisements or other economic activities of these companies. Their media just act as their public voice. "Media business: that is a mythical creature in Macedonia," commented Belicanec.

Media, in general, depend heavily on advertising and hidden subsidizing through owners' other companies. Even the print media rely on advertising, because they have unrealistic newsstand prices that cover only basic operational costs. Television stations failed in a bid to push cable operators to compensate them to rebroadcast their programs. Given the high penetration of the cable networks, they fear that any exclusion from these networks will diminish their reach, and ultimately hurt their advertising revenue.

The rate card value (declared prices by the media) of the advertising market is around €300 million, but real income is around €60 to €70 million due to massive discounting of up to 70 to 90 percent in extreme cases (the usual discount is between 25 and 30 percent).

Online media without a traditional media partner are in an even worse situation due to the fact that only about 1 percent of the total marketing budgets in Macedonia are allotted to advertising with new media. Accordingly, bloggers do not have access to these funds. Some of them use Google AdSense to generate revenue.

The public broadcaster should finance itself through the broadcast fee and from advertising, but the fee was reduced from €5 to €2 by the government as a populist measure. These funds, together with a broken fee collection system, open up greater possibilities for state interventions—covering the costs of certain activities that are, essentially, subsidies by a different name. Such support is accompanied by heightened influence on editorial independence.

Generally speaking, advertising agencies work with all types of media, but they focus mostly on the capital-based national media. Most are affiliates of global advertising agencies, and they provide full services, from creative solutions to media buying. Advertising agencies work actively with all media, although to a lesser extent with online media. Although the audience is shifting to the Internet, the money is not following.

Regarding the portion of time and space in programming consumed by advertisements, panelists estimated that for broadcast media, 20 percent of the airtime is consumed by advertising. There is no data for the print.

Government spending in advertising is still very high, and it is used to influence the editorial independence of the media. There is no law that regulates government spending on advertising. The law that regulates public procurement stipulates that bids and tenders should be published in daily newspapers, but they do not provide additional criteria, such as circulation, availability, etc.

Advertising agencies use standardized audience measurement research to guide media buying. People meters are used to conduct ongoing ratings research of television stations, and newspapers circulations are measured as well—but not all of the major media players recognize this research as valid. The panelists also believe that media have only limited success tailoring their programs according to this research, mostly due to their lack of knowledge on using them efficiently.

The panelists also underlined the problem that, despite the efforts of agencies, their clients lack understanding of new media—rendering them unsustainable. Furthermore, traditional media tend to offer their Internet advertising space through offers that bundle Internet advertisements as a bonus in bigger advertising packages—rather than exploring separate strategies for online advertising.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Macedonia Objective Score: 1.79

The slight improvement in Objective 5's score is the result of a higher evaluation by the panelists of indicator 1 (trade associations). Despite this, however, indicator 1 fell short of the objective score by more than three-quarters of a point. Indicator 7 (unrestricted and apolitical channels of distribution) was the only other indicator to not score within half a point of the objective; it exceeded it by slightly more than half a point.

The status of media trade and owners' associations remains in poor shape, but there are signs of improvement. The associations for newspapers and broadcasters disappeared from the public scene three years ago, and the gap remains unfilled. Major television stations have organized a section within Macedonia's Chamber of Commerce that attempts to compensate for the lack of a strong media owners' association. So far, they have found limited success in negotiating rebroadcasting fees with two out of four major telecommunication operators. Smaller television stations organized themselves under an association of local media, but to date they have shown very limited activity.

In one of the most notable positive developments of the year, the Macedonia Association of Journalists, faced with

strong criticism from its members, reorganized itself through statutory changes, a drive to reenlist members, and open elections for new leadership. Drawing stable income from renting out its premises and collecting membership fees, AJM is better able to finance basic operational costs. AJM is now finalizing the reforms, and it has been constantly vocal regarding threats against journalists and the need to improve professional standards.

Furthermore, in 2010 an independent trade union of journalists was registered and expressed its intention to organize journalists around their social rights.

Different NGOs, including MIM, the Media Development Center, and the CIVIL Media Initiative are still active, but less so than in previous years. Most of them operate in an unfavorable political atmosphere, and the government often labels them as political adversaries in an attempt to marginalize their efforts.

The state university and MIM have journalism schools, while several private universities offer other media and communication studies. Generally, MIM is more practice-oriented than the state program. The panelists believe that the proportion of graduates to jobs available in the media is satisfactory. However, the links between the industry and universities is very weak, and that significantly affects the quality of education. Short-term training programs do not exist, however. Trajkovska said, "There are no donors to support them, and media are not interested in covering the costs of such programs."

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 (e.g., 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.

Printing houses, distribution networks, and supporting industries are free from political influence. Distribution is somewhat problematic, though, because printing houses and newspaper distribution is essentially divided between two major companies, creating economic barriers for possible newcomers.

In the digitalization process, it is expected that telecom operators will handle terrestrial frequencies instead of the television stations. With no legislation in place to regulate access to these networks, media outlets are in danger of being deprived of the technical means of broadcasting either due to unreasonable fees or other forms of pressure.

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