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ROMANIA

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Romania has endured several years of political and financial troubles. The impeachment of President Traian Băsescu in 2007 was followed by Parliamentary elections in 2008, presidential elections in 2009, and an economic crisis that was aggravated by the political infighting.

In 2010 the Romanian government made some of the most severe public spending cuts in all of Europe, which created social unrest. The popularity of President Băsescu and his party went down but the coalition in parliament remained stable. Despite their popularity in opinion polls, the united opposition (the Social Democrats and the Liberals) failed to bring down the government in 2011 through parliamentary procedure. After the severe conflicts between the president and former Prime Minister Tăriceanu from 2006 to 2008, having a prime minister from his own party allowed President Băsescu to dictate his policies over the government. Overall, 2011 was calmer than previous years. Romania had a stable government and no new cuts in public spending, which allowed top officials to recover some of the popularity losses from the previous year. Nevertheless this could be a short interlude before future issues arise.

2012 will be a full electoral year with local and parliamentary elections. The populist pressure on the government from its own political networks will increase, as will opposition pressure after the president unwisely announced he will refuse to appoint one of the opposition leaders as prime minister if they win elections. To retaliate, the opposition announced a new procedure to impeach the president. With Byzantine constitutional provisions this is purely power politics between the two sides but it costs the country the predictability necessary to weather troubled economic times.

The economic decline of the mass media continued in 2011 as two of the largest media conglomerates (Realitatea and Adevarul) imploded this year. The salary cuts that began in 2010 happened again in 2011 and around 6,000 journalists have been laid off since the beginning of the crisis. Advertising totals decreased by 68 percent, and old problems that were considered solved in previous MSI reports came back to haunt the industry. The Romanian state is once again one of the biggest players in advertising and its practices remain abusive and unrestricted. Once solid media outlets like *Evenimentul Zilei* were sold by international investors and the transparency of the new ownership is questionable. The anti-Băsescu bias of large media conglomerates started to be balanced by new outlets, but rumors persist that the governing party is investing in these new outlets in order to create a favorable media. As it stands, Romania now has more pluralism in media but less objectivity.

MSI scores remained generally stable with a modest increase in Objective 1, a minor increase in Objective 4, and a slight decrease in Objective 5. The Objective 5 decrease can be attributed to the collapse of some significant media organizations (Romanian Press Club, Association of Local Owners and Editors), which forced laid-off journalists to flock to the still weak trade unions.

ROMANIA AT A GLANCE

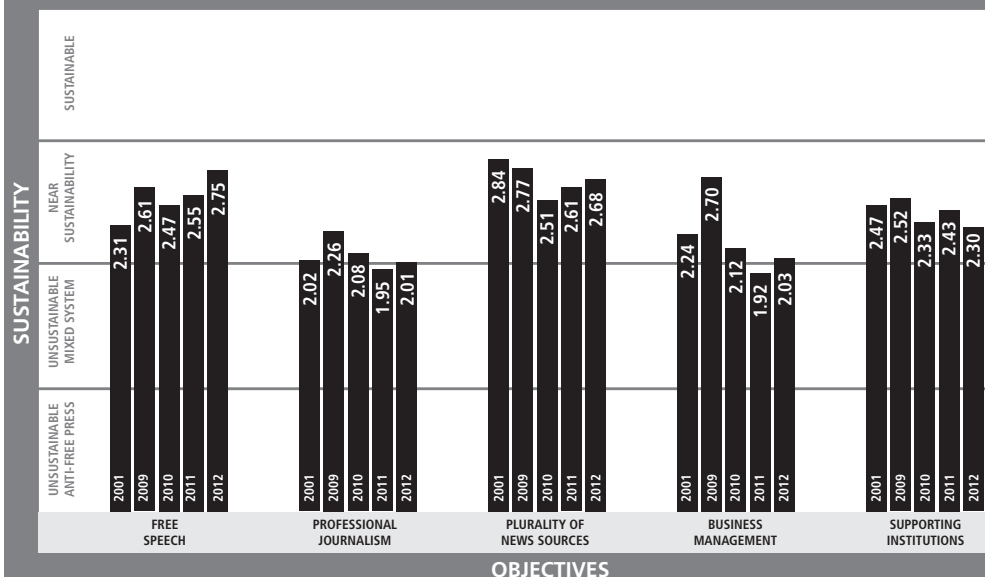
GENERAL

- > **Population:** 21,848,504 (July 2011 est., *CIA World Factbook*)
- > **Capital city:** Bucharest
- > **Ethnic groups (% of population):** Romanian 89.5%, Hungarian 6.6%, Roma 2.5%, Ukrainian 0.3%, German 0.3%, Russian 0.2%, Turkish 0.2%, other 0.4% (2002 census, *CIA World Factbook*)
- > **Religions (% of population):** Eastern Orthodox (including all sub-denominations) 86.8%, Protestant (various denominations including Reformed and Pentecostal) 7.5%, Roman Catholic 4.7%, other (mostly Muslim) and unspecified 0.9%, none 0.1% (2002 census, *CIA World Factbook*)
- > **Languages (% of population):** Romanian 91% (official), Hungarian 6.7%, Romany 1.1%, other 1.2% (*CIA World Factbook*)
- > **GNI (2010-Atlas):** \$ 168.2 billion (World Bank Development Indicators, 2011)
- > **GNI per capita (2010-PPP):** \$ 14,060 (World Bank Development Indicators, 2011)
- > **Literacy rate:** 97.3% (male 98.4%, female 96.3%) (2002 census, *CIA World Factbook*)
- > **President or top authority:** President Traian Băsescu (since December 20, 2004)

MEDIA-SPECIFIC

- > **Newspaper of active print outlets, radio stations, television stations:** Print: 433 publications (according to BRAT); Radio Stations: 642 (609 terrestrial broadcasting, 33 satellite broadcasting (CNA Annual Report 2010); Television Stations: 8 general stations, 3 sports-oriented, 5 news stations (366 licenses granted by CNA, CNA Annual Report 2010)
- > **Newspaper circulation statistics:** Top ten papers have a combined circulation of approximately 1,127,000 (Audit Bureau of Circulation, 2010)
- > **Broadcast ratings:** Top three television stations: Pro TV (7.9%), Antena 1 (4.9%), Kanal D (2.9%) (paginademedi.ro, 2011)
- > **News agencies:** Mediafax (private), Agerpress (state-owned), NewsIN (private)
- > **Annual advertising revenue in media sector:** €273 million, of which €209 million is spent on television, €27 million on print, €23 million on radio, and €14 million on Internet and cinema. (paginademedi.ro, 2011)
- > **Internet usage:** 7.787 million (2009 est., *CIA World Factbook*)

MEDIA SUSTAINABILITY INDEX: ROMANIA



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

Romania Objective Score: 2.75

Due to the accession process to the EU and the amendments to laws following the decisions of the European Court of Human Rights (the legal harmonization process), Romanian legislation is largely in accordance with the European standards. However, this year's panelists identified two worrying issues. Firstly, a new Civil Code entered into force, completely replacing the old Civil Code, after a complex drafting process and being postponed for several years. And second is the proposed draft of a new national security strategy.

The drafting process for the new Civil Code was secretive, with commissions of lawyers and law professors working on the initial drafts, which were later debated in public. The government used an emergency procedure, reducing the possibility of the parliament to change the text, to get the new Civil Code adopted. The new law raised awareness of privacy and public figures' rights to defend their image against others' freedom of expression. As a representative of the Romanian Journalists' Association, panelist Cezar Ion participated in debates with the authors of the initial draft. According to him, some of the authors had personal issues that caused an anti-media attitude: "I attended meetings with university professors who designed the new Civil Code.

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.

The project targeted the interaction between privacy and the media and freedom of expression, not just for the press, but as a general principle. As long as this topic was related to other fields of activity and other institutions, everything was alright. When it referred to the press, the situation wasn't all roses anymore. Those professors had personal issues with the abuses of the press, with the tabloids. In the end, the only way in which we managed to balance the situation was by modifying an article that made reference to the European practice and European decisions that take precedence over the internal ones. It was a long debate about the meaning of public interest. It's difficult to define it."

The general impression of the panel was that the new code reverses the previous situation in which the freedom of expression prevailed over privacy protection. The participants were especially anxious because they did not trust the Romanian judges to enforce the new law wisely and in the public's interest. Cătălin Moraru, editor-in-chief of *Monitorul de Botoșani*, one of the biggest local newspapers, said, "It is hard to predict how the judiciary will interpret the new Code. There has been no training with the judges on these issues. The courts used to interpret the old laws in an unfavorable manner for the press. They new ones will be subject to interpretation even more. We were once sued by a businessman and the judge asked us 'Who allowed you to write such a thing?' Our answer was 'The constitution.' However, we won after the appeal when a better judge asked him some questions about the content of the article. The businessman realized he didn't stand a chance and withdrew. The president of the court stated in an interview that there is no expertise on the new Codes."

Not all panelists were against the new legal approach. Iulian Comănescu, a well known media analyst, even expressed his hope that media will be held accountable by the new Code: "The new legislation brings up front the idea of privacy. I wish the tabloids had lost and paid the damage compensations to the Bănică family." His reference is to a scandal in Romania involving the famous singer Ștefan Bănică and his wife, a famous television host herself, who were harassed by paparazzi. The Bănicăs started the first cases against the tabloid newspapers under the new Civil Code, asking for huge financial damages. The abusive style of the newspapers and the campaign to harass the two VIPs generated public support for them against the journalists. Comănescu is far from being alone in his adversity towards tabloid media. He added "The press seems to be wilder and wilder. It's good that it's kept within boundaries. Tiberiu Lovin, for instance, went through the personal emails of the public radio's manager and published private information from them. People outside the press, decent people, were

telling me that something needs to be done with the press as it has lost its grip.”

Other panelists, although recognizing the media abuses, were afraid that the new code opened the door for other abuses against the media. Răzvan Martin from the NGO Media Monitoring Agency pointed out that, “The problem is that the same article of this law that is used against tabloids could also be used against serious journalists who investigate corruption.” What is happening now, more panelists concluded, is that all media outlets are forced to pay for the abuses of the tabloids and the bad image they created. Moraru said that, “Talking from the perspective of an honest journalist, this is what is happening to me. People are throwing all of us in the same category. When the self-regulation element is missing, everyone goes to court.”

Self-regulation never functioned in Romanian media. A coalition of 30 media NGOs, the Media Organizations’ Convention attempted to create regulation, and even proposed an Ethics Code but it lacked enforcement mechanisms. The Romanian Press Club, which gathers big media owners and powerful editors, was for years reluctant to open the debate and when it adopted its own Ethics Code, its members showed little interest in enforcement.

No one expects self regulation mechanisms to function when faced with media abuses. The only solution is to go to court, but the expectancies are low with regards to justice itself. “Everything is decided in an incredibly unstable judiciary system,” Ion said.

A second issue that came up spontaneously in the group discussion was the proposed draft of a new national security strategy, also covered in last year’s MSI. The draft strategy is still pending in the parliament. Media NGOs, trade unions, and media outlets protested because media was mentioned as one of the security risks. The European Parliament was involved in this internal dispute and last year three leaders of different political groups, Martin Schultz (Socialists and Democrats), Guy Verhofstadt (Liberals) and Daniel Cohn-Bendit (Greens) sent an open letter to their Romanian counterparts asking them to reject the proposal.

An open petition is pending in the specialized committee of the European Parliament and a delegation of European Parliament members paid a highly publicized visit to Romania at the end of 2011 to further investigate the issue. Panelist Adrian Moise, vice president of MediaSind, the trade union of the media industry, was involved in bringing this subject to the European Parliament’s attention. The opinion was split among the group. Ion mentioned that, “The strategy makes a reference to press campaigns aiming to influence state institutions; there is no

reference to the press being a threat to national security as such.” On the other hand Martin sided with Moise, saying, “It’s easy to interpret it abusively and this document may well serve the interests of the secret services in this area.” Moise also added that the secret services would gain a dangerous upper hand over the media: “It gives them the right to wiretap without a mandate just to verify the accuracy of the information (e.g. if a media outlet is targeting some officials).”

Given the fact that the draft strategy is still pending in Parliament two years after being proposed, it is a sign that public protest has had the effect of making Romanian officials reluctant to go on with it. But both the new Civil Code and the attempt to deploy the secret services to bring order to the media industry are just symptoms of a deeper frustration. According to the panelists, the public image of the media is rapidly worsening and the prestige of the profession reached catastrophic low points. Ion believes that, “The greater issue is that the public opinion supports these attempts. People are tired of the press, even journalism students are telling me this; the press is becoming too aggressive.” Moraru was afraid that an idea of a comprehensive media law that could over-regulate the profession was gaining ground: “There is a common understanding that a law of the press is needed; it’s on everyone’s lips. The purpose and essence of this endeavor are simple: shut your mouths.”

The National Council of Broadcasting (CNA) is an autonomous body that controls broadcast licensing. It is nominally subordinated to the parliament in that its 11 members are appointed by the president, the cabinet, and the parliament. The members of the CNA often see themselves as representatives of the parties that negotiated their nominations. Formally, members of the Council have the power to elect the president of the Council, but in fact, the position is negotiated by the parties in the parliament. This is possible because the members’ vote has to be validated by the parliament. So in practice, the CNA members vote the candidate already agreed upon by the majority in the parliament. The current president of CNA got his position after the Liberal Party, which nominated him, traded this office with the Social Democrat Party, which took the directorship of SRTV, Romania’s public television broadcaster. It was a bad deal for the Social Democrats when, after the 2009 parliamentary elections, the new majority removed their representative from his directorship, while the president of CNA remained in office. The difference was made by a detail in the CNA law: the parliament has to approve the yearly activity report of CNA. A negative vote has no consequences. In the case of SRTV this is different; a negative vote in the parliament means an automatic dismissal of the board and of the director.

This year, as in previous years, panelists expressed doubts about the license granting process. The criteria are vague and political connections seem to count more than the professionalism or promises about the content (each license is formally granted after the broadcaster presents a detailed content plan). Regardless, the cases in which CNA is refusing to grant a license are exceptional and usually connected with public morals or the protection of children. In 2011 it refused to grant license to a Romanian adult channel. In a 2011 opinion poll¹ paid by CNA, 55 percent of citizens considered that CNA is a necessary institution to monitor broadcast media.

The gatekeeper role of CNA is less important than its function to police the broadcast media. All the panelists agreed that the institution fails to do so. CNA is supposed to monitor the implementation of editorial plans and to sanction the broadcasters that fail to obey the law. The institution is understaffed to thoroughly fulfill this function: only 13 employees monitor the content of all Bucharest based television and radio stations. Ion underlined that, "CNA is by all means understaffed compared to its mission." The structure was created at the beginning of 2000 when the media market was completely different, with far fewer media outlets and stations overall, but nobody is willing to change the law or grant CNA more resources. As a consequence CNA does not perform comprehensive monitoring but rather only reacts when complaints arise.

In some cases CNA is openly ignored by media owners and broadcasters. In 2011 a spectacular conflict occurred between the manager and the owner of Realitatea TV, the first all-news television station in Romania and the most influential for years. It was owned by Sorin Ovidiu Vântu, a highly controversial businessman. In 2010-2011 Vântu was tried for criminal activities not connected with his media business and was jailed for a while. Legal problems brought about financial difficulties, and Vântu could no longer subsidize his television station. In 2010 he signed a management contract with another businessman, Sebastian Ghita. According to the contract, Ghita received full control of Realitatea TV for five years in exchange for subsidizing the station and covering its costs. But the two had a falling out in 2011 and entered a game of mafia style threats over the control of the station. Vântu was even arrested for death threats. Ghita seemed to win the first round, fully controlling the station that was formally still owned by Vântu. In the middle of 2012, however, Vântu announced that he sold Realitatea TV to a third businessman, Elan Schwarzenberg, who then replaced Vântu in the manager-owner conflict.

¹ IRES, "Attitudes and consume habits—Perceptions about CNA" [Atitudini și obiceiuri de consum media—Percepții privind CNA], 2011.

On October 23, 2011, while Realitatea TV was broadcasting from their offices controlled by Ghita, another Realitatea TV with the same name and brand started to broadcast from other offices controlled by Schwarzenberg. It was a spectacular *coup de télévision* happening live. The two stations continued to broadcast in parallel, to the confusion of the public. CNA was supposed to manage the dispute but it was ignored by both of the businessmen, each breaking the law in different manners. Only weeks after the scandal the two were called to testify in front of the CAN's members and the CNA decided to fine both and let them continue their operations. Currently, one is Realitatea TV, the other one Romania TV, although both use the acronym RTV. In this instance, the market that was supposed to be highly regulated was operating in anarchy, with the state weak and late in responding to the power contest.

In 2010 CNA tried to launch a debate on changing the must-carry rule. According to the current rule, cable providers are compelled to retransmit all public television channels, the French TV5, and private television stations in the order of ratings (up to a limit of 25 percent of the total number of channels on offer). This strict regulation makes the system predictable. On the other hand, it encourages the race to the bottom in terms of quality. CNA was forced to order the cable companies to retransmit OTV, a tabloid style station that CNA fined many times for breaching the rules. A group of CNA members noticed this paradox and proposed to change the rule. But the rest of the stakeholders (television stations and cable companies) preferred the status quo rather than open the door for other problems, such as possible abuses from the authorities who grant permits to cable companies.

Panelists rejected the idea of changing the must-carry rule as they believed the audience-based system is preferable to a more interventionist one because they do not trust the state or CNA to be an honest referee. Moraru summarized this feeling: "For all the unorthodox things OTV is doing, the result should be its sanctioning, not the amendment of the law and changing the rules."

Romania is supposed to make the digital switch by 2015, in line with all other EU members. Although it was the first EU country to transpose the EU directive back in 2008, changing its broadcast law in order to incorporate the provisions of the directive, in practice the process was delayed to the ultimate European deadline. The incentives to invest in digitalization are low, as 90 percent of the population subscribes to cable. Comănescu suspected a lobbying effort by the big television stations to postpone the switch over: "Digitalization is due in 2015. We tossed and turned and took a rain check. Yet this procrastination is meant to maintain the status-quo. Nobody

is willing to invest in digitalization. From the point of view of media pluralism it is not good, the market is closed.”

CNA was more involved in 2011 in the internal conflicts between television owners and some journalists as a group of CNA members (former journalists) tried to reshape CNA's role into a defender of journalists against their owners. They lacked a majority within CNA, however, to really sanction the broadcasters and for the time being they just organized public hearings, calling both journalists and representatives of the owners to testify.

Although most of them work as journalists, MSI panelists tended to distrust the idea to have a more active CNA to intervene between journalists and their owners. Ion mentioned that it could turn out be a dangerous precedent: “If we open this gate, CNA can dictate what is being aired in the news. CNA should not intervene even if journalists are going to the institution themselves. If journalists have problems, they should take them to court, not CNA.” Moraru thought that having CNA holding debates still helps journalists by bringing these cases to the public's attention: “It's good if CNA holds debates, it helps.”

As noted in last year's MSI, in 2010 the government abolished a practice known by Romanians as “intellectual rights contracts.” This form of payment for individuals who draw irregular incomes from creative activities, including journalists, exempted them from paying social taxes. The media industry abused the practice, and it became the norm to pay journalists through such contracts as a way to avoid regular taxation. The government closed this loophole, abolishing this form of payment. The panelists criticized not the decision itself but rather the abrupt change of the rules and the bad timing. Comănescu said: “It wasn't OK to pay people in this form. But it started in 1999 with big media companies such as ProTV and Ringier and the rest followed them. The state tolerated this practice for ten years and afterwards it should have asked people to make new contracts, legal under the new law, not settle the issue forcefully.” Moraru said that changing the law forced him to decrease salaries for his reporters by 10 percent, and that intellectual rights contracts should be allowed for journalists: “If journalists don't have the possibility to work on copyright, then who does?” Other panelists welcomed the change because it forced the owners to pay journalists through regular, more stable working contracts: “In Western Europe journalists are hired on contract; I think it's a good thing that journalists have a contract,” said Ion.

Another change in the law that affected journalists, although in this case only highly paid ones, was the introduction of VAT for copyright contracts exceeding €35,000 per year. This was actually an older law created in 2007 but it was

ignored until this year when fiscal authorities asked people to pay retroactively for the last four years. This created some scandals and most of those who were supposed to pay went to court and won. This measure created a widespread impression that the fiscal authority is targeting journalists, as Comănescu said: “In the end I find it to be a dubious attitude towards the press. We have an obedient fiscal authority that controls companies following political criteria. I don't want subventions; I want flexibility and low taxes.” Moraru underlined the especially bad timing of the new measures: “Whole newspapers disappeared lately. The decision makers should think that the mass media is important for democracy and should help it. There should be some subventions and support for the press as well; it is done all over the world. Instead they take all these measures to suffocate us.”

There are no life-threatening abuses against Romanian journalists. No journalist has been killed or injured in recent years, but some cases of harassment still occur. Occasionally harassment takes aggressive forms, mostly from the subjects of reporting. For example, according to the Active Watch Freeex Report, journalist Alina Băbeanu and cameraman Sorin Mateiciuc, correspondents of the television network Realitatea TV in Suceava, were brutalized by the spokesperson of the Municipal Hospital of Rădăuți, cardiologist Doru Ilie. Even though the journalists had entered the hospital with the consent of the manager in order to speak to two teenage girls who had been hit by a car, the spokesperson, who had been called from home by the guard at the entrance in order to greet the journalists, lost his temper. “He punched the camera several times, pushed my colleague into a locker, pulled us both by our clothes, cut off our way with help from the guard and pushed us forcibly into the elevator, after which he escorted us all the way to the main gate of the hospital.”²

Moraru considered such harassment a sign that the public's mood is turning against the media: “The public is tolerant when it comes to attacks against journalist. There is no public outcry. The general view is that journalists are meddling where it's none of their business so they deserve it. It's true that on the other side, the press is exaggerating as well.” Martin considered that, “Whatever the press does, it is no justification for abuses.”

Public media in Romania include SRTV, the national radio (SRR), and the public news agency (Agerpres). The president, the parliament, and the cabinet appoint the boards of these national radio and television stations, according to a 1995 law.

² “Freeex Report: Press Freedom in Romania, 2010. “Active Watch and Reporters without Borders: 2011. p.27. Available at: <http://www.activewatch.ro/uploads/FreeEx%20Publicatii%20Press%20Freedom%20in%20Romania%20Report%20May%202011.pdf> (Accessed March 15, 2012).

There were endless debates and promises in the last year about changing this old law in order to create a more accountable mechanism to govern the public media, yet nothing changed in practice. Martin represented a media NGO (Active Watch-Media Monitoring Agency) in public debates about one of the draft laws and even helped MP Raluca Turcan to draft a proposal. But he expressed his disappointment that all these efforts were in vain: "Nothing is changed in the law after so many years of discussions. Everyone blocked that proposal. Turcan was left twisting in the wind by her own party." Moise cited the lack of political will to solve the problem: "Turcan was not supported. There is no support in this coalition for change and losing the leverage over the national television and the radio." Everybody in the group of panelists agreed that politicians maintained the status-quo in order to have leverage over the public media.

The board of SRTV and its director are usually changed after each parliamentary election. The new majority in parliament usually rejects the activity report of SRTV, which legally means forcing the board to end its term. Both panelists working as journalists for public media were convinced this is a deliberate tactic to control their institutions. Moise, who works for public radio and represents employees to the board said, "The activity reports are kept in the parliament to be used as a threat." Ion, an editor with the SRTV said, "Having this activity report pending in parliament is like a sword hanging above SRTV's head. The Turcan law proposal [would have] changed all this and rejecting the activity report [would not] mean the dismissal of the board anymore." Ion explained Turcan's failure to obtain support from her own party as resulting from the inclusion of this provision in the draft. This apparently minor detail makes a huge difference in practice, as CNA has enjoyed stability while the board of SRTV has been dismissed after each parliamentary election since 1996 with new majorities in parliament.

Besides the political control, the situation of SRTV is aggravated by a deficient corporate structure. "There are no criteria for nominating the members of the board," said Ion in his complaint about the quality of the people sent to oversee SRTV. Most of them see their role only as the representative of the party that nominated them.

Both Ion in the case of SRTV and Moise in the case of SRR complained that in recent years the political parties renounced the silent agreement to appoint people with solid professional backgrounds. "Regarding the last board, politicizing became obvious, transparent. We are not even pulling the shades anymore," Moise said.

There is no clear delineation between the role of the board members and the executive management, Ion further complained. In some cases the board took collective decisions,

micromanaging financial aspects for which board members are not accountable. For instance it was the board decision for SRTV to buy the UEFA Championship at huge costs that led the institution to accumulate debts when the UEFA competition drew less of an audience than expected.

Other structural constraints limit the freedom of action of public media outlets. According to the law, the transmission of both public television and radio should be paid by the government. In practice the government pays SRTV and SRR and they pay the state owned communication companies. Although they act as intermediaries between the government and the government controlled companies, the two outlets are further exposed to possible pressures and blackmailing from the government: "We keep our hands stretched out to the government to give us money to pay for transmissions," noted Moise.

In the case of SRTV the parliamentary control can extend to micromanagement. According to the law, neither SRTV management nor the board can decide to close a channel without the parliament's agreement. For instance the idea to close TVR 3—a failed attempt to develop a channel dedicated to original content—was blocked by this detail in the law.

The situation is even worse in the case of the public news agency, Agerpres. Formally speaking, Agerpres is subordinated to the government and is a part of the public administration. Its director is appointed by the prime minister and its employees are, legally speaking, public servants. Moise, as a media trade unionist, helped some of the Agerpres journalists in a court case involving management abuse. The attempt to create a union branch within Agerpres was prevented by the civil service status of the journalists working there. Moise said, "The people there are public employees. They are journalists in fact, but cannot benefit from the legal provisions for them. The director of Agerpres is named by the prime minister. The current director had his mandate expired in 2009 and he is still the provisional director there. He was put in power by the former government. But he was taken over and kept, because he is useful."

The discussion group concluded this year that the issue of criminal sanctions for journalists was solved in Romania, although there remain difficulties. As mentioned in previous MSI reports, Romania was asked by the European Court of Human Rights to eliminate calumny from the Penal Code. This was done in 2005 by former Justice Minister Monica Macovei, but the Constitutional Court later rejected the change by saying that civil penalties alone are not enough to protect privacy and personal image. After the Court's decision, parliament was supposed to vote on another law to reintroduce calumny into the Penal Code. Fortunately parliament did not bother to pay attention to this issue. An

ambiguous legal situation lasted for several years, each judge having to decide individually if a criminal lawsuit against a journalist was acceptable or not. Finally in 2010 a decision was made by the Supreme Court. The Supreme Court applied its mandate to unify judicial practice by deciding that calumny should not be treated under criminal law. The Constitutional Court did not react to this and the issue seems to be settled in favor of the media.

In 2001 Romania adopted a Freedom of Information Act (FOIA), inspired by the American model. It was lauded at the time, since a large coalition of NGOs worked together with the government and opposition to draft the law. While this has been a step forward, problems still persist in obtaining information and the authorities are usually reluctant to offer information that could reveal corruption or other sensitive issues. Because of this, most journalists tend not to use FOIA as an instrument, relying more on informal sources within the institutions. Moraru told an interesting story to the group of panelists: "I asked for information about salaries at the public water company in my city. They decreased their salaries for one month to give us lower numbers and only afterwards did they send the info to us."

The panelists expressed their disappointment that journalists rarely use FOIA to get information. Besides the legal aspects, the media manifests a low appetite for investigative journalism. The media landscape is increasingly dominated by tabloid and Internet outlets that seem to be targeting an audience with limited attention spans. To wit, Comănescu said, "The problem is that there are no more investigations done so nobody is looking for information anymore."

International magazines are widely available, but the high prices discourage readership. As well, Romanian media outlets are free to republish foreign content but such partnerships are still rare due to economic constraints.

There are no restrictions for practicing journalism in Romania. A draft law was proposed in 2011 by Liberal MP Ion Ghise to limit the profession of journalism only to persons that were registered with special journalism chambers. A special license was supposed to be granted to these chambers (Ghise, a lawyer himself, wanted to replicate for journalists the model of the bar associations for lawyers). To add insult to injury Ghise also proposed compulsory annual psychiatric controls for each journalist, but his law was rejected by parliament.

Comănescu considered Ghise's initiatives (he is the same MP who proposed compulsory 50 percent positive news on television a few years ago) as only opportunistic attempts to take advantage of the anti-media views of the population. Moraru agreed: "This proves that in Romania there is a distorted, unbalanced perception of journalists."

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Romania Objective Score: 2.01

As in previous years, the MSI panelists criticized the quality of Romanian journalism. The economic crisis hit journalists and outlets attempting to produce serious, high-quality news especially hard, and all newspapers are facing financial troubles. This created further pressure for the quality of the content: "The written press became unreadable in Romania. Objectivity is almost nonexistent in the sphere of reporting about politics," said Comănescu, summarizing professional journalism in 2011.

The general situation with Romanian media could be described as having plurality without balance. The consensus of this year's panel was that the attempt to have an independent and objective media seems to have failed with no hope for the future. Martin expressed this bleak mood: "There are many cases of partisanship, especially when the main television news channels are concerned. The information market in itself is well balanced which means that if one is looking to form an opinion, one can take bits and pieces from here and there. However, taken separately, each press outlet in itself is biased." The bias against President Băsescu that was obvious at a main television station in the last years was counterbalanced by new media outlets that were closer to Băsescu's party, both ideologically and financially. The political bias is so manifest that the endless talk shows of the five television news stations are watched only by the hardcore members of each camp. As for the new media, Moraru said, "There are no rules. The new media is even worse than the old."

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).

Romania has a long history of talking about ethics codes but no media outlets actually implement such a code. There are several such documents formally adopted by various organizations, such as the Romanian Press Club, the Union of the Professional Journalists, or the Association of Local Editors, but none of them proved able or willing to fully apply them. Behaving ethically in Romanian media remains a purely personal choice. There is no organizational pressure, nor incentive to encourage compliance.

Ion said the ethics committee of SRTV is an exception. Members of this committee are directly elected by the employees. Its biggest value is that it exists; thus SRTV has an accountability mechanism, unlike the private outlets. On the negative side the committee functions more as a defender of the employees rather as an enforcer of the rules. It is also true, Ion admitted, that the pressure on SRTV employees is weaker than in the private companies.

A timid attempt to find some order was made by CNA which asked the television stations to publish their ethics codes. CNA's request came after highly visible conflicts between some journalists and their owners, and CNA needed some standards against which to judge the cases. However, this request did not make a real difference. The Association of Broadcasters (ARCA) rushed to propose an ethics code and the television stations adopted it formally. Martin considered that, "CNA asked televisions to publish their ethics codes. Some adopted the ARCA code, which is a joke." The group agreed that ARCA's document is a compilation of general rules with no practical effect other than formally fulfilling CNA's request. Moreover, it is giving the broadcasters an advantage over the journalists by essentially saying that the broadcasters have the right to intervene in an editorial capacity whenever they deem it necessary, especially when the designated editorial authority has not produced the expected effects.

It is also true that CNA did not follow up on its own policy. During the scandal between Sebastian Ghita and Elan Schwartzberg (described above) a member of the CNA asked both of them during a public hearing³ which one was on the right side of the ethics code that was published on Realitatea TV's website (the ARCA-promoted code). The question was absurd in that CNA was asking about an ethics code adopted by another organization and only published following their own request, while the two sides were caught in a gangster-like conflict replete with bodyguards and illegal property sequestration. There was no surprise when both sides solemnly promised to obey the ethics code and CNA was left to fine each €2500.

³ "Ghita si Schwartzberg la CNA. Amenda de 20.000 de lei pentru RTV si de 10.000 pentru Realitatea TV pentru toate nereguliile din ultimele zile"; Hotnews.ro, 25 October 2011.

The panelists considered self-censorship by journalists a widespread reality. The pressure comes both from owners as well as from advertisers. "In the outlets owned by the big media moguls there is a lot of self-censoring. There are two categories of people working there: those having alternatives [who are not dependent solely upon their journalism wages], and those having to self-censor," Comănescu said. One-third of Romanian journalists interviewed in a survey⁴ admitted their reporting is influenced by advertisers, but this seems to be an understatement. The MSI panelists seemed convinced that pressure from advertisers is a rule rather than an exception.

For instance, in the case of Rosia Montana Gold Corporation (RMGC), which is pursuing an aggressive media campaign, the issue is the opening of a highly controversial gold mining project. For this purpose, large sums have been invested by the company in an attempt to convince the public that the project will benefit the Romanian job market and economy. Environmental NGOs, as well as some politicians, oppose the project, but the company continues to try to throw a veil on the severe criticism surrounding it. The reporting of the case changed dramatically in the last few years as the initial criticism of the environmental risks of the project faded. Martin believes that the explanation for the shift lies in the significant advertising money RMGC invests in the media: "Rosia Montana Gold Corporation is becoming a taboo topic in the press. We have accounts from media outlets that journalists are requested to not write on this topic. They are told that RMGC's money pays for their salaries." This seems to be supported by numbers that the Media Monitoring Agency gathered regarding the content on this topic from January to June 2011.⁵ *Adevarul*, which is the only Bucharest-based newspaper that refused to accept money from RMGC, published 39 articles in that period concerning the mining project, with 20 critical and 17 neutral. On the other hand all the other major newspapers, which receive advertisement from RMGC, are much more positive: *Romania Libera* (19 articles, 18 positive), *Evenimentul Zilei* (26 articles, 23 positive), *Jurnalul National* (18 articles, 13 positive). Martin added that online media, being less concentrated and therefore harder to control, are more critical of RMGC. Moraru quoted his own example to illustrate RMGC tactics: "We had an RMGC advertisement on our website because it was contracted through an agency specializing in online ads; in our print edition we published a critical piece about the project. The agency called us and asked us to change

⁴ Tsetsura K, "Media Transparency in Romania: Final Professional Report," Gaylord College of Journalism and Mass Communication, University of Oklahoma, USA, 2010. Study conducted on a sample of 127 journalists and 66 experts in public relations.

⁵ Unpublished data provided for this report by Razvan Martin, project manager with Media Monitoring Agency.

the tone, we refused and they withdrew the ads from the website.”

In addition to the constraints over media outlets, individual journalists rarely protest against their editors: “The editors don’t have to exert too much pressure. Journalists self-censor at a rapid pace in order to gain more [job security],” said Moraru.

Panelists did not complain about Romanian media facing taboo issues. On the contrary they criticized the lack of selection and relevance: “Everything goes by the journalists. What the parties want, what the PR companies want; the press is like a gramophone needle, everything goes through it,” said Comănescu. Comănescu also criticized the transformation of journalism as a profession from news and story producers to middlemen between agenda setters and the public: “There is this pattern in which the journalist is not the one who produces the news anymore, but the news comes to him. There is no more legwork being done.” The written media lost its main role as an influential agenda setter and was replaced by all-news television stations. Most of the journalists working for newspapers are watching the endless talk-shows on television screens and try to produce articles following the same stories. It is a cheap way to produce content, but a lame one. The public consuming written media is supposed to be satisfied reading tomorrow the stories they already heard on television today. “Value-added content in print is poor in recent years as the two most active all-news television stations set the agenda and the newspapers follow, and talk shows dominate the television news programs,” said Martin.

The tendency to publish everything, without a filter, is aggravated in online media, which does not have the space constraints of classic media. “Since news websites are on the market, there is more news present, but all relevance is lost,” said Martin. Moraru described the situation in Botoșani: “A city of 100,000 inhabitants has 15 local news websites. Each website is supported by one jack-of-all-trades who is at the same time a journalist, a PR man, and everything else.”

According to media trade union estimates, around 6,000 journalists were fired after the economic crisis hit Romania: “Many of those who took bank loans during the past years are now on the brink of despair,” said Ion.

Three or four years ago MSI panelists were complaining that the big investments of the so-called media moguls raised journalists’ pay to unsustainable levels, and the reality exceeded their worst fears. With almost one-third of journalists laid off and virtually all of them (with the exception of public outlets) having their salaries cut in half, there has indeed been an implosion of the media investment

bubble. Pressure on journalists now does not come from unsustainably high salaries, but from the fear of not getting paid at all. The situation made the profession even less attractive than it was: “The new journalists don’t take up this profession for their salaries. Journalism is seen as a passing gate towards a different profession: spokesperson, working in the cabinet of a local politician,” said Moraru. Nevertheless the panelists tended to agree that there was no direct connection between corruption and salary levels.

The prevalence of entertainment programs over the news was considered so overwhelming by the panelists that Martin, when asked if entertainment programs are in any way intruding on news programs, joked that it is the other way around: “news programs are not in any way intruding on the entertainment programs!” The panelist also pointed out that what should be news is in fact packaged to sound like entertainment. The paradox is that Romania has five all-news television stations and two others received licenses and are expected to start in 2012, but this expansion means that each station wields less influence. Thus it is a race for the bottom in terms of quality. Typically, an endless cycle of talk shows, all featuring the same talking heads, are asked to share their opinions on both serious and trivial issues. Comănescu connected this issue to the upcoming elections (local, county, and for the national parliament): “We have elections coming up next year and two new news televisions are announced to come out on the market. Therefore, I would daresay that news is coming back, only it is not really news.”

The panelists did not consider the technical capacity of media outlets to be a problem for content production.

Panelists did complain about the lack of appetite for serious investigation: “Three or four years ago there were more journalistic investigations going on,” said Moise. Nowadays, serious investigations in corruption cases, the deals in energy and mineral resources controlled by state (e.g., gold, gas, timber), or military procurement are as good as gone.

There were three business-focused dailies in Bucharest before the economic crisis; one closed in 2010, another one in 2011. The economic crisis reduced the market to a more rational size, banishing the reckless expansion that happened before the crisis.

Romania lacks publications oriented on social issues, such as education or health. Issues such as the coherence between the scholastic curriculum and the needs of the labor market or the alarming teenage pregnancy rates are only superficially mentioned in the media. Most foreign investors were driven out of the mainstream market but they remain powerful in the glossy magazines sector with dedicated publications for IT, vehicles, women, fashion, etc.

OBJECTIVE 3: PLURALITY OF NEWS

Romania Objective Score: 2.68

The market for Bucharest-based dailies was overcrowded several years ago with more than 16 newspapers. Some of them disappeared, others survived only online but all of them are facing harsh financial troubles. The entire advertising market shrunk after 2008 but the fall was most dramatic in the case of print media. The television market, however, remains overcrowded and is still expanding, driven mostly by owners desiring to buy political influence among the 83 percent of Romanians who watch television each day.⁶

There are five active all-news television stations and another two upcoming to cover the electoral year 2012. One could say that such a flourishing industry would ensure pluralism but this is not necessarily the case. Most of the media outlets remain concentrated in the hands of a limited number of powerful owners, called media moguls by the Romanian public.

Manuela Preoteasa, editor-in-chief with EurActiv.ro, wrote a Ph.D. thesis in 2011 about the media ownership concentration in Romania. Her main conclusion was: "There is a clear concentration of media propriety and it goes beyond the profit concentration. We rather have a concentration of political affiliation." The position of media owners towards

⁶ IRES, "Attitudes and consume habits—Perceptions about CNA" [Atitudini și obiceiuri de consum media—Percepții privind CNA], 2011.

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.

different political sides is clearly translated into the position of their media outlets. Sorin Ovidiu Vântu, a former mogul whose implication in criminal activities led to the fall of his media empire, put it bluntly in 2009 in conversations with his journalists: "Yes, my dear, this is what I need: a very efficient organization, [that] answers the economic orders to which it is subject. Nothing more."⁷

This attitude was not an exception, but rather a rule. The only positive development is the above described pluralism—though, as noted, it comes without objectivity. Unlike previous years when a clear coalition against President Băsescu was visible among the most powerful moguls, many have changed sides and new owners have appeared with more pro-Băsescu stances (the fact that Băsescu's party controls the government and distributes public resources surely encouraged this evolution). The situation was best summarized by Comănescu: "There is a multitude of information sources, but they reflect only two points of view: pro- and anti-Băsescu."

The extreme partisanship of most media outlets goes hand-in-hand with ignoring serious issues in favor of trivial ones. This happens not only in tabloid media but also in the self-proclaimed quality news broadcasting. "We have a multitude of information about [celebrity] Monica Columbeanu and less about the financial crisis in Greece," said Martin. Columbeanu's case to which Martin is referring concerns a beauty queen who married an older businessman but later divorced. The details about their personal life dominated television news in 2010 and 2011. Aside from the problem of one-dimensional, partisan news, citizens generally have unrestricted access to foreign and domestic media, except for the very remote areas where the Internet is not available.

The political control and poor corporate culture and management of SRTV are reflected in its content. Information leaked at the end of 2011⁸ reveals that the total debt of SRTV reached €100 million. In a press release⁹ following the leak, the current management blames the decisions made by the former board to buy expensive programs. One may think this was the price that SRTV paid for maintaining quality content and refusing to compete with private stations for entertainment, but this is false. In fact, SRTV incurred this huge debt by entering the race to the bottom with private stations. The largest part of this debt comes from the disastrous contract (decided by the board, not by the

⁷ Ganea L, Popa M, Ursulean V, "FreexReport—Press Freedom in Romania. 2011," Media Monitoring Agency, 2011, p. 22.

⁸ "Datorii de 100 de milioane de euro la TVR, poprire pe conturi, 52 de milioane lei vechi un salariu de debutant. STENOGRAMĂ din CA," *Adevarul*, December 18, 2011.

⁹ "Precizările conducerii TVR vizavi de atacurile media și politice din ultimele zile," TVR Press release, December 20, 2011.

management) to broadcast the UEFA Champions League. Last year's report quoted internal SRTV sources estimating the losses from this contract at around €12 million.

The current management of SRTV was part of an open conflict with the leaders of the political opposition. The Social Democrat leader Victor Ponta and the Liberal leader Crin Antonescu accused the head of the news department Rodica Culcer of being too servile towards President Băsescu and of selecting the guests of SRTV talk-shows to the advantage of the government. They refused to accept interview and appearance invitations from SRTV for the second part of 2011. In its defense SRTV said in a press release¹⁰ that the opposition parties received constant invitations and lower rank figures were present in its programs and that the balance between the government and the opposition is kept. This point of view was supported in the MSI panel discussion by Ion, who provided internal monitoring information to prove this point. Nevertheless SRTV internal statistics differ from those calculated by the CNA. In October 2011 CNA gave¹¹ SRTV its lightest sanction (a public warning) for not ensuring a balanced presence of both opposition members and government representatives during the debates that took place between the March 1 and August 31, 2011.

The most controversial figure is the above-mentioned head of the news department, Rodica Culcer. She is past the retiring age and remained at SRTV with a non-permanent contract and arguably against the law. Opposition leader Victor Ponta made some harsh statements against her.¹² Martin considered that, "The declarations that Ponta made are an institutional attack against SRTV." But Culcer is not an innocent victim in this story. She publicly manifested her sympathies for government policies. In the spring of 2011 she participated in a public debate organized by a think tank tied to the government's party, and supported the government's social policy using unexpectedly harsh language. Some media organizations, among them the Media Monitoring Agency, publicly criticized Culcer for taking such an open stance, and filed a formal complaint against her in SRTV's Ethics Committee. Culcer defended herself in front of the committee saying she had the right to freedom of expression as a journalist and participating in public debates helps her in her official position. The committee decided in favor of Culcer.

Another criticism of the opposition is that the newly created news channel of SRTV had employed 300 people—more than the two biggest private news stations staff together.

¹⁰ "Precizări la declarațiile care conțin atacuri la adresa TVR," TVR Press Release, 8 December 2011.

¹¹ CNA decision no. 588 from 11 October 2011.

¹² "Ponta: Culcer are 115 milioane de lei lunar, plus pensie, pentru ca în emisiuni să apară doar Băsescu," Romania libera, 31 October 2011.

Ion answered this criticism by pointing out that the figure of employees covered all people working in SRTV's news department (including drivers and technical staff) and they provide content not only for SRTV but for news programs on all six SRTV channels.

Martin (who works for the NGO that complained about Culcer) still appreciated the content of the SRTV: "SRTV gains extra points for filling the void left behind by private televisions. It does well on news; however, when it comes to talk-shows it is obviously pro-government, and you see that by the guests they invite. Nevertheless, if one watches SRTV one can form a fair opinion about what is going on in the country."

The news agency market is dominated by Mediafax, a private agency created in the early 1990s that shadowed the state owned Agerpres. Mediafax's dominance was challenged when NewsIn, an agency created by Sorin Ovidiu Vântu's media conglomerate, entered the market in 2006. NewsIn forced Mediafax to be more flexible in negotiating contracts and reducing its prices. NewsIn went bankrupt in 2011 when Vântu's company faced financial troubles. Mediafax once more enjoys a quasi-monopoly. But it is a fact that with technological changes, namely the advance of new media, "The news agencies lost their importance. News televisions dictate the agenda and the newspapers are taking their information from there. Technology changed significantly and agencies are simply not efficient anymore," said Comănescu. Moraru, as editor-in-chief of a local newspaper, still pays for a subscription to Mediafax, but his newspaper remains one of the few clients: "We still go ahead with Mediafax. But they have very few clients. There are probably fewer than 10 local newspapers still paying Mediafax." At the same time, the state owned Agerpres is subordinated to the government and poorly managed. It is looked upon by journalists as an old, unreliable outlet.

The online media has developed to encompass news portals, online television, and radio, but the structural weaknesses remain: online advertisements cannot cover the costs. Thus, the content is hardly original, and most websites just copy the news from traditional outlets. "On the Internet all content is taken from YouTube, there is no original information," said Comănescu.

The transparency of media ownership decreased after the economic crisis began. Big media companies from Western Europe sold some of their outlets to local businessmen. The most striking example is *Evenimentul Zilei*, once the flagship of print media and the newspaper that modernized the sector in the middle of the 1990s. It was bought by Swiss company Ringier, but the decline in advertising money after 2008 forced Ringier to sell it and it has changed hands several times since then. Its circulation numbers went down and

down and in late 2011 the controversial spin doctor Dan Andronic announced his involvement in the newspaper's management. Andronic is a controversial figure specializing in negative public relations and blackmailing, close to the former government of Adrian Năstase but currently working for the current government of Năstase's adversaries. It is not clear where he gets the money to subsidize the newspaper, but the pro government stance of *Evenimentul Zilei*, together with personal attacks against opposition leaders, makes it unreadable. This is one case among many in which the economic crisis rolled back the good practices that once seemed solid in the Romanian media. Previous MSI reports mentioned ownership transparency as one of the positive aspects, but this year's panel considered this to no longer be the case.

The panelists also considered that the share of black or grey money in the media industry increased while advertising money decreased: "Many people in the press are living on parallel contributions from consultancies, so-called special events and advertisements paid by state institutions and companies," said Comănescu.

Unlike the written media, for broadcasting outlets there is a legal obligation for ownership transparency. Still, there are some cases when formal ownership belongs to off-shore companies with no clear shareholders.

The panelists considered that media made some progress concerning anti-Roma racism. While "it is still endemic on the Internet," according to Comănescu, openly racist articles published in traditional media outlets are becoming rarer. Nevertheless, reader comments below all articles connected to the Roma are often racist, and the newspapers do not consider this a reason to moderate these comments. At the same time some politicians are openly hostile towards the Roma. As the executive director of the Center for Independent Journalism, Ioana Avadani, put it in the MSI discussion, "The racist discourse moved upwards to the politicians and downwards to readers' comments, but it decreased in the press itself."

The local media is in evident decline according to the panelists. Moraru said that most local television stations are owned by local politicians: "Local television stations are politically controlled. In my town one station is owned by the mayor, the other by a member of the parliament." However, according to a survey¹³ ordered by the CNA, 71 percent of the population does not watch local television.

¹³ IRES, "Attitudes and consume habits – Perceptions about CNA" [Atitudini și obiceiuri de consum media – Percepții privind CNA], 2011.

OBJECTIVE 4: BUSINESS MANAGEMENT

Romania Objective Score: 2.03

Advertising, the main revenue source for Romanian media, suffered a severe decrease after the economic crisis. Total advertising money dropped by 32 percent in 2010, compared with 2008. But the same statistic for print media shows a decline of 68 percent. Estimates for print media advertisements are expected to decrease between 7 percent and 13 percent in 2011, compared with 2010.¹⁴

Print media was disproportionately hit by the crisis, compared to other media sectors. In order to stay competitive, the television stations dropped their prices, becoming affordable even for small and medium advertisers that were previously relying on print. Beyond dropping the price, many television stations also played dirty and exceeded¹⁵ the legal quota of advertising; according to the Broadcasting Law the amount of advertising per hour may not exceed 12 minutes for private stations and 8 minutes for public television. However, the CNA is weak and the fines are minimal, making breaking the law profitable. In December 2011, however, the Broadcasting Council fined all major private television stations (Pro TV, Antena 1, Prima TV, and Kanal D) €25,000 each for exceeding the legal advertising limit.¹⁶

¹⁴ "Publicitatea în presă, în picaj," Forbes Romania, 7 November 2011.

¹⁵ Ganea L, Popa M, Ursulean V, "FreexReport – Press Freedom in Romania. 2011," Media Monitoring Agency, 2011.

¹⁶ Source: <http://www.paginademedia.ro/2011/12/din-prea-multa-publicitate-marile-posturi-cate-100-000-de-lei-amenda/>

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.

The television market in Romania suffers from structural deficiencies. Preoteasa explained that, "In fact, there are no national television stations in Romania. If you look at the licenses they have, the biggest players are in fact networks of local televisions. Each of them had to add on endless local licenses to cover the national territory. That is the reason why big Western European television networks did not enter the Romanian market in the 1990s; it was too costly for them to get licenses that way and the Romanian state refused to grant any licenses with national reach. As a result the market was closed for large foreign investors and the state offered all the advantages of first-come, first-served to politically privileged insiders such as Voiculescu and Sirbu," the owners of the biggest private television stations in Romania. This deficient market, Preoteasa continued, makes "the television stations prostitutes for incredibly low prices, which in its turn keeps all advertisement prices low."

According to estimations¹⁷ by the Association of Local Publishers, more than 60 local publications closed in the last three years, many of them limiting their activities to online. Most Bucharest-based newspapers faced financial troubles¹⁸ and some prestigious newspapers such as *Cotidianul* ceased printing and remained as online brands waiting for better times. Others such as *Gandul* also renounced printing but are now trying an aggressive strategy to function as up-to-date online operations (i.e. for iPad and mobile users).

Besides being a sort of dinosaur in a changing environment the big newspapers are paying the price for their own recklessness in expanding before the crisis. The media bubble was fed by money of local business people interested in buying influence, thus it was more important to gain market share than to make profit. The most interesting example is the case of Adevarul Holding. *Adevarul* was once the most influential newspaper in Romania. It was later bought by the richest Romanian, Dinu Patriciu, an oil tycoon. Patriciu created a holding around *Adevarul* aiming to become the leader of the media market. He quickly succeeded in making *Adevarul* a quality newspaper with the highest circulation and the newly created *Click* the best selling tabloid. This expansion was based on the so called "inserts," cheap collections of books, movies, and music CDs that were sold together with the newspaper. *Adevarul* circulation exploded and the other newspapers were forced to follow its lead, but the growth was artificial and was not sustainable. In 2011 Patriciu refused to subsidize the newspapers (some rumors suggest he is personally bankrupt). Without the inserts the circulation of

Adevarul went down by more than 50 percent,¹⁹ which shows that it was never as influential as Patriciu thought because people were buying it for the inserts, not the content. The holding company laid off around one-third of its employees and delays in paying salaries became the norm.

Asked about the professionalization of Romanian media business our panelists ironically agreed that, "As long as there were funds for books and inserts, the press as a business was very professional," quipped Martin. The media bubble indirectly affected honest competition. Moraru mentioned how Adevarul Holding's strategies affected his newspaper. *Adevarul* launched 30 local free editions, putting an unbearable pressure on competition such as Moraru's outlet. His was one of the survivors but other local newspapers had to close down, unable to compete with *Adevarul's* local network. But this network was never profitable (local media is more reliable in selling copies than the national media and the free editions of *Adevarul* ignored this fact). In 2011 Adevarul Holding decided to change the free local dailies into paid weeklies but the new strategy never took off. As Moraru concluded in the panel discussion, "The local free editions of *Adevarul* finished off local newspapers and then were out of the picture."

Before the crisis it was considered a good business model in Romanian media to have advertising be a bigger share of revenue than selling copies. Big Bucharest based newspapers had only 20 to 30 percent of revenues from direct selling, the rest coming from advertisement. For the glossy magazines (covering fashion, women, cars, etc.) the advertising share was even bigger. As a consequence, the outlets entered the race to the bottom, having to decrease prices. This business model, over-dependant on advertisement, backfired when advertising budgets were slashed.

Ironically, the local newspapers, Cinderellas of the market before the crisis, were at an advantage because of their more balanced revenues sources and they proved to be more stable than the Bucharest based publications.

There were some expectations for the newspapers to capitalize on their websites but so far none of them have succeeded. Some newspapers that were born online, such as Hotnews.ro and Ziare.com, are faring slightly better, but still barely striking even. Panelists were unanimously skeptical that the Internet could be a salvation: "The written press is freefalling; however, I don't think granting access online via paid subscriptions is a solution," said Preoteasa.

As a result of financial troubles with advertising money the market is pushed towards the grey areas. "This year there is

¹⁷ Ganea L, Popa M, Ursulean V, "FreexReport—Press Freedom in Romania. 2011," Media Monitoring Agency, 2011.

¹⁸ "Cum-ar-arata-o-lume-fara-ziare-pai-uite-o," comanescu.ro, 2 May 2011.

¹⁹ "Căderea printului în 2010. Studiu de caz: Adevarul Holding," Paginademedia.ro, February 18, 2011.

an increase in money from unsafe sources,” said Comănescu. The Romanian advertising agency sector is dominated by the local chapters of big international players such as McCann, Ericsson, Saatchi & Saatchi, and BBDO. The former manager of Ogilvy in Romania, Mihaela Nicola, started a local holding called The Group, which became number one on the market, offering a complex package of services. Some of the panelists echoed last years’ complaints about the grey practices in the market, including blackmailing media outlets into providing higher rebates to the agencies in exchange for sending advertising business: “The problem of the rebate as an unofficial bribe became even more serious,” said Comănescu.

There are no direct subsidies for media outlets in Romania. However, an indirect and disruptive form of subsidy consists of the advertising money paid by state institutions and state owned companies. Adrian Năstase’s government abused these contracts in 2000–2004, when the state became a major player in this market. A special law was passed in 2005, with the assistance of the Center for Independent Journalism (CIJ), creating a transparent system to announce state advertisement contracts and some criteria to distribute the money to media outlets. The new law, welcomed by media NGOs and the European Commission, inhibited for a while the abusive practices of the administration but it was a short success story. The downfall of private advertising increased the pressure over the public money. The above-mentioned law was included in a comprehensive public procurement law but the new version watered down the positive provisions established in 2005.

Unlike 2003–2005 when CIJ had a special monitoring project on public advertising, there is no current independent supervision of this activity. The general feeling in the group of panelists was that the problem is at least as severe as it was before 2004. “There are no more investigations on this topic. The issue is more severe than in 2004, but we don’t have any more numbers. Yet we watch the news and see many positive pieces about ministers who manage advertising money,” said Comănescu. A good practice that was introduced in the 2005 law—to include clear competitive criteria in the public procurement announcements for advertisements—was later dropped. Moraru, whose newspaper publishes advertisements from local authorities, said that, “We must pressure them to include audience criteria when they organize auctions.” The economic crisis is forcing him to accept public money, whatever the conditions. Moraru admitted, “One cannot afford to say no. The mayor does not tell you what to do anymore, you understand it by yourself. Since I started as a journalist state money has never played as important a role as it does now. And many local newspapers cannot afford to live without state advertisements.”

Since 2004, Romania’s television audiences have been measured by a unique system recognized by all television stations and advertisers, accounted for by the Romanian Association for Measuring Audiences (ARMA). The company that is measuring the audiences is openly selected by public auction by a commission where ARMA, the television stations, and CNA are equally represented. At the beginning of 2011, ARMA announced that starting in January 2012 the winner of the auction was Kantar Media Company. During the past years, 2011 included, the audience measurement system was implemented by GFK. The management of GFK publicly protested that ARMA did not consult GFK regarding the evaluation of the current system prior to the auction. ARMA replied that it was an open competition in which GFK participated and lost.²⁰ Starting from January 2012, the new measuring system, implemented by Kantar, should take into consideration technological advancements: it will measure what television stations are broadcasting online²¹ as well.

The current system implemented by GFK was accused by SRTV of being biased against it and favoring the main private channel, ProTV. Rural audiences are not included in the measuring reports used by advertisers, which leaves aside a good part of public television’s audience; 40 percent of Romanians still live in villages.

Concerning the print media, the media industry and the big advertisers formed an organization called the Romanian Audit Bureau of Circulation (BRAT). It was founded in 1998 as an independent, not-for-profit body to bring together the media outlets, advertising agencies, and advertisers. The advertising agencies have set the existence of a BRAT certificate as a precondition for allocating any advertising contract. BRAT later developed the National Readership Survey (SNA), which approximates the total number of readers for publications and establishes demographic data.

As in previous years, some panelists raised doubts about the number of readers reported by SNA. “Despite the protests, SNA is still the same. They calculate unreliable numbers. If you compare the numbers of readers that SNA is reporting with the circulation figures that BRAT is reporting you see for instance that a copy is read on average by 12 people, which is impossible,” Moraru said. Although his newspaper is helped by this methodology, he continued, “We do not use SNA anymore; we use only circulation numbers from BRAT.”

²⁰ “Sefa ARMA, Lucia Antal: Din 2012, in masurarea audientelor se schimba metoda de recunoastere a canalelor TV si alegerea esantionului. Vor fi raportate 1200 de gospodarii, ca in prezent,” HotNews.ro, January 21, 2011.

²¹ “Pe scurt: Noutati in masurarea audientelor TV. Emisiuni mai lungi cu Dana Grecu, Radu Tudor si Razvan Dumitrescu la Antena 3. Stelian Tanase revine la Realitatea TV,” Hotnews.ro, October 28, 2011.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Romania Objective Score: 2.30

Before the economic crisis Romanian journalists showed little appetite for joining trade unions or any other form of collective action. Thus the massive layoffs and significant salary cuts were not opposed in an organized manner. Moise, vice president of media trade union MediaSind, said, "Journalists woke up and came towards our union when they started being fired from Realitatea or Adevarul. Lawsuits against the owners last on average about three, four years." Unattractive in normal times, the union became a sort of last refuge for many of the journalists. However, all that the union could do was provide legal assistance for the journalists to sue the media outlets. As these lawsuits take years to conclude, they are not a solution for most of the people looking for jobs. Anyway, some of the cases started in 2009–2010 ended in 2011. Journalist Cătălin Cocos won a case against Adevarul Holding and received retroactive salary. Similar cases were won against *Evenimentul Zilei* and *Romania Libera*.

The percentage of people drawn to trade unions is relevant just in the case of public television and radio. Moise mentioned that most of the members in his trade union come from SRR (1,000 employees) and SRTV (1,700). He added that, "In the written private press some people tried to form trade unions, but they were afraid and backed off." The trade union is facing financial troubles since. "We cannot support

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.

ourselves financially from the members' contributions," Moise said.

The government changed the Labor Code during 2011 in an attempt to make the labor market more flexible. This move was welcomed by big multinational companies that lobbied for it, but opposed by trade unions and the political opposition. Organizing a trade union became more difficult. Moise complained that, "According to the new Labor Code there are new organizing restrictions and syndicates cannot exist unless there are 50 percent plus 1 employees. The right to choose between syndicates doesn't exist anymore."

Once the most powerful media organization, the Romanian Press Club became marginal in the last couple of years and is largely ignored. The attempt to split the Club into two separate organizations, one for journalists and one for media owners (described in last year's MSI report), went nowhere. The Journalists' Association was created but failed to be active. Ion, who was elected president of this association, explained the failure by a generally low appetite for ethics. Ion also added that all that is left from the Romanian Press Club are some "...individual initiatives. After its former president's [a respected journalist] decision to withdraw, the Club has gone down the drain."

Another organization that once seemed solid collapsed in 2010–2011. The Association of Local Editors and Owners (APEL) used to be active in promoting members' interests (it was created as a sort of counterpart for local media to the Romanian Press Club which gathered Bucharest based outlets). APEL succeeded in connecting local newspapers in an informal network able to negotiate and sign contracts with big advertisers, which were previously ignoring local media, but the economic crisis took its toll on APEL's functioning. One of the most active members of the organization, Moraru, said that APEL remained dormant during 2011 and it has no permanent staff. "APEL was dissolved because its members stopped paying their dues," he said.

The most important NGOs dealing with media freedom are CIJ and the Media Monitoring Agency. They act as media freedom watchdogs and advocacy groups and are particularly active in promoting ethics rules and self regulation. Martin works for the Media Monitoring Agency and mentioned that, "NGOs benefit from continuity, sustainability, and advocacy capability. However, they have a low impact rate on society. It is hard to find funding for advocacy activities. We do other things to survive and we are compelled to change our field of activity." Martin mentioned a broader problem faced by pro-democracy NGOs in Romania. After the country joined the EU in 2007, most of the traditional democratization donors considered their mission done in Romania and closed their operations here.

The Center for Independent Journalism is the main provider of short-term training programs for journalists, training more than 5,000 journalists since November 2004. CIJ offers short term journalism courses, both topical (health, political reporting, investigative journalism, etc) and general (news writing, narrative reporting, photojournalism). The most popular courses are those in narrative reporting and "good governance" (a set of articulated courses in human rights, covering public authorities, budget reading, public procurement, and journalism ethics). In 2010-2011, CIJ offered, for the first time, a program aimed exclusively at online journalists, to teach them how to create and use multimedia products to enhance their storytelling. Newsrooms rarely pay to train their journalists, but CIJ charges fees up to €80 for short term courses, with discounts for students. The fees cover the costs of the courses, but not the general functioning of the Center. No more than six organizations pay systematically for their journalists to attend. While CIJ maintained a full slate of activities, based on grants from various donors, some of its fee-based courses went unused, although there was a clear interest for them on the part of individuals.

With regards to positive developments, panelists mentioned some pilot courses on media literacy at the high school level and some television stations' attempts to open short term trainings. SRTV will launch in 2012 a Television Academy funded by EU money in a consortium with two universities. Less formalized television academies already exist around two private stations. They attract students with promises of being a shortcut for a career in the television industry, but Ion believed they are "selling an illusion; they cannot offer a recognized diploma and there are no recognized standards."

Some of the panelists were critical towards the quality of university degrees in journalism. Moraru said that, "My two least prepared journalists are journalism school graduates." On the other hand Preoteasa who is teaching courses at the Faculty of Journalism said that the profession is not attractive for the smartest students. "We are trying to form our students as classic journalists, but journalism is not practiced this way anymore. Students are smart, they go by, and they refuse to be journalists. They would rather study PR or something else," she said.

From his experience in public television, Ion confirmed that the majority of newcomers graduated journalism school, unlike the previous generations. "At SRTV, everyone above 36 years old didn't graduate from journalism school; between 25 and 30 years old, half to 60 percent graduated Journalism."

Since Romania is part of the common European market, there are no restrictions for trading media equipment or printing facilities. There is only one plant in Romania producing paper

for publications and this was a concern several years ago, when a powerful local politician bought the plant, but since 2004 Romania has no import taxes and most media outlets are currently buying paper from other countries. There are no subsidies for printing houses and the critical media has many options on the market; also, there are no monopolies on public or private distribution.

List of Panel Participants

Cătălin Moraru, editor-in-chief, *Monitorul de Botoșani*, Botoșani

Iulian Comănescu, blogger, *Comanescu.ro*, Bucharest

Răzvan Martin, FREEEX program coordinator, Media Monitoring Agency, Bucharest

Cezar Ion, president, Association of Romanian Journalists, Bucharest

Adrian Moise, vice president, MEDIASIND trade union; editor, Public Radio, Bucharest

Manuela Preoteasa, journalist and director, *EurActiv.ro*, Bucharest

Adrian Voinea, manager, *Gazeta de Sud*, Craiova

Mihail Vartosu, president, Romanian Association of Audience Measurement Operators, Bucharest

Liviu Avram, investigative journalist, *Adevarul*, Bucharest

Moderator and Author

Cristian Ghinea, media expert, Bucharest

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