

ROMANIA

INTRODUCTION

With 22 million inhabitants, Romania is one of the largest countries in Central Europe and enjoys a diverse media landscape. The print media number about 1,000, and hundreds of licensed radio and television stations are broadcast all over the country. Still, media are struggling for survival in a nascent market economy. Advertising money is scarce and is claimed mostly by television outlets. As a result, the print media are heavily dependent on direct sales and are vulnerable to political pressure.

The ruling Social Democrat Party (PSD) holds a slight majority in parliament. Still, the PSD runs the country in a rather authoritarian manner, marked by strong government influence in most aspects of society. For example, the government commonly issues emergency decrees. Such decrees turn into law after their adoption, even though parliament has the right to debate and modify them at a later date. This mechanism, while legal, is used excessively and has allowed the government to significantly modify laws only months after their adoption.

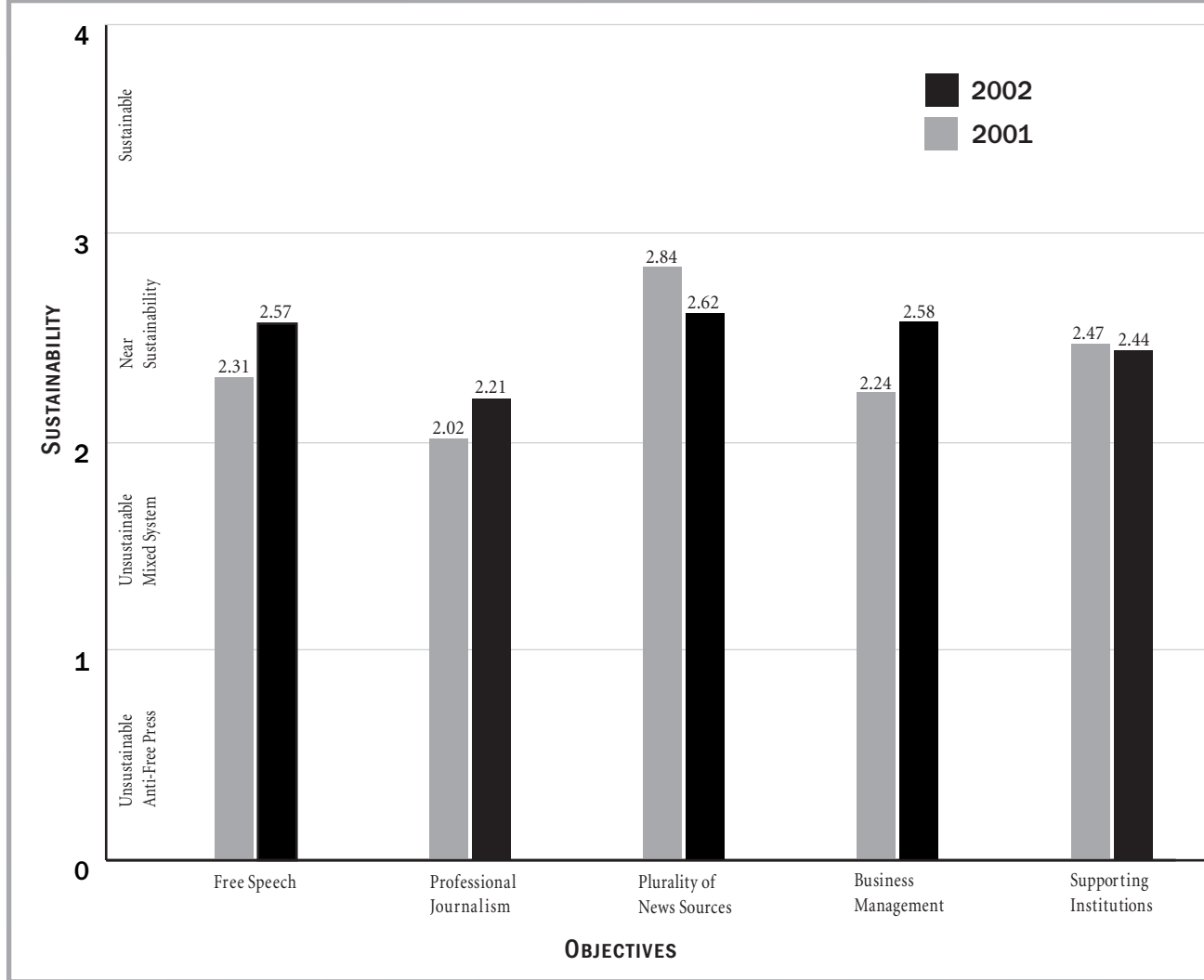
Despite a two-year increase in the gross domestic product (GDP), the economy is still ailing. A weak local currency, a high level of taxation, and frequently changing legislation make business plans unreliable and force many media owners to guess their way around bankruptcy.

In 2002, Romania registered significant foreign-policy successes, including an invitation to join the North Atlantic Treaty Organization (NATO) and continued negotiations toward European Union (EU) accession. Still, Romania registered a significant backslide in terms of freedom of expression. Restrictive provisions in the penal code continued to be used against journalists. Furthermore, new bills limiting press freedoms were submitted to the parliament. An EU country report, released in October 2002, describes the media environment in Romania more harshly. The report describes two of the most visible and worrying trends this year. One is the silencing of media coverage critical of the government through political and economic intimidation. The other trend is the increasing control over the local media by political interests.

The 2002 Media Sustainability Index (MSI) reveals these trends, as indicated by the scoring for Objective 3 regarding the plurality of

With approximately 15 different codes, the journalism community has failed to consolidate an effective code of professional standards. A panel member explained that “there are many known codes, but none of them is fully recognized and applied.”

ROMANIA-MEDIA SUSTAINABILITY INDEX



OBJECTIVE SCORING

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

3 and above: Sustainable and free independent media

2-3: Independent media approaching sustainability

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

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

INDICATOR SCORING

Each indicator is scored using the following system:

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

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

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

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

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

independent news sources. The rest of the objectives showed slight improvements in the Romanian media environment. Panel participants noted that scoring pertaining to freedom of the press and the quality of journalism improved as these issues became more present in public debate. Despite growing pains, Romanian media receives scores that indicate near sustainability.

OBJECTIVE 1: FREE SPEECH

Romania Objective Score: 2.57/4.0—Article 30 of the Romanian Constitution guarantees the freedoms of expression and speech. However, paragraphs of the same article limit this freedom by excluding key information. Despite protests by the media and civil society groups, libel and calumny remain criminal offenses. The modification of the penal code, later adopted by parliament, had little effect. For example, although the ordinance removes prison terms for libel and diminishes the punishment for calumny, the modification still offers special protections for public servants.

The panelists noted that members of parliament, especially representatives of the governing PSD party and the opposition Greater Romania Party support the

criminalization of libel. One panel member explained that “there is minimal interest in solving this legal problem, and this interest is not sincere. The issue is raised only due to external pressures.” Currently, there are no journalists in jail, but several have received suspended prison sentences. More commonly, journalists are subject to fines (registered as criminal offenses). These fines (\$400 to \$20,000) are high by Romanian standards; an average monthly salary is \$130. Additionally, journalists are forced to pay “moral damages” to “the victims” of their articles, even if the journalists were cleared of the charges brought against them.

Article 168 of the Romanian Penal Code contains provisions against spreading false information that could damage the country’s national interests. A relic of the communist era, this article received renewed attention during the so-called Armageddon scandal in early 2002. This incident was triggered by an anonymous report distributed on the Internet that contained well-publicized information accusing Prime Minister Adrian Nastase of corruption. The report followed a similar anonymously distributed report detailing corruption within the army. An information-technology specialist, Ovidiu Iane was immediately arrested and accused of disseminating the information. The investigation was conducted with obvious interference from political groups. However, the media and civil society groups promptly protested the investigation. Prosecutors defended their position by saying that the allegations harmed the image of the prime minister at a crucial moment for Romania—with the government in negotiations with the EU and NATO. The accusations were officially dropped at the end of 2002, but the case has shown that despite improvements in media legislation, more progress is necessary.

The National Council of Broadcasting (CNA) is the regulatory body tasked with issuing broadcast licenses. It has been in operation since 1992 and is subordinated to the parliament. The 11 CNA members serve four-year mandates. The procedures for licensing are competitive, but they lack transparency and credibility. Some reports of political influence were involved in the licensing process. A new Law on Broadcasting was adopted in July 2002 with input from broadcasters and nongovernmental organizations (NGOs). The law was drafted according to EU standards. Nevertheless, the law emerged from parliamentary debate with some dubious provisions. More specifically, one provision called for two independent bodies to be responsible for licensing. The CNA would supervise only the editorial content for licensing, while an independent agency

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

would provide the official technical licenses. After this provision had been adopted, the government canceled it, leaving the Communications Ministry in charge of allotting the frequencies. Therefore, the government secured itself a powerful instrument in influencing the licensing process.

Panelists accused the CNA of a lack of transparency, claiming that there was little change from last year's MSI. Panel members also said that "political interference is still used to create a better position for some competitors." Progress was noted, particularly because information is easier to obtain through a functional CNA site. Nevertheless, many doubts were expressed regarding the licensing process. The law cedes discretionary power to the CNA to rule on withdrawing broadcast licenses for radio and television stations. In September, the CNA decided to revoke the license of Omega TV, a station with a small audience and poor-quality programs, based on Article 40 of the Broadcast Law. The CNA based its decision on statements made by a guest on a live show. The guest was openly critical of the Romanian government and the US ambassador. Shortly after the show was aired, police closed the station despite a law that allowed a licensed station 15 days to appeal the decision.

The adoption of the Freedom of Information Act (FOIA) in late 2001 represented an important step forward. In theory, the law makes free access to information the rule, and classified information the exception. Unfortunately, the law is not widely acknowledged or enforced.

Entry into the media industry is as difficult as it is for other businesses. There are no additional obstacles or incentives for media outlets. Tax rates are on par with other industries. Media products are subject to a standard 19 percent value-added tax (VAT), despite pressure by the Romanian Press Club. The Press Club, which represents the main media directors and owners, lobbied for a preferential tax system for media products. These sorts of tax breaks existed before the 2002 elections, but the new government dropped them to comply with International Monetary Fund (IMF) requests. The

government promised to reintroduce the incentives when the economy improves, but, as one panel participant said, "the government and the parliamentary committees do not encourage any change of the actual tax policy."

There is also a local 3 percent tax on advertising, which local councils can significantly increase. In some cases, this advertising tax produces some problems, as the VAT is calculated at a rate that includes the tax on advertising. This method of calculation leads to cases of double taxation on media products.

Serious crimes against journalists are rare, but media professionals do not receive any kind of special legal protections. Journalists in the regions have been harassed, mainly by people representing the authorities. Furthermore, many lawsuits have been filed against journalists and occasionally against whole newsrooms. One example of crimes against journalists involves the launch of the newspaper *Ziarul de Vrancea*. The paper was started after its predecessor had been taken over. The editors of the newspaper were openly critical of the local authorities. In a matter of weeks, all of the newspaper's kiosks were removed from the city of Focsani. The street vendors of the newspaper were beaten and chased away by thugs, and the journalists were no longer allowed into public buildings. Furthermore, local businesses cancelled advertising contracts, and the newspaper was subject to a wave of inspections from financial and civil authorities. One panelist stated that "the criticism against local political leaders by the paper has led to an economic assault on the newspaper."

The state owns no print media outlets in Romania. However, public broadcast media include Romanian Television (TVR), four public radio channels, and the public news agency ROMPRES. State media receive no special treatment in terms of information. There are still cases of politicians who attempt to influence state media. One panelist explained, "The answer to the question about political interferences over management is simply 'yes.' And this is terrifying."

The president and parliament appoint the directorates of the national radio and television stations. Employees can appoint their own representatives as well. Politically influenced appointments to the boards sometimes alter broadcast content. In 2000, the newly elected parliament opposed the composition of the Board of National Radio. The board was changed before the end of the members' term. A similar shuffle occurred for TVR, but the existing board was allowed to complete its term.

ROMPRES, the national news agency, is in a very difficult situation due to bad management and a lack of credibility. The agency is politically influenced and is losing market share to the privately owned agency Mediafax. In 2001, Prime Minister Adrian Nastase subordinated ROMPRES to the newly created Ministry of Public Information.¹ This affiliation legally turned the agency into a government agency and turned journalists into “public servants.” Although the government action did not elicit protests from the public or media community, the NGO sector reacted quickly. NGOs supported a bill put forth by the opposition National Liberal Party to place the national news agency under parliamentary control. The law still awaits final parliamentary approval.

The adoption of the Freedom of Information Act (FOIA) in late 2001 represented an important step forward. In theory, the law makes free access to information the rule, and classified information the exception. Unfortunately, the law is not widely acknowledged or enforced. A panelist stated, “There is a gap between the legal norms and the reality of life.” The NGO sector reserves its involvement to monitoring the law and training the public authorities in using it. A major newspaper began a petition to prove that even government ministries and political offices did not totally abide by the requirements of the FOIA law. The newspaper filed more than 20 lawsuits against state and local government institutions.

Following the April 2002 adoption of the Law on Classified Information, the efficacy of the FOIA law was brought into question. The government claimed that NATO accession required that the classified information law be adopted before the Prague Summit in November 2002. Parliament hastily passed the law with little debate on the content. As a result, the law has some controversial provisions. The definition of classified information is vague, and too many people have the authority to classify documents. In addition, the law defines a “professional secret” as any information that could harm or influence the activities of a private or public organization.

Access to international media is not restricted or limited in any way, but such access can be very expensive. Advertising costs are prohibitive even for some medium-sized media outlets.

¹ Editor’s note: According to Law 19 promulgated on Jan. 9, 2003, ROMPRES functions as an autonomous public institution that is under parliamentary control.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Romania Objective Score: 2.21/4.0—Overall, Romanian journalists do not clearly distinguish between facts and opinions. Many journalists freely share their own opinions and impressions in their reporting. This practice creates certain expectations among the readers, who are looking for help in shaping their own opinions. Some people expect journalists to present them with a way to interpret situations, rather than with objective, fact-based news. The process of checking several sources and presenting more than one angle to an issue is more ubiquitous, but journalists can limit themselves to superficial coverage without any kind of investigative research. Similarly, sourcing news is a common practice, but journalists are still prone to take news agency dispatches or press releases as their own.

Given the fierce competition in the media market, outlets often yield to sensationalism. Scandals, crime, and celebrity events are almost always front-page news. Bloody, but otherwise unexceptional, traffic accidents are the recent trend on the main television newscasts. Key issues for Romanian society, such as privatization, reform, and EU accession, are treated in a rather technical, dull way. Therefore, newscasts have lost their place as the undisputed leaders of audience ratings, to be replaced by entertainment programming.

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

Print media reveal instances of corruption on a daily basis. Unfortunately, many investigations do not go below the surface. Generally, investigative journalism is on the decline because it is expensive, and it requires experience and sophisticated reporting methods. Also, as corruption has increased and connections to high-level politicians have been made, investigative reporting is now taboo for many publications. Subsequently, well-researched and substantive reporting is no longer well rewarded.

Journalism ethics are more of a theoretical than practical concern for the media community. For example, television stations stopped revealing the identities of rape victims and showing the faces of the perpetrators of violent crimes only after the express interdiction of the CNA. Some journalism associations have established ethical codes, but most of these are difficult to enforce. With approximately 15 different codes, the journalism community has failed to consolidate an effective code of professional standards. A panel member explained that “there are many known codes, but none of them is fully recognized and applied.” The Romanian Press Club, an association representing the interests of media owners, could not gain acceptance of its own code. The panel participants agreed that “there is no need of a unique code, but a great need for acceptable standards shared by as many journalists as possible.”

Still, the MSI panelists agreed that economic realities can break down any set of standards. The average salary of a journalist remains at the national average—around \$100 per month. There is no disparity between print and broadcast salaries, except for the established media stars. State media employees earn less than their colleagues in Bucharest-based private media. Regional media generally earn far less than their Bucharest counterparts. Regional salaries can be as little as \$50 per month. Low salaries can often lead to journalists’ receiving “financial support” from different political or business interests. Some journalists are on the payrolls of the institutions from which they receive accreditation. For example, five journalists were hired by the city administration of Timisoara. The fact that journalists are double-hired, or receive money for custom articles, or receive payment for not reporting does not seem to generate dispute within the media community. A panelist stated, “The worst thing is that this practice starts to be considered normal, even desirable, for journalists.”

Many media outlets do not officially hire the journalists they work with, even if the journalists work 10 hours a day. The reason is that employers have to pay

high taxes for permanent employees. Taxes are paid both by employers and employees and can amount to 60 percent of the total salary. Of the nearly 8,000 registered journalists working on a permanent basis, the number of practicing journalists is estimated at around 14,000. Many journalists are paid as “contributors,” even if they work regularly in the newsroom. In some media organizations, journalists earn low salaries with larger bonuses awarded per article. This system forces the journalists to focus more on the quantity than on the quality of reporting.

One panelist explained that “everybody would be content to have a list posted on the wall outlining untouchable topics. Unfortunately, journalists learn from experience what their owner or editor would not like them to write about.”

Because media owners have other business interests, journalists can be prevented from covering certain issues. In some cases, journalists receive clear instructions not to tackle an issue. On other occasions, articles are not published or are edited to avoid controversy. One panelist explained that “everybody would be content to have a list posted on the wall outlining untouchable topics. Unfortunately, journalists learn from experience what their owner or editor would not like them to write about.”

Local media are more vulnerable to economic oppression than national media. In 2001, local political leaders or businessmen affiliated with the party in power started to buy local publications. *Monitorul*, the most powerful network of local publications, was divided, and political interest groups took over some of the affiliates. Other independent publications unaffiliated with the governing political parties became targets as well. A panel member stated, “The mechanism of buying the local press is based on two assumptions. Firstly, local media has a larger audience than state media. Secondly, even if you cannot make local media write positively about you, you can at least stop them from criticizing you.”

The harsh punishments under the penal code can push journalists to self-censorship. Many newspapers

print a disclaimer stating that the journalists are solely responsible for the content of their articles. This statement violates the constitutional provision that allows for the common liability of the journalist and publisher. The disclaimer leaves many journalists susceptible to lawsuits. Therefore, some journalists prefer to soften the tone and content of their reporting. However, there are newspapers that provide legal assistance to their journalists, if they get in trouble.

Reporting on minority issues is still problematic. Some journalists still use derogatory terms to describe the Roma people. In reporting on crime or social issues, the ethnicity of the Roma people is highlighted. Some editors believe that political correctness will hamper their reporting. Although official press offices do not release information about the ethnicity of criminals, some police officers continue to give such details to reporters.

Although news broadcasting is still the main programming focus, entertainment programs have become increasingly popular. The main two private television stations, Antena 1 and Pro-TV, both broadcast their main news programs at 7 pm. Because of cost concerns, the national television station rescheduled its news program for the same hour. Due to this competition for prime-time viewers, the urban audience watching national television news is smaller than the readership of the two most important national newspapers. In general, people have started watching more films, reorienting to smaller new stations, and watching more sophisticated programs like translated programs on the Discovery and National Geographic channels.

Television stations have had problems in the past two years because of declining advertising rates. Many stations were forced to increase advertising time slots to compensate. The largest stations increased their advertising time by almost 30 percent from 2000. This increase was partly due to the new way of paying for advertising by using the rating system. So, the efforts of media outlets to use professional market research unexpectedly damaged broadcasters' advertising revenue.

The technical capabilities of media outlets vary greatly. The most powerful media groups have high-tech equipment, including digital technology. But the smaller outlets still work with outdated technology. The high cost of communications drastically limits access to information in the smaller newsrooms. On average, however, most of the newsrooms have computers and Internet access. Regional newspapers tend to buy secondhand printing equipment from abroad,

therefore gaining in independence what they lose in printing quality. Most of the available investment money for Romanian media goes toward printing facilities and production equipment for radio and television stations.

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Romania Objective Score: 2.62/4.0—Beyond any doubt, Romania has a plurality of public and private news sources. The country started to develop a rich and diverse media landscape immediately after December 1989. Before then, Romanian media consisted of the national television station, three national radio channels, and two national newspapers. There was also a local newspaper for each of the 40 counties. Additionally, there were a handful of magazines or specialized publications. The Communists strongly controlled all media.

Within a year after the Romanian Revolution, more than 1,200 new titles flooded the market. Ten years later, there are still more than 14 Bucharest-based daily newspapers. In the larger cities, one can find three to four local daily newspapers. Nearly 100 magazines and monthly publications are distributed nationwide. Local newspapers cover the most important national news, but are also very rich in local news and information. As a rule, local publications are much more linked to the

Multiple news sources provide citizens with reliable and objective news.

Plurality of News Sources Indicators

A plurality of affordable public and private news sources (e.g., print, broadcast, Internet) exists.

Citizens' access to domestic or international media is not restricted.

State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.

Independent news agencies gather and distribute news for print and broadcast media.

Independent broadcast media produce their own news programs.

Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates.

A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.

community, while the Bucharest-based papers cover the “big-picture” issues.

Private broadcast media have flourished since 1993. Antena 1 began its on-air transmissions in fall 1993. Tele “7 abc” started in 1994. PRO-TV aired nationwide for the first time in December 1995, followed by Prima TV in 1997. In 2001, two new television channels began broadcasting in Bucharest, B1 TV and Realitatea TV. Realitatea broadcasts only news and talk shows and hosts the only television program dedicated to media issues.

According to a CNA report, 120 operational television licenses were spread throughout 36 counties and 51 localities in July 2002. Public television operates four different channels. The first is received nationwide and broadcasts news, current affairs, informational programs, and entertainment. This public channel is reputed to reflect government opinion. The second public television channel broadcasts more educational and cultural programs. Its ratings are slowly improving. TVR International is perceived as the information link for Romanians abroad. In 2002, a new cultural channel began operations, but it does not appear to have the quality programming to attract viewers.

Government authorities have received more than 1,800 requests for radio licenses over the past 10 years. The CNA has granted 301 local radio frequencies, and by 2002, 308 radio stations were operational. Public radio broadcasts on four channels while focusing on news, culture, youth, and music. Traditionally, public radio programming is fairly balanced and resembles an actual public broadcast service. However, the credibility of public radio was damaged when its board of directors was replaced.

Alternative news sources are not readily available in the regions. A panel member explained that “outside Bucharest and other major cities, there is a totally different Romania. For people living in the countryside, the Internet is an undiscovered world.” In the rural areas, the print media are not easily affordable. The national average salary is \$130 per month, and even less for rural Romanians. In contrast, a daily newspaper costs up to 15 cents, and a weekly or monthly magazine costs an average of \$1. Furthermore, print media distribution is slow, as newspapers are often delivered to rural regions 24 hours after they are printed.

All Romanians who own television sets or radios can tune in to national public television or national public radio. In the rural areas, national broadcasters have a captive audience, since many people cannot

receive other broadcast signals. Most rural people cannot afford satellite dishes. In the cities, however, people have better access to news sources. The bigger the city, the better the selection of media. Print media are regularly distributed to cities throughout the country. Some urban papers print two different editions each day. One edition is for local distribution, and the other for regional distribution. However, it is far more difficult for regional papers to be distributed in Bucharest or in regions other than their own.

Traditionally, public television favors the government, since the government appoints the directors. A panelist stated, “The managers are appointed with obedience as their only standard.”

An estimated 250 cable companies operate in Romania. The Communication Ministry estimates the number of cable subscribers at approximately 2.7 million households. A 2001 study by the polling firm IMAS shows that of 6.02 million Romanian households using a television set, 3.3 million were connected to cable television. This reveals a cable connection rate of 54.6 percent, although the Communication Ministry quotes a smaller rate of 44 percent. The difference in rates is attributed to cable theft. Romania has one of the cheapest cable rates in Europe, with a monthly subscription costing around 4 euros. This cable industry is very concentrated, with 80 percent of it owned by seven large companies. Cable companies provide more than 40 television channels, including international programming.

Media legislation does not restrict access to foreign print, broadcast, or Internet news. The only limitations are dictated by the prohibitive prices of media products. The use of the Internet as a news source is limited because the technology is rather new, the number of computers is small, and access costs are rather high. Some government projects have introduced the Internet in schools and colleges. Internet cafés are flourishing, but rates stay at \$1 per hour. And there are still few people with Internet connections at home. The Internet is used mostly for e-mail, online chat, and games, rather than for information. The Internet is not generally perceived as a source of news, except for media or business professionals.

There are two powerful media groups competing for ratings and audience share. Mediapro was founded by Adrian Sarbu, a former movie director who became a successful media boss. Intact Corp. is run by Dan Voiculescu, a controversial businessman connected with the economic branch of the former secret police. Both media concerns have their own nationwide television channels and radio stations, newspapers, magazines, and distribution and printing firms. Both groups are developing a proficient lobby to further their own political and business interests.

Economic difficulties and the political interests of media moguls have influenced even the private television stations. After the 2000 elections, there was a general tendency to embellish government activities. Images of the prime minister and president became omnipresent in news coverage. A study by the Media Monitoring Agency, Academia Catavencu, was conducted between Sept. 26 and Oct. 9, 2002, to measure the media appearances of politicians. Adrian Nastase and President Iliescu recorded far more appearances than the opposition leaders. In addition to counting appearances, the agency analyzed the news content. Much of the coverage regarding the governing politicians was either neutral or positive. The news concerning the opposition was either neutral or negative.

In fact, many television channels relegate themselves to retransmitting government rhetoric. Questions at press conferences are rare. Traditionally, public television favors the government, since the government appoints the directors. A panelist stated, "The managers are appointed with obedience as their only standard."

PRO TV, the major private television station in Romania, is in a bad financial situation. The station, owned by Mediapro, owes an estimated \$50 million to the state. A favorable tax policy negotiated by the owner of the station has helped the station's debt build. Other media moguls wield significant political influence. The owner of Antena 1, the second-biggest private television station, is also the leader of the Romanian Humanist Party, a partner in the ruling coalition. To stem political influence on media, the National Broadcast Council issued a recommendation to television stations to maintain balanced political news coverage. The Council requested that two-thirds of news broadcasting focus on the ruling party while the other third target opposition parties. While the Council's intentions were admirable, some media objected to the potential interference in their editorial policies created by this recommendation.

There are several news agencies in Romania. The most important is the privately owned Mediafax. In a matter of years, Mediafax managed to take most of the market away from the public news agency ROMPRES. Mediafax is now the main news provider to all media in Romania; however, the price of its news is rather high at \$300 to \$800 per month. A de facto monopoly, Mediafax is part of the Mediapro concern, which is problematic for some in the media community. Other agencies like AM Press, AR Press, and Rom Net also exist, but they are minor players. A panelist commented, "All kind of agencies appear overnight. We know nothing about them like who owns them or what their financial resources are."

There is no official record of the ownership structure of Romanian media, but the key players are generally known to the public and to media analysts. Information available through the Chamber of Commerce is a valuable tool for corruption-related investigative reporting. However, when the government decided to move the Business Registry to the Ministry of Justice, there were concerns that the government would try to censor information regarding the ownership of companies. Media outlets generally do not declare their ownership structures. Only international press conglomerates that own Romanian newspapers announce their shareholders.

Minority press is not restricted in Romania. On the contrary, 17 national minorities have their own publications, which are subsidized by the state. The circulation of these publications is limited and is targeted at their own minority groups. If these periodicals are written in the minority languages, that further restricts the distribution of these publications. For example, such papers are not sold in kiosks. Overall, minority publications receive little media attention outside their own circles.

However, the Hungarian minority is a special case. Romanian public television and radio feature special programs for Hungarians, who represent 8 percent of the population. There are six Hungarian-language newspapers, all of which are run as for-profit businesses based in Transylvania. Even Romanian-owned outlets operating in Hungarian-populated areas are producing Hungarian-language publications. Sometimes, issues from the Hungarian newspapers are quoted by the Romanian media, especially regarding Romanian-Hungarian ethnic issues. A Hungarian station, Duna TV, broadcasts from Budapest and is watched throughout Transylvania.

OBJECTIVE 4: BUSINESS MANAGEMENT

Romania Objective Score: 2.58/4.0—After 1990, printing houses were rapidly privatized and purchased by media insiders. As media outlets proliferated, they acquired their own printing facilities. There are now a variety of printing firms in the market, creating a healthy competition. A panelist added, “The local publications that are still functioning have their own printing facilities and were able to decrease production costs.”

Although there are no state-owned print media in Romania, the largest distribution network is under government control. Rodipet distributes throughout Romania, even to remote villages. Newspaper executives complain bitterly about its service. Many managers believe Rodipet is slow in its delivery, with some delays up to 48 hours, and slow in returning revenue from newspaper sales to the outlets. Furthermore, the distributor apparently does not provide the newspapers with any statistics on the number of copies sold, who buys the papers and in which area, and so on. Media managers also accuse the distributor of being preferential toward certain clients. For example, a Rodipet branch in the city of Braila refused to distribute to two local independent newspapers after the owner of another newspaper financed by the mayor was appointed general manager.

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

Subscriptions are usually distributed by Romanian Postal Service, which is often very slow. Subscribers, particularly those in the regions, receive their newspapers late. To maintain a loyal readership and consistent subscription fees, some newspapers have developed their own distribution networks. *Gazeta de Sud*, a local newspaper in Oltenia, managed to distribute 40 percent of its subscriptions through its own distribution network.

“Many of the media institutions are not businesses themselves, but are sustained by other businesses.”

Private distribution companies also disseminate printed materials. They have a decent network and tend to operate in a fair manner with their customers. The private distributors have their own kiosks and do not receive state subsidies. Even Rodipet is experiencing financial problems due to the lack of government subsidies.

Overall, Romanian media are not profit-generating businesses. In an overcrowded market, with a public that has little buying power, media outlets struggle to survive. Media owners with other businesses use funds from other ventures to keep their media operations afloat. A panelist explained, “Many of the media institutions are not businesses themselves, but are sustained by other businesses.” Most of the local newspapers are not economically viable, but businessmen sustain them as tools to facilitate business deals, especially when public money is involved. Many local politicians set up newspapers to improve their image. These publications are rarely read and carry very little weight with a suspicious public.

As subscriptions account for just a small part of newspaper circulation, newspapers cannot count on steady sales revenue from that source. To boost subscription rates, newspapers offer big discounts, which further cripple overall sales revenue. One panel member mentioned that “the newspapers are overwhelmed by the discounted prices of subscriptions that are largely subsidized by the editors.”

Advertising also provides a financial source for Romanian media. However, the advertising market has declined along with the overall economy. In 2000, advertising agencies spent only 7 euros per taxpayer, compared with 49 euros in Poland, 83 euros in Hungary, and 238 euros in Germany. Therefore, advertising revenue does

not represent a consistent source of income for the media sector. Nevertheless, there are many active international advertising agencies in Romania. In fact, 80 percent of advertising revenue comes from international agencies. Preference is given to large national media outlets, while the local media are often neglected. According to the International Advertising Organization, of the \$21 million in advertising targeted at print media, \$18 million of it went to national newspapers.

National radio and television stations have three sources of funding: state subsidies for transmission, subscriptions, and advertising. Subscriptions to state media are compulsory for all owners of radios or televisions, regardless of viewing or listening preferences. Subscriptions each cost \$1 per month and are charged to the electricity bill of the individuals who own radios or televisions.

No state subsidies target private media. Still, state subsidies are given to publications representing the 18 national minorities recognized in Romania and to some cultural magazines.

Market research is not an established tradition for Romanian media, even though polling companies offer this type of service. The research is often very expensive, so many media outlets cannot afford to buy their own data. Newspapers offer polls and ask their readers to fill in questionnaires, but the results can hardly be seen as professional. Foreign media companies like Ringier, Bertelsman, Romanian Publishing Group, and VNU-Hearst conduct market research and continue to regularly rate their products based on public interest.

The Romanian Audit Bureau of Circulation (BRAT), founded in 1998, is an independent, nonprofit organization that works with accounting firm Deloitte & Touche. Many advertising agencies insist on a certificate issued by BRAT as a precondition for any advertising contract. So far, BRAT has audited 173 publications. Assisted by the Center for Independent Journalism, BRAT conducted a National Readership Survey, the first in Romania conforming to international standards. Initial results were announced in October 2002. Since then, 54 journals have been paying for the valuable survey data. These 54 publications represent 70 percent of print media advertising, an encouraging signal regarding the study's reliability.

A few years ago, several multinational companies reached an agreement to set up a unique rating system for broadcast media. After some initial difficulties, two different rating systems emerged. Some interpreted this situation as positive because it generated competition.

However, due to the broadcast law adopted in 2002, the government will allow the CNA to select a single rating system. Some MSI panelists considered this to be government interference. "The state is making the rules of the game. The government will interfere in the TV monitoring process and won't allow the industry to self-regulate."

Market research for radio is in its infancy. A polling institute, IMAS, started conducting research in hopes of capturing the radio broadcast market. However, the radio market is divided and pulls in only 4 percent of total media revenue from advertising. Therefore, a national research system patterned after the print media would be difficult to realize. Furthermore, the data issued by various firms are perceived to be biased. When the head of IMAS was appointed by the government to manage the local government reform, this stirred up controversy regarding the objectivity of the institute's work.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Romania Objective Score: 2.44/4.0—There are more than 40 media associations in Romania, including publishers, broadcasters, journalists, editors, distributors, and others. Some of the groups are professional associations, while others are trade unions. The associations operate at the national and local levels,

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

and some support niche media issues. The Romanian Press Club (CRP) is one of the most influential associations. The CRP started as an elitist, exclusive club for media owners, publishers, and media directors. More recently, the CRP has accepted editors, but editors are not yet well represented. According to the CRP, more than 200 individual journalists are also members. This statistic is met with derision by some panel members. One panelist said “the claim that the CRP represents all journalists and owners is absurd.” Members are active in lobbying the government to improve business conditions for the media industry, especially taxation. Consisting of the top executives from the most important media firms, the CRP enjoys good visibility and tries to pass as the only representative of the media community in Romania.

Many local media editors have founded other associations to serve local media. The Association of Local Newspaper Editors, based in Brasov, and the Association of Editors in Cluj are prime examples. These groups try to promote the interests of their members, but have less influence due to their smaller membership base.

ARCA represents Romanian broadcasters. This association does not deal with editorial matters, but with technical and business issues. ARCA was successful in influencing the government to open more frequencies to private broadcasters. The Foundation for Independent Radio is an organization that represents 60 small radio stations from all over Romania. The Foundation attempts to give the local radio stations a voice in a market dominated by big national networks.

There are many journalists’ associations, but most of them are low-profile or ineffective. A panel member said that for journalists, “there’s nowhere to look for support when you feel threatened.” Another panelist mentioned that efforts to provide minimum protection to journalists had only been made beginning in 2001. The Association of Romanian Journalists (AZR), and other organizations that function as branches of other local NGOs (SUD-EST Regional Centre for Journalism) exist, but they do not cooperate on key issues.

The strongest associations are actively involved in issues such as journalism standards, journalists’ protection, and job benefits. The Association for Promoting and Protecting the Freedom of Expression (APPLE) runs a program called FreeEx in cooperation with the Media Monitoring Agency (MMA). The program monitors cases of attacks and harassment against journalists. The Society of Romanian Journalists (SZR), an affiliate

of the International Federation of Journalists (IFJ), provides members with legal assistance and support.

In December 2002, 25 media organizations agreed to join an initiative of common action called the Convention of Media Organizations in Romania (COM-ROM). The consortium aims to promote more favorable legislation for media, a healthier business environment, and attempts at self-regulation. It also seeks to connect the Romanian media to the international media. More associations and trade unions have already requested to join COM-ROM.

Trade unions were created to represent national radio and television stations, but few exist in the private sector. Some of the existing trade unions managed to obtain basic benefits, such as salary negotiations, for their members. Over the past year, a joint program run by the SZR and the IFJ fostered the growth of trade unions that service private media. These unions aim to improve journalists’ work conditions.

There are numerous human-rights NGOs that work in cooperation with the media community to secure the freedom of speech. The Romanian Helsinki Committee is particularly active in this field. The Romanian Helsinki Committee and the Center for Independent Journalism are the local partners for the “Democracy in Practice” program, coordinated by London-based Article 19 and funded by the European Commission. This project aims to improve freedom of information legislation and to reduce the illegitimate use of defamation laws. Other NGOs active in the field of freedom of expression include Pro Democratia, the Foundation for the Development of Civil Society, the Romanian Academic Society, and Transparency International–Romania. Lately, business associations have started to become interested in freedom of information issues and how to cooperate with media associations to access information.

Twenty-four journalism programs operate within state and private universities across Romania. The average number of students per class is 60, so too many “licensed” journalists flood the market every year. Unfortunately, journalism education does not meet professional standards. The programs are mostly theoretical, and the faculty is rarely composed of active journalists. One panelist stated, “The majority of the professors have never taught before. Good journalism schools have actual journalists teaching, but the number of these schools is limited.” Students receive little hands-on training, even though they participate in “practical training” every year in professional newsrooms. Mean-

while, the media market can absorb only a small fraction of the graduates, while the rest “sell themselves” to public-relations or other communication-related jobs. For example, the Mediapro conglomerate started its own journalism school. Students gain practical training within the network and are then hired within the Mediapro group.

Journalism students have opportunities to study abroad. However, Romanian students are not well informed of the exchange opportunities. In other cases, programs ask applicants to support themselves, which limits the number of the eligible candidates. Unfortunately, the self-supported journalism students are not always the best or the most deserving. And some of them prefer to work for international media or to continue their education abroad rather than return to Romania.

After the closing of the BBC School in June 2001, the Center for Independent Journalism (CIJ) remained the only short-term journalism training provider. CIJ provides courses for journalists and journalism stu-

dents, but also for students in related fields like economics and law. The Center also provides targeted assistance to media outlets. Most of the courses are taught by quality local journalists as well as by visiting professionals from abroad. Courses in news production for radio and television, investigative reporting, and photojournalism are in high demand.

Regarding print media distribution, the main printing facility is still state-owned, despite attempts to privatize it. A group with strong connections to local branches of the party in power control the printing press. Newspapers have adapted by importing newsprint. In some cases, the imported product is cheaper than the indigenous one. Although broadcasting transmitters are also state-controlled, satellites make broadcasting far more independent. Cable television distributors are private and distribute a large variety of channels, including national television. Internet providers are also independent.

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