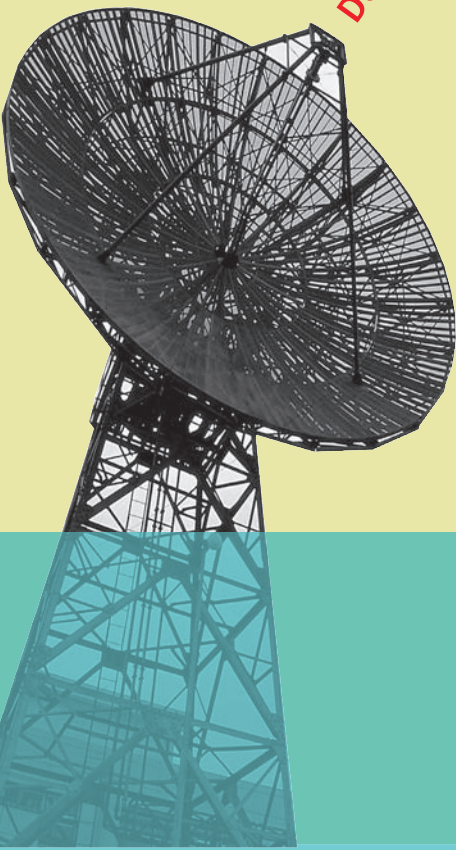


MEDIA SUSTAINABILITY INDEX

2003

Development of Sustainable Independent Media in Europe and Eurasia





"The constitution gives what journalists need for a free media, but journalists don't fight enough, don't demand information on the basis of the Constitution," said a panelist.



Introduction

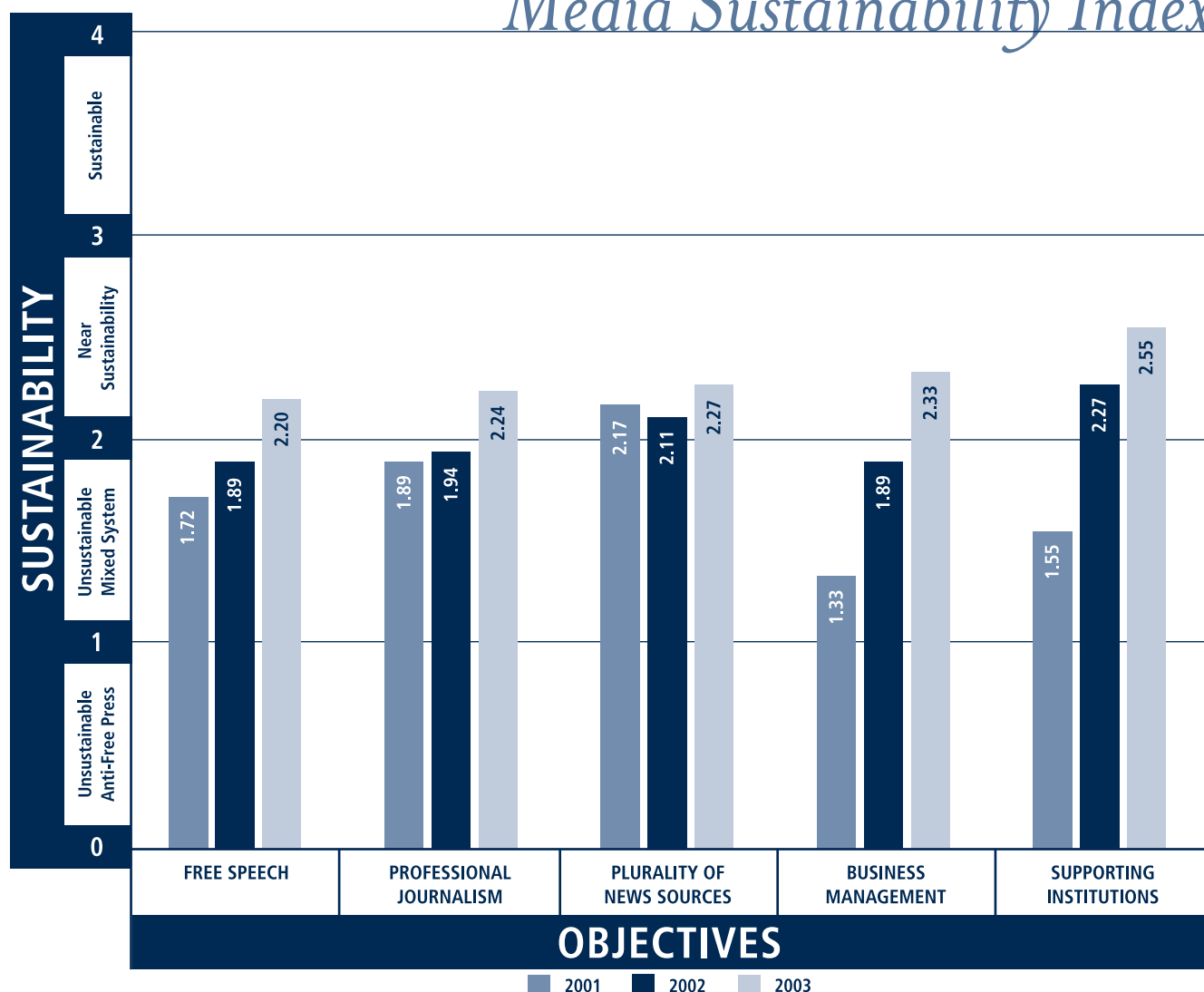
For Macedonia, 2003 was an important year of stability and political consolidation. The September 2002 national elections brought to power a coalition government dominated by the Social Democratic Union for Macedonia (SDSM), led by Branko Crvenkovski, and the Democratic Union for Integration (DUI), the Albanian party formed by the leadership of the former Albanian National Liberation Army (NLA) and led by Ali Ahmeti. Despite a number of minor incidents, the coalition has held and the Framework Agreement that ended the conflict of 2001 is being slowly implemented.

However, for Macedonia's media community, 2003 was anything but stable. Significant changes have taken place that altered the media landscape, most notably in the print media. In July, the German media conglomerate Westdeutsche Allgemeine Zeitung (WAZ) bought a controlling stake in the three main daily Macedonian-language newspapers: *Dnevnik*, *Utrinski Vesnik*, and *Vest*. The combined daily circulation of the three papers is about 130,000 copies, comprising about 80 percent of the market. However, it is important to note that circulation figures are unreliable, as there are substantial differences between reported print-run totals and actual, sold copies. The transaction generated fear of dominance, both editorially and in marketing, by WAZ.

Then, in October 2003, the Macedonian courts declared as invalid the botched 2002 privatization of the state publishing house *Nova Makedonija*, thus ending a lengthy court battle and allowing the government to try again to sell it. As a result, its main titles, *Nova Makedonija*, *Vešer*, the Albanian-language *Flaka*, the Turkish-language *Birlik*, and a number of magazines, together with printing and distribution facilities, were put out to tender at the end of the year. Idea Plus DDB, a marketing company, bought *Vešer*, and Evro Azija Technicak, a large Turkish company, bought *Birlik*. Businessman Veap Ajro, whose brother Viat Airo is the deputy director of the government's Agency for Information, took on *Flaka*. All profess plans to revitalize their respective papers. In addition, a group of Macedonian businessmen, led by TV A1's owner Velija Ramkovski and former *Dnevnik* editor

Macedonia

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

Sašo Damovski, launched a new Macedonian-language daily, *Vreme*, in early 2004. Moreover, at least three groups are attempting to raise funds to launch another privately owned Albanian daily. Despite the fears of a monopoly on the market by WAZ, the print market appears vibrant, although it will take at least a year to assess the long-term viability of the new print media enterprises.

In the broadcast sector, the greatest change has taken place at state-run MRTV. Gordana Stošić was appointed executive director by the new government, and she has launched an ambitious program of reform, including job cuts. The government also accepted a new draft law on broadcasting that was drawn up by the Media Development Centre (MDC), a nonprofit organization that focuses on national media legislation, and made assurances that it will pass the legislation largely unchanged in 2004. This would result in major positive changes for the media industry, including real independence for MRTV, clear independence for a strengthened regulatory Broadcasting Council, and a greater likelihood that a copyright law and other regulatory controls will be implemented.

These changes have been reflected in this year's Media Sustainability Index (MSI), which records significant improvements. According to the panel, institutions supporting the independent media made the greatest progress toward sustainability. The panel acknowledged the achievements of groups such as the MDC and its work on the broadcast law as well as the Association of Private Electronic Media of Macedonia (APEMM), which has 110 members out of a possible 127 companies and effectively lobbies for the industry. The Macedonian Institute for the Media (MIM) successfully ran long-term training programs in preparation for the 2004 launch of a one-year journalism diploma course in partnership with IREX.

There was also marked improvement in the management capacity of media businesses. The panel noted the changes in print media ownership, the increasing professionalism of the broadcast media, the reforms at MRTV, and the widespread use of market-research material.

There was a mixed evaluation of the plurality of news sources, considered rather diverse for Macedonian-language media but not for Albanian-language print media and the national private Albanian-language broadcaster. The professionalism of journalism practice was seen as improving, due to a general rise in standards and the MIM's increasingly successful trainings.

Protections for free speech were not considered as strong as necessary, reflecting the fact that the broadcast law had not been passed, the drafting of a Law on Access to Information undertaken by Transparency International-Macedonia was unfinished, and self-censorship and interference in editorial independence continued to be prevalent.

In sum, media reform in Macedonia is progressing. The MSI reflects steady improvement, and the local institutions and infrastructure responsible for implementing and supporting this development remain strong. However, panelists warned that regression is still very possible. Powerful radical groups exist with little interest in a politically united and stable Macedonia or in the independent media that would be fundamental to this. Funding for media associations and supporting institutions remains volatile, and the industry is too weak to sustain them alone. MSI participants said continued strong assistance from the international community is essential for at least two, and possibly more, years to prevent backsliding that could all too easily occur.

**A panelist said,
“The draft law deals with procedures in a way that citizens can exercise the right to seek information, but it does not tell the state what its obligations are in providing that information.”**

Objective 1: Free Speech

Macedonia Objective Score: 2.20/4.00

Article 16 of the Macedonian Constitution protects freedom of speech. A 1997 law on broadcasting law exists—and although weak, it is not without protections. The criminal code is rigorous. However, enforcement of the laws and implementation of existing regulations remains a serious problem. Panelists warn that even if parliament passes an effective broadcast law in 2004, putting it into practice will be difficult because of inefficient bureaucracies and a weak judicial system.

Despite Article 16, journalists complain that there is no effective access to information. Old socialist traditions and a corrupt, inefficient civil service make it very

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.

difficult for working journalists to obtain government information. One panelist described Macedonia as “a closed state for information” and said this has increased with the new government because “they have appointed spokespersons in order to give statements that contain no information.” Panelists also put responsibility on the media: “The constitution gives what journalists need for a free media, but journalists don’t fight enough, don’t demand information on the basis of the Constitution,” said one panelist.

Drafting of an access to information law has been taken on by Transparency International-Macedonia, but not completed. A panelist said, “The draft law deals with procedures in a way that citizens can exercise the right to seek information, but it does not tell the state what its obligations are in providing that information.”

The government began amending Macedonia’s criminal legislation, causing concern for independent

media advocates because of the apparent intent to allow for imposition of jail terms in cases of defamation, libel, and slander. The Association of Journalists of Macedonia (AJM) intervened and appeared to persuade the government to refine its reforms and meet Council of Europe recommendations by keeping defamation, libel, and slander under the civil code, eliminating the possibility of imprisonment.

The licensing regime for the broadcasting industry remains under the control of the government. The Broadcast Council merely recommends to the government who should get a concession. However, the new broadcast law sent to the government for review and approval contains definite reforms that increase the independence of the Broadcast Council and its ability to function as an effective regulatory body.

During 2003, there was debate about the 10 percent broadcast fee, paid by the public via their electricity bill, which is allotted to “private” broadcasters for what is purported to be public-interest programming. This process involves the Broadcast Council’s recommending to the government which private broadcasters’ projects have merit and how much should be paid for them. In practice, however, the government strongly influences which stations get the biggest slices of the pie. Some small local broadcasters virtually live off their shares of the broadcast fees. The whole system is viewed as open to corruption and is a useful tool for manipulation of the media by governments and political parties, especially in local communities. Most of Macedonia’s 127 broadcasters are lobbying hard to keep the 10 percent and are furious that the broadcast law submitted to the government contains no such fund. International media-support organizations are advocating removal of the fund, but it remains to be seen if the government has the courage to give up such a useful political tool.

For the print media, the privatization of the state publishing house Nova Makedonija has dramatically

One panelist described Macedonia as “a closed state for information” and said this has increased with the new government because “they have appointed spokespersons in order to give statements that contain no information.”

reduced the government’s traditional influence. The broadcaster MRTV remains state owned, but it is in the throes of major reform. The initiative, led by Executive Director Gordana Stošić, appointed by the parliament and effectively the government’s choice, has produced real change with staff and budget cuts and an attempt to set up a single news-gathering service for the multilingual broadcaster. The new broadcast law also includes removing government control over management and editorial appointments and creating an independent, truly public, broadcaster.

Notwithstanding the described limitations, the legislative environment for the media remains reasonably good, with potential to improve significantly in 2004. The media can and do directly criticize the government. Journalists are largely free to do their work without fear of retribution. The business environment is not slanted against the private media by unfair taxes. There are no significant restrictions on the use of the Internet. The rebroadcast of foreign news programming is widespread. There are no restrictions on entry into the field of journalism. And the government is involved in what seem to be genuine efforts to reform media legislation and better implement existing legislation.

Objective 2: Professional Journalism

Macedonia Objective Score: 2.24/4.00

Panel members had divergent opinions about whether reporting by Macedonian media is fair, objective, and based on good sources. Some took the position that the media cover all main events, especially political issues, and that there is open criticism of the government. Others argued that the quality of coverage is poor, due to a lack of motivation caused mainly by low wages and weak editors and leadership. They also argued that stereotypes exist, especially regarding ethnic issues and relationships, and pointed out the differences in how different language groups report the same events. As a result, they contended, there is no fair or objective journalism. Said a panelist: “Do we always have both sides? I agree, generally yes. But if a Macedonian writes about a subject connected to Albanians, he writes about it negatively. If he uses an Albanian source, he misrepresents it. But it is even worse with Albanian journalists. They write without asking for a statement from the Macedonian source.”

The group said cases of outright corruption, such as “prewritten” and “prepaid” articles, were rare.

But they shared the opinion that owners, managers, and editors still exert far too much influence over editorial content. Most journalism was viewed as being too political, with not enough issue-based reporting. The media also were criticized for not setting their own agenda in terms of news coverage.

Opinions differed on the subject of journalists’ pay, with some saying journalists are reasonably well paid in a country where salaries are generally low. An average journalist’s salary in the regions is about €175 per month and in Skopje about €300 monthly. The national average monthly wage is about €200, by comparison. Albanian and Roma journalists usually are paid less, although it should be noted that the owners and managers of these media houses are Albanian and Roma. MRTV, the state broadcaster, also pays generally less than

“Journalists in Macedonia are afraid of politicians, afraid for the financial existence of their media, and afraid to lose their jobs,” said a panel member.

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).

the private sector. The panel did not find a direct connection between the low wage and corruption.

The panel agreed that self-censorship existed, mostly because outlets fear losing revenue. The media are afraid to report negatively about companies due to concern about losing advertising, and the same can hold true for reporting about government institutions that might advertise in, or have influence over, the media. As a result, most media are loyal to a “circle” of business and political interests. “Journalists in Macedonia are afraid of politicians, afraid for the financial existence of their media, and afraid to lose their jobs,” said a panelist. “As much as the government is not transparent, neither are journalists. The public knows that the media is politically influenced, and economically dependent.”

Entertainment programming does not dominate or eclipse news programming. One of the most highly rated programs in Macedonia remains A1 TV’s evening news show.

The state of technical equipment in Macedonia remains mixed. Some broadcasters, notably Channel 5 TV in Skopje, TV Tera in Bitola, and radio station Kanal 77, have excellent facilities. Albanian broadcasters are generally less advanced and less well equipped, but have made progress through donor funding and private investment. For example, TV Era in Skopje invested in modern facilities partly through a small grant from the International Media Fund, a donor group of several international organizations. Overall, the quality of technical equipment is not a serious barrier to the dissemination or collection of information in Macedonia.

Very little niche broadcasting exists due to the high costs of investigative and in-depth television reporting. However, Sitel TV won a nomination for its investigative reporting on human trafficking as part of a project administered by the MIM. The International Monetary Fund supports an issue-based journalism project, which is a monthly series of reports from a core group of local broadcasters. Search for Common Ground funds a similar project called “Caravans” that produces local stories from around Macedonia. The print media generally do a better job of niche reporting, and although the quality is not outstanding, the results do add to public awareness of key issues. Some of this material results from donor-sponsored activity, such as reports in *Lobi* and *Kapital* magazines on topics including homosexuality, corruption in nongovernmental organizations (NGOs), human trafficking, and the plight of Roma people.

Objective 3: Plurality of News Sources

Macedonia Objective Score: 2.27/4.00

At the end of 2003, there were 127 private broadcasters, three national state television channels, three national state radio stations, and 29 state-owned local broadcasters. There were 10 private daily newspapers, although the newly privatized dailies *Vešer*, *Nova Makedonija*, and *Flaka* were barely functional and the big three, *Dnevnik*, *Utrinski Vesnik*, and *Vest*, were all owned by WAZ. There were about 60 magazines, of which about 10 weeklies had serious weekly news and current-affairs content. As a result, plurality does exist—augmented by widespread and growing access to the Internet. There are no serious barriers to access printed or broadcasted material apart from the general poverty of the population. There are no significant restrictions on international media and information sources.

Plurality is weaker in the nonmajority-language media. Although MRTV3 now broadcasts nine hours a day in the Albanian language and contains minority programming in Turkish, Roma, Serbian, Vlach, and Bosnian, there is still no private national Albanian broadcaster. *Fakti* remains the only significant private daily newspaper published in the Albanian language.

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.

Despite ongoing reforms in the state media, the panel was skeptical about how it reflects views across the political spectrum. This is indicative of the government's ability to appoint the managerial and editorial leader-

A panelist argued that “according to all world standards, if 80 to 90 percent of total circulation is in the hands of one company, that is a monopoly.”

ship at MRTV. There was little faith in the government's claims that it will keep to the provisions for an independent broadcaster contained within the new broadcast law.

The panel raised the issue of “ethnic representation” at the state broadcaster. Attitudes varied, but some saw a trend toward improvement, blaming existing weaknesses on a lack of technical equipment and money. Others, however, viewed the increase in Albanian-language programming as insufficient because its quality is too poor to satisfy the needs of the community. The group agreed, though, that the Roma were most discriminated against, with just half an hour of programming three times a week at an inconvenient time of day.

The panel felt there was a lack of sources of news agency information with only one weak private agency, Makfax, which is poorly organized and supports only a few part-time “stringers.” The panel agreed that the large government-run news agency MIA was quite good, although critics suggested it is too close to the government.

All agreed that transparency of media ownership existed, and that the public was aware of who owned what as well as the basic political affiliations of each media. There was concern, though, that the public outside the capital, Skopje, was less aware of the media's bias and affiliations.

Concentration of ownership sparked a heated debate, focusing on whether WAZ's entry into the market had created a monopoly. One panelist argued that “according to all world standards, if 80 to 90 percent of total circulation is in the hands of one company, that is a monopoly.” Another said his company had managed “to do what *Dnevnik*, *Utrinski Vesnik*, and *Vest* couldn't: create a joint distribution and printing house. The papers each have their own editorial policy; WAZ has only 51 percent of the management, and that is not a monopoly.”

All agreed that there is no media concentration in the broadcast sector and that, in fact, with some 150 broadcasters, the situation more approximated chaos.

Objective 4: Business Management

Macedonia Objective Score: 2.33/4.00

There is a rather large number of both print and broadcast media relative to Macedonia's population. At the same time, the Macedonian economy is weak. While the market has become more sophisticated, better uses market research, and generally functions in a more professional manner every year, there remain many weaknesses. Some of the larger media are profitable—A1 TV, TV Sitel, *Utrinski Vesnik*, and *Dnevnik*, in particular. Most of the small publications and broadcasters struggle to survive; they depend on their business and political affiliations, as well as donations and support from government subsidies, such as the 10 percent of the broadcast fee.

The plight of the Roma media is particularly bad. A panelist said TV Shutel “is self-financing through its share of the 10 percent of the broadcast fee, support from international donors, and a small amount of revenue earned from greetings programs. But as for advertise-

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.

A panelist said newspapers “face financial crisis if they don’t have big backers, as revenue from advertising is too low and the price of newspapers is set too low.”

WAZ, further efficiencies are expected. International donations and subsidies to the media have decreased as the country has stabilized, but some outlets still secure a significant part of their funding through the donor community. However, panel members expressed concern about the relatively weak advertising market. A panelist said newspapers “face financial crisis if they don’t have big backers, as revenue from advertising is too low and the price of newspapers is set too low.”

State subsidies still exist, but there is a trend toward their reduction and removal. In 2003, the government provided MKD 43 million (roughly \$800,000) from the state budget to the private printed press. Much like the 10 percent of the broadcast tax that goes to private broadcasters, this money is generally accepted as a means by which the government may strongly influence editorial policy. However, the government has promised this subsidy will cease, and no provisions for it are being made in the 2004 budget.

The panel agreed that although the overall ad market is weak, the advertising agencies work well in Macedonia, with nearly all ad placements going through them. The panel asserted that the available market research is reliable, except for data concerning the size of the advertising market. Best estimates compiled from several sources place the total ad market for Macedonia at €15 million to €20 million per year. Some in the industry believe total ad revenue could top €50 million per year, but this figure likely includes the estimated value of unpaid ads and ads given through barter deals. Despite the confidence expressed by panel members, local advertising generally is not placed through agencies, and local broadcasters struggle to sell time in an industry that is too centrally focused. Circulation figures, too, are still not entirely reliable.

ments, no. Most don’t use us.”

The arrival of WAZ to the print media industry suggests there is potential profit in the market and that the media conglomerate is likely to bring more effective business management. With the consolidation of printing and distribution under

Distribution is not a significant barrier in accessing news and information. A variety of distribution firms exist, with no visible government interference. *Vreme*, the new Macedonian daily, has easily set up its own distribution network using booths, shops, and street vendors. A range of printing presses exist, and access to presses outside Macedonia is very feasible.

Broadcast ratings are increasingly reliable and are generally viewed with considerable trust. IREX, in partnership with the APEMM, has funded a major project providing ratings to the broadcast media. Broadcasters and advertisers are increasingly using ratings as the basis for programming choices and for placing ads. However, serious advertising campaigns remain a political choice, based on the affiliation of a particular broadcaster and publisher.

Objective 5: Supporting Institutions

Macedonia Objective Score: 2.55/4.00

The panel gave its highest score to this objective, recognizing the remarkable development of media associations and institutions. The MIM carries out extensive and coordinated training and was widely complimented, especially for effectively catering to the needs of smaller media houses and minority media such as the Roma. The MDC focuses on legal reform and is responsible for bringing the new broadcast law before the government. The APEMM is recognized as an effective lobby for its members. However, the Association of Journalists of Macedonia (AJM) and the Association of Publishers and News Agencies of Macedonia (APNAM) were both criticized for being too weak. The panel acknowledged that the AJM offered real protection to journalists but felt it should more actively press for legal reform. The AJM was also criticized because its secretary general, Saša Colakovski, left the association to become a government spokesman in late 2002. This move damaged the reputation of the association, which is still struggling to overcome the negative effects.

A four-year journalism degree is offered at the University of Saint Cyril and Methodius in Skopje, and a communications degree is being developed at the South East European University in Tetovo, which offers some journalism courses. The degree program in Skopje was criticized for providing no effective practical teaching, being closed to innovations, and unable to carry out necessary reforms. Panelists also reported that no Albanian students have attended the course recently, despite the

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.

general consensus that the Albanian-language media desperately need well-trained journalists. The communications studies course in Tetovo was complimented for being modern, but it is too new to be evaluated for the quality of its graduates.

Panel Participants

Melita Cokrevska, USAID

Aco Kabranov, journalist and editor of news and information programs, Channel 5 TV

Sašo Ordanoski, editor-in-chief, *Forum*

Erol Rizalv, editor-in-chief, *Utrinski Vesnik*

Naser Selmani, journalist, *Vest*

Eleonora Serafimovska, psychologist and assistant, Institute for Sociological, Political and Juridical Research (ISPJR)

Muharem Sulejman, editor, TV Shutel

Ljupco Žikov, manager and editor-in-chief, *Kapital*

Moderator

Vesna Šopar, Ph.D., Institute for Sociological, Political, and Juridical Research (ISPJR)

Observers

Sheena Thomson, spokesperson, Office of the Special Representative of the European Union in Skopje

Mike de Villiers, resident advisor, IREX/Macedonia