

# **MEDIA SUSTAINABILITY INDEX**

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## **2006/2007**

**The Development  
of Sustainable  
Independent Media  
in Europe and Eurasia**



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## MEDIA SUSTAINABILITY INDEX 2006/2007

The Development of Sustainable Independent Media in Europe and Eurasia  
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ROMANIA

Romania has followed a variable evolution since the fall of communism. Economic reforms were slow, and democratization met numerous obstacles. Political life was dominated by the social democrats (the descendents of the former communist party) until 1996, when a center-right coalition came to power. In 2000, the former communist Ion Iliescu and his Social Democrat Party (PSD) returned to power. Press freedom became a problem despite economic growth. Many in the media felt that media freedoms were particularly affected by the approach of the prime minister, Adrian Nastase, who tried to control the media using both political and economic leverage. During 2003 and 2004, media freedoms in Romania became a growing concern for international organizations.

At the end of 2004, Nastase lost the presidential race in a dramatic run-off against Traian Basescu. The PSD, however, maintained a strong position in the parliament, and the new government remained weak throughout 2005. The new authorities pledged support for media freedoms and did stop the previous negative practices that affected the media market. Following this, Romania entered the European Union on January 1, 2007. Immediately after this important achievement, the country traversed a dramatic political conflict. The president's party was excluded from the government, and the prime minister remained in power with the support of PSD. The new anti-presidential majority in parliament impeached the president, despite the fact that the Constitutional Court did not find him guilty of violating the Constitution. A referendum in May to approve or reject the president's impeachment led to a victory for the president.

Despite these political dramas, the situation for the media remained relatively stable during 2006. The main source of concern in the previous period—the power monopoly held by the PSD and Nastase—disappeared after 2004. Perhaps because the new governing power is weaker and divided, it is not able to implement strategies against media, as was the case in 2004. But the Romanian media have systemic threats to face: an opaque ownership structure, the concentration of ownership, and the proliferation of publications and stations without clear economic resources to support them. Professional ethics remains a problem, not because of the lack of such codes, but because they are not properly implemented. Public debates on sensitive issues, such as the relation between journalists and owners, represent important steps forward, but they have yet to produce practical effects.

In all, Romania has witnessed continuing improvement in its media sector, and this year's Media Sustainability Index (MSI) shows an average score of 2.78, a small but significant improvement over 2005 and an even better improvement over 2004.

# ROMANIA AT A GLANCE

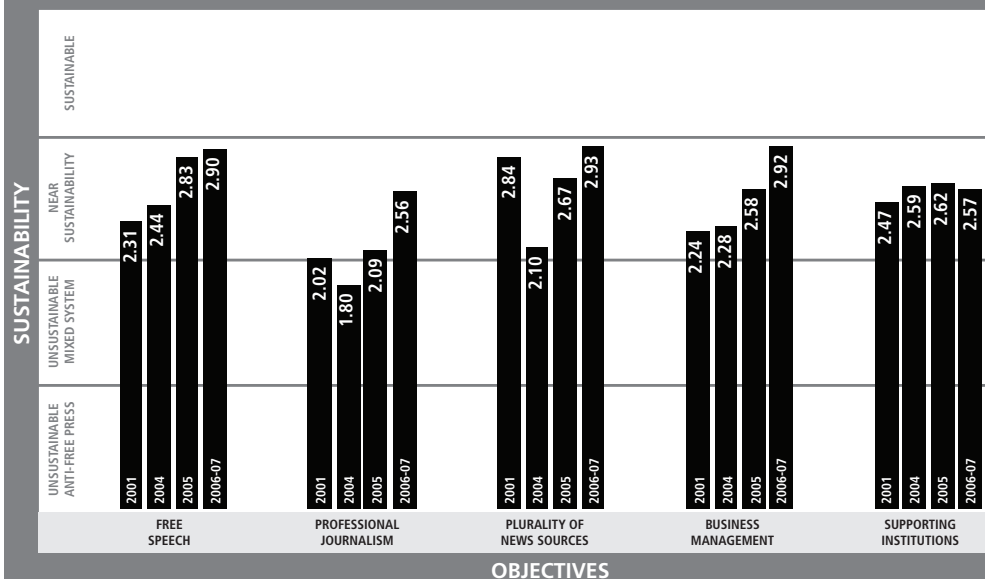
## GENERAL

- > **Population:** 22,276,056 (July 2007 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 Reformat 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 (2006-Atlas):** \$104.382 billion (World Bank Development Indicators, 2007)
- > **GNI per capita (2006-PPP):** \$9,820 (World Bank Development Indicators, 2007)
- > **Literacy rate:** 97.3% (98.4% male, 96.3% female) (2002 census, *CIA World Factbook*)
- > **President or top authority:** President Traian Basescu (since December 20, 2004)

## MEDIA-SPECIFIC

- > **Number of active print outlets, radio stations, television stations:** Over 1,000 print outlets; according to the National Broadcasting Council, 519 radio stations and 189 television stations were licensed (2004), but not all of these actually function.
- > **Newspaper circulation statistics:** The newspapers registered by the Audit Bureau of Circulations (BRAT) in 2005 sold a total of 1,051,189 copies each day. (*Audit Bureau of Circulation*, October 2005)
- > **Broadcast ratings:** highest-rated television outlets: Pro TV, Antena 1, Acasa TV, *TNS-AGB*
- > **News agencies:** Mediafax, Rompress, AM Press, Romnet, AMOS News
- > **Annual advertising revenue in media sector:** €200 million (television €130 million, print €40 million, radio €10 million, other €20 million) (*Mihai Vartosu, director of Romanian Association for Measuring Audiences*)
- > **Internet usage:** 4.94 million (2005 est., *CIA World Factbook*)

## MEDIA SUSTAINABILITY INDEX: ROMANIA



### 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: FREE SPEECH

### Romania Objective Score: 2.90/4.00

Romania continues to witness improvements in this objective. Although slight since last year, when compared against previous years, substantial improvement is seen.

The National Council of Broadcasting (CNA) controls broadcast licensing and is nominally an autonomous body subordinated to the parliament. The 11 CNA members are appointed by the president, the government, and the parliament. In 2006, the political factions in parliament were unable to reach an agreement to appoint new members to the CNA. Some MPs wanted to change the law to increase the number of members to 13 in order to overcome this deadlock. The current president of the CNA, Ralu Filip, protested and threatened to resign. His position received wide support among most prominent nongovernmental organizations (NGOs) supporting freedom of speech. However, the activity of the CNA was blocked by the inability of the parliament to appoint new members. Ioana Avadani, director of the Center for Independent Journalism, criticized the political parties that “tend to see in CNA membership just good jobs for their clientele.”

Panelists were skeptical of the process for granting licenses. While they recognized that the number of scandals concerning this process sharply decreased over the past few years, they also point out that the media community

*Avadani said, “Everybody considers that it is OK to beat a journalist. The authorities react late, and the public opinion considers this normal. I related on my personal blog the case of a TV team filming a burning house. The owner of the house assaulted the journalists. My readers commented that it was normal; they blamed the journalists.”*

has adapted to the system and no important licenses were granted in this period. At the beginning of 2006, the CNA did grant some local television and radio licenses. One media investigative report in *Evenimentul Zilei* (May 31, 2006; “Coalitia audiovizuala”) said the process was supportive of some local politicians, especially those with the governing coalition. This story led to discussion of the informal policy of the CNA to satisfy all political forces. Catalin Tolontan, editor-in-chief of *Gazeta Sporturilor* and an independent media observer, said, “CNA has this impression that it is objective if it treats everybody on preferential grounds. But this is not independence.” Catalin Moraru, editor-in-chief of *Monitorul de Botosani*, also explained the lack of public scandals by the fact that “people who would have complained do not go public anymore; they adapt to the system.” His company tried to receive a local radio license, but it was forced to look for political support in order to achieve it. “We cannot discuss the CNA in terms of fairness; it is an institution dominated by shadows,” concluded Moraru. Avadani does believe the current composition of CNA functions more independently, although “this seems to be more an exception; CNA remains basically a politically subordinated body.” Also, Avadani praised the initiative taken by the current president of the CNA to change the broadcasting law.

Market entry for a media business is no different than for other businesses, and panel participants agreed that this was not a problem for Romania media. However, Razvan Martin, program coordinator for Media Monitoring Agency, did point out that current law excludes NGOs and community-based organizations from registering media but a law pending in parliament removes this problem.

While the violence against media in Romania became less spectacular over the past several years, harassment continues. While there were no direct attempts to assassinate journalists, a number of cases occurred when reporters and cameramen were physically assaulted while

## 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 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 offended parties 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.



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*Moraru, working also in local media, said: "We protested just because the police entered a newspaper headquarters, confiscated the computers, and practically shut down that media outlet. For me, the political motivation is evident. The journalists should not have been arrested; they can be investigated without being arrested. I am afraid that this could be possible with all of us."*

gathering information. The panelists considered the lack of public outrage over such cases as a worrying sign. Avadani said, "Everybody considers that it is OK to beat a journalist. The authorities react late, and the public opinion considers this normal. I related on my personal blog the case of a TV team filming a burning house. The owner of the house assaulted the journalists. My readers commented that it was normal; they blamed the journalists." Tolontan considered that the sport journalists are the most jeopardized: "The investigative and politic media were the main targets in the past years, but this is changing now. The sport media took the first places. It is a major problem." Martin confirms this conclusion, "Half of the cases we registered in this period were connected with soccer."

The panelists expressed mixed opinions about the authorities' reaction to this trend. Tolontan was critical: "The authorities do not treat journalists as citizens that need protection. The general hostility towards media is becoming indifference of the law-enforcement officers when an individual journalist is attacked." Tolontan gave us the example of one cameraman from public television attacked by soccer supporters while filming them. The police said in an official press release that the cameraman should not have been there. But Moraru had a more favorable opinion of law-enforcement agencies: "I think the authorities react faster. At least they seem to be worried about these cases."

In 2006, a controversial action of the state prosecutors raised the issue of judicial actions against journalists. Two reporters (Sebastian Oancea and Marian Garleanu) were arrested in Vrancea County for possessing and publishing secret information. Both men said they received a CD-ROM with some military information and refused to reveal their sources. This case was embarrassing to the Army and the secret services. The entire media community reacted against the arrest of the journalists, and they were finally freed. Martin expressed the idea that although they are free, the journalists

can still be pressured by the prosecutors and their access to justice is blocked. "They do not have the possibility to defend themselves. The prosecutor keeps the file for more than one year, and nothing happens," he said.

A much more spectacular case occurred in the Transylvania region. The entire management of Gazeta regional network (10 newspapers) was arrested by the prosecutor and charged with corruption, blackmail, and extortion. The reputation of this network among the journalistic community was quite controversial. As media monitoring by the Center for Independent Journalism showed, the central media reacted critically to their colleagues, almost praising the prosecutors for their actions. The most powerful media organization, the Romanian Press Club, immediately released a statement saying that this case could not be considered an attack on freedom of speech.

The reactions to this case among the panelist were mixed. Moraru, working also in local media, said: "We protested just because the police entered a newspaper headquarters, confiscated the computers, and practically shut down that media outlet. For me, the political motivation is evident. The journalists should not have been arrested; they can be investigated without being arrested. I am afraid that this could be possible with all of us." Tolontan was much more critical of the arrested journalists: "That was not a media business. We all knew that. What happened is a problem for all of us. We cannot hide under this idea, that the state is always a gangster and the journalists are victims by definition."

Public media include Romanian Television—TVR (four channels), public radio (four channels), and the public news agency, Rompres. The president, the parliament, and the government appoint the boards of national radio and television stations, according to the 1995 law. While a public debate took place in 2005 over efforts to change the law, no changes were ultimately made. More recently, a dispute occurred within the governmental coalition on naming new members of the boards. President Basescu refused to name its representatives before changing the law. Despite this, new boards were installed by other coalition members and opposition parties.

All the stakeholders agree that the old law has to be changed, although this change was seen quite differently. Not less than three different drafts were submitted to the parliament. Looking back over the entire process, one can be amazed that nothing actually changed. In 2007, the public television still functions after the old and outdated 1995 law. Meanwhile, its limits of this law became evident once again. The president of TVR, Tudor Giurgiu, who was appointed after the 2004 elections, tried to reform



the institution, but the politically appointed board asked the parliament to remove him. Giurgiu had made the controversial decision to announce publicly the dismissal of Rodica Culcer, the editor-in-chief of the news department. Culcer had succeeded in reshaping the news, and the motivation for her dismissal was unclear. Avadani said that “this was bad management, not political pressure.” Also, Avadani blamed external forces for the conflict within TVR. “The reaction against Giurgiu came from outside, but using persons from inside.” Martin blamed more directly the politicians for creating the reaction against Giurgiu: “It is a sort of cross-party agreement to fire Giurgiu. There is no political will to let TVR be free.”

Tolontan discussed the problem of funding TVR from the public budget: “This is against competition on the market. One of the biggest competitors, TVR, receives funds based only on the needs it has.”

The Romanian parliament passed a law in 2006 that eliminated prison terms for libel. However, the Constitutional Court reversed this decision. The Court’s decision cannot be overruled, and it makes it compulsory for the parliament to maintain libel in the Penal Code. Panelists sharply criticized the Court’s decision. Adrian Voinea, manager of *Gazeta de Sud*, the most powerful local newspaper in Romania, said, “This proves nothing is stable here and the worst is always possible.” Avadani was also cynical: “In 2006 we did not have libel in the Penal Code. Now we do. This is even worse, because any improvement that is reversed sends a negative signal.” Despite the problems with the issue, some participants found improvements in practice: “fewer journalists are actually taken to courts for libel. The situation with the laws being so unclear, people don’t file suit.” Tolontan praised the judges: “They tend to judge better the libel cases. I could say that those who apply laws are wiser than those who make the laws.”

Romania adopted a Freedom of Information Act in 2001. In 2006, a significant improvement was made to the law by including all national companies and state-owned firms. This aspect was raised in previous reports, and this improvement was noted by the participants. Also, a new law for public procurements includes a special transparency clause that makes all procurement files accessible to the public. Nonetheless, the implementation of the law still encounters problems. Avadani said, “There is some laziness of authorities and some restrictive interpretations. The Timisoara tribunal, for instance, decided that the salaries of judges are secret.”

Without any legal restrictions, panelists did not consider access to international media to be a problem. There is no need for a special license to practice journalism in Romania. Some voices from the industry are requiring special

*Tolontan agreed that “journalists know now how to make the difference between what is permitted and what it is not. Those who break the rules are doing it intentionally, knowing that it is not good.”*

certificates to be issued by professional organizations, but this idea was rejected until now. Avadani concludes that “everybody can be a journalist in this country.”

## OBJECTIVE 2: PROFESSIONAL JOURNALISM

**Romania Objective Score: 2.56/4.00**

Panel participants generally expressed dissatisfaction with the quality of reporting, yet they did rate it fairly high in comparison with past years. This came in part because of improvements due to the political situation. Tolontan was optimistic: “The media is splitting into two sides. Those who do their job are doing it better and better. And this is important for the public.” Voinea was less content: “I do not see an increase in quality. From my point of view, we have only entertainment. Serious issues are dealt with as if they were entertainment.” Moraru observed that the quality of new journalists is decreasing, but Tolontan explained that by changes in the job market, “the opportunities for a good

### 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.
- > Media outlets have unrestricted access to information; this is equally enforced for all media and journalists.
- > Quality niche reporting and programming exists (investigative, economics/business, local, political).

*Avadani observed that in some cases the salary is so high that “it becomes coercive. I spoke with people that told me they got used to the standard of living and it would be difficult to leave.” Tolontan said he was afraid this wage inflation was unrealistic.*

young beginner are better now in other industries, compared with a few years ago.”

Another problem identified by the participants was the involvement of rich businessmen in the media, who have no immediate interest in obtaining profits but who use it as a political weapon. Moraru said that “they are not interested in audience and profit, but they take my best people, offering them good salaries.” Thus, quality is not an issue for them.

Romania has many different professional codes developed by various organizations and associations. The journalism community started a series of debates in 2005 to adopt a unified code, but little progress has been made. The most prominent existing codes are the codes adopted by the Convention of Media Organizations (COM) and by the Romanian Press Club (CRP). In 2006, an ethical code was imposed as an annex to the collective contract for the media industry, signed between a trade union and some owners’ associations, but this has had little impact over the profession to date.

Although she was optimistic for long-term progress, Avadani said the ethical standards are known by the journalists, but they do not refer to these standards in solving day-to-day practical dilemmas. Tolontan agreed that “journalists know now how to make the difference between what is permitted and what it is not. Those who break the rules are doing it intentionally, knowing that it is not good.”

Panelists agreed that politically motivated self-censorship has decreased since the last elections, when the powerful Social Democrat Party went into opposition. The main source for self-censorship now concerns the relationship between journalists and media owners. In September 2006, three experienced journalists from *Ziarul de Bacau* (a local newspaper) resigned, accusing the owner of pressuring them to not publish an article about local authorities. This case was rather exceptional only by its public exposure. One of the most powerful media owners in Romania is Dan Voiculescu. He is also the president of the Conservative Party, and according to many journalists and analysts, he uses his

four television stations and several publications to “sell” a good image of himself and his party. At least one article (*Cotidianul*, October 24, 2006; “Cum isi face Voiculescu stirile despre el insusi”) claimed that he has special employees at his media outlets who report and arrange news about him. Another case involved *Jurnalul National* daily—also owned by Voiculescu—and the columnist Dorin Tudoran. Tudoran wrote an article criticizing Voiculescu for his political actions. Then Voiculescu’s daughter, formally in charge of the newspaper’s management, asked the editor-in-chief to fire Tudoran. Panelist Tolontan, editor-in-chief of *Gazeta Sporturilor*, which is also owned by Voiculescu’s media network, criticized the decisions in Tudoran’s case. “It was a stupid move for the owner to intervene and for the editorial staff to accept this intervention.”

However, not all blame was laid at the feet of the owners. Avadani blamed the journalists as well: “There are people who know very well the owner’s agenda and act accordingly.” Voinea, himself a media owner, said, “It is normal, the owner should establish the editorial policy, and the journalists should follow it.” Tolontan responded that “it is happening, but it is not normal.”

The panelists criticized the Romanian media for not covering some issues. Tolontan said there is little reporting on new technologies, the pharmaceutical industry, and other subjects that could affect business. Moraru provided an example: “We wrote about a vaccine that affected the women in two villages. We saw powerful reactions from the medical community, and the advertisements for medical products disappeared from our pages. The reporter that wrote the piece has difficulties in gathering information now.” Avadani also observed the lack of consumers’ reporting in Romanian media, which focus too much on politics.

Panelists observed a rapid increase in journalists’ pay. However, the difference between Bucharest-based and local media is still appreciable. Panelists estimate pay ranges for entry level to editor at 300 to 1500 euros in Bucharest but 250 to 400 euros in the regions. The inflation of journalists’ salaries was visible in Bucharest. More and more media outlets are being opened as rich businesspersons try to create or to develop their media empires and need experienced journalists. Avadani observed that in some cases the salary is so high that “it becomes coercive. I spoke with people that told me they got used to the standard of living and it would be difficult to leave.” Tolontan said he was afraid this wage inflation was unrealistic.

Panelists complained about the increased amount of entertainment in media products. But some of them observed the importance of news-oriented television stations. There are three news stations in Bucharest at this moment. Realitatea

TV is the most prominent, while the second one in terms of audience is Antena 3. These news-oriented media outlets increased the interest for news and have gained ratings at the expense of other large television stations.

Panelists did not perceive the technical capacity of media to be a problem, given the broad access to high-tech technology in Romania. The only problem observed by the panelists was that some media outlets, especially at local level, still use illegal software.

The market of niche publications is developed and continues to grow. Specialized magazines for IT, autos, women, fashion, and pets are strongly market-oriented and flourish. A special problem, however, is community-oriented reporting, as some cable television companies stopped producing local news.

### OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Romania Objective Score: 2.93/4.00

This objective increased slightly from last year as the market continues to offer many choices to citizens. More than 15 Bucharest-based daily newspapers are on the market, and one can get three to four local daily newspapers in the main cities. Public television has four channels. Private broadcasters have established themselves, including news channels. Urban areas receive a variety of television stations via cable, and in recent years, more cable firms have penetrated the rural areas.

#### 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.

*"The transparency is good, but it does not help us too much. It's more important to know what it is happening within a TV station." A legal problem that persists is the lack of control over cross-ownership that has encouraged the development of media conglomerates.*

The concentration of the ownership in media is a problem. Voiculescu, the owner of Antena 1, the second-largest commercial television station and leader of the small Conservative Party, was discussed above. He also owns the second news station, the second newspaper in terms of circulation, the first sports-oriented newspaper, a weekly magazine, and a radio station. Another media conglomerate was formed by Sorin Ovidiu Vantu (the first television news station, two newspapers, one weekly magazine, and a news agency); Adrian Sarbu (the first commercial television station, several newspapers and magazines, and a news agency). Dinu Patriciu, the owner of the biggest private company in Romania (in the oil industry), has recently entertained ambitions in the media industry and bought one daily newspaper and several magazines.

As a result, the majority of the central media has been reduced to several conglomerates. Some of our participants expressed concern because the people controlling media concentrated their actions in key moments in order to influence political decisions. Manuela Preoteasa, editor of EurActiv.ro, said there was "an unspoken alliance between media moguls. They all bark in the same direction." Tolontan also observed media moguls' tendency to synchronize their voices against the president, Traian Basescu, at the beginning of the current political crisis.

Panelists agreed that access to media in Romania is not a problem. The legislation sets absolutely no restrictions on access to foreign news. The only limitations are dictated by prohibitive prices, but this could be overcome by the Internet, where Romania leads in Eastern Europe for broadband connections.

Although they are set back by the failure to change the law for public radio and television, the panelists observed some progress in the past year on the editorial side of public television. Martin noted improvement in its editorial content, especially by bringing independent producers, with limited contracts. Also, in Martin's view, "TVR fills the gaps uncovered by the private outlets, concerning the culture, young people, minorities." The participants were more critical of public

*Voinea, manager of a local newspaper, said, "You can make money from media, but you have to reinvest permanently to keep pace." He explained this situation by the large amounts invested in media from other business to obtain or influence political power*

radio, where the changes were less significant and the quality of reporting remained low.

The state-owned news agency is formally controlled by the parliament, but its market position is rather poor. Panelist Moraru said, "Rompres is a weak agency, professionally speaking, without resources. They see themselves as the government's news agency and work accordingly." The most important news agency is the privately owned Mediafax, which has been the only real competitor on the market for the past decade. But a new agency, NewsIn (owned by Vantu), has entered the market. Voinea said he made a contract with NewsIn because he was unsatisfied with the political bias of Mediafax. Moraru also remarked that NewsIn triggered a decrease in prices and that Mediafax became more flexible in negotiating contracts. Participants also observed that the Internet decreased the importance of news agencies in setting the public agenda. "The agencies lost the monopoly over rapidly transmitted news."

All television stations produce their own news programs. Most radio stations do also. Avadani did note the trend of stopping local news by the local cable companies after they are bought by bigger companies.

A comprehensive study by the EU Monitoring and Advocacy Program in 2005 revealed that a major problem was the lack of transparency regarding the capital behind television stations. After pressure from the National Broadcasting Council, Vantu acknowledged in February 2006 that he owned Realitatea TV, the most influential news-oriented television station. Transparency by itself was not considered a problem anymore by the panelists. The Center for Independent Journalism developed the project Media Index—a Web portal with details about the official ownership of all media outlets. "The transparency is good, but it does not help us too much. It's more important to know what it is happening within a TV station." A legal problem that persists is the lack of control over cross-ownership that has encouraged the development of media conglomerates.

Avadani described in Romania what she called "herd journalism"—when you find the same story everywhere, with exact the same approach." Martin complained in last year's MSI about the way media reported the first gay parade in Romania. In 2006, the situation improved, said Martin: "We had some good surprises, and the media was more tolerant." Avadani was worried about the situation of media in minority languages: "They are just newsletters for the community; dialog with the majority is missing." An exception could be the media in Hungarian, the largest ethnic minority. In this case, the real problem is the control of the Hungarian Party, which represents the minority in parliament. This control is evident both for state-owned and for private media (and for the outlets created with funds from Hungary).

#### OBJECTIVE 4: BUSINESS MANAGEMENT

#### Romania Objective Score: 2.92/4.00

This objective showed small but significant improvement over last year. Panelists note that the Romanian media are more market-oriented, but gradually evolving. Only a few newspapers function as real businesses. Panelists believed that at most 10 local newspapers function as self-sufficient businesses, which is a small percentage of the more than one hundred local papers. For Bucharest-based newspapers, several of the key papers appear profitable, such as *Libertatea*, *Jurnalul National*, and *Evenimentul Zilei*. The panelists considered that besides the above-mentioned papers, the others were losing money. Voinea, manager of a local newspaper, said, "You can make money from media, but you have to reinvest permanently to keep pace." He explained this

#### 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.

situation by the large amounts invested in media from other business to obtain or influence political power.

The print media have problems with the Romanian Post Company, which handles subscription-based distribution. The company operates slowly and inefficiently. For direct sales distribution, the market is still dominated by the formerly state-owned company Rodipet, privatized in 2003. Nothing has changed after privatization, and Rodipet still delays payments, causing financial problems for many publications.

Generally speaking, the print media depend too much on sales. The situation is better for the large papers in Bucharest, where the advertising market is better developed. Here, the proportion of advertisement in total revenues was estimated by our panelists at around 50 percent. Some local newspapers also reached this level—for instance, *Gazeta de Sud*—but these are exceptions. The state radio and television stations have three sources of funding: state subsidies, subscriptions, and advertising.

There are many advertising agencies active in Romania. Among them are: McCann Ericsson, Grey, Saatchi & Saatchi, Leo Burnett, BBDO, Young and Rubicam, and so on. Despite a large number of indigenous agencies, some 80 percent of advertising money is circulated within these international agencies. Preference is given to large media outlets with national distribution and to television stations.

The general opinion among participants was that television stations are attracting an exaggerated percentage from the total advertising pool. Panelists estimated that 300 million euros went to television, compared with 80 for print and 5 million for radio. Tolontan notes that television still is a higher-valued media for advertisement agencies.

There are no direct subsidies for media outlets in Romania. In previous years, the MSI had identified state advertising as a form of hidden subsidy. After the 2004 elections, the new government passed a law in 2005 to establish a more transparent and competitive means to place and pay for state advertising. As an indirect result, the total amount spent by the state on advertisements in 2005 decreased to 4 million euros, from 14 million in 2004. Although the new system is not completely functional and some authorities abuse it, the panelists considered that the problem of state advertisement was no longer jeopardizing the media industry. Tolontan said, “The industry is no longer polluted with public money. Some media owners are not happy with this change, because they were winning easy money from the state. But the overall situation has improved now.”

The panelists noted that market research is increasingly used by media outlets to shape their product and content. Moraru gave the example of his own newspaper, which

*Tolontan said, “The industry is no longer polluted with public money. Some media owners are not happy with this change, because they were winning easy money from the state. But the overall situation has improved now.”*

was rebranded following market research. However, other panelists, such as Preoteasa, felt there still was a real lack of “professional media managers.”

The Romanian Audit Bureau of Circulation (BRAT) was founded in 1998 as an independent, non-for-profit organization. Many advertising agencies have a precondition for allocating any advertising contract the existence of a certificate issued by BRAT. Through the broadcast law adopted in 2002, the state interfered with the broadcast rating system by allowing the CNA to select a single rating system, which is currently in place. The system functions as a private operation, and not all ratings data are freely accessible.

## OBJECTIVE 5: SUPPORTING INSTITUTIONS

### Romania Objective Score: 2.57/4.00

This objective has witnessed relative stability over the previous two years, as there have been few major advancements in supporting institutions.

Although the journalistic community in Romania remains generally skeptical of joining a union, important steps for having a united and powerful union were made in 2004 and 2005. MediaSind is a federation of different unions that has over 8,500 members. Some critics observed that many of these members are not journalists but technical staff from state radio and television, as well as the staff of printing facilities. Despite this, MediaSind is more active. In 2004, it signed a collective labor agreement for the media industry. The contract establishes the clause of conscience as one of the fundamental labor rights for journalists. It was reinforced for 2005 and 2006.

In October 2006, MediaSind supported the strike organized by the journalists working for *Kronika* newspaper (addressing the Hungarian minority). This case was rather exceptional, as journalists do not organize such protest movements in Romania.



*Avadani raised the problem of social dialogue in the media industry: "We have trade unions, but no owners' associations." Under the Romanian law, the trade unions have to negotiate with owners' associations, organized in a particular legal manner.*

Avadani raised the problem of social dialogue in the media industry: "We have trade unions, but no owners' associations." Under the Romanian law, the trade unions have to negotiate with owners' associations, organized in a particular legal manner. The most powerful organizations are organized as NGOs and are not able to negotiate with the trade unions. The Association of Local Editors and Owners (APEL) contains the most important local newspapers in terms of circulation. At the central level, the Romanian Press Club (CRP) contains the most important media outlets and journalists. CRP encountered an internal crisis in 2006, and it will be split into two separate organizations: one for journalists and one for media owners. The only association organized as an owners' union is ROMEDIA, a marginal organization with little credibility within the industry. Broadcasters have their own organization called ARCA, but it does not deal with editorial matters. There are many journalists' associations, but most of them are low-profile, inactive, or immature. Several exist only on paper.

The Convention of Media Organization (COM) was established at the initiative of the Center for Independent

Journalism (CIJ) and the Media Monitoring Agency (MMA) to create a functional community to discuss the profession's problems. The director of CIJ, Avadani, said she was disappointed in the progress made by the COM in the last period: "It did not grow."

The most important NGOs are the CIJ, the MMA, the Romanian Helsinki Committee, and the Pro Democracy Association. They acted as an informal coalition and on numerous occasions defended press freedom. The group also kept international observers informed and succeeded in placing media on the agenda of international organizations.

There are 20 journalism university programs across Romania—both state and private. The average number of students per class is 60, so a huge number of journalists with a diploma flood the market every year. Avadani said, "There are enough faculties, but most of them are too theoretical." She continued, saying, "A good example is the Faculty of Journalism in Iasi, which has its own news agency, magazine, Web portal, radio, and television station, and the students work there." Tolontan estimated that around 20 percent of the people newly hired in media graduated from a Journalism Faculty.

After the closing of the BBC School in 2001, the CIJ remained the only short-term training provider. The CIJ provides courses for journalists and journalism students but also for students in related fields, such as political science, economics, and law. The Center also provides targeted assistance to media outlets. Visiting professionals from abroad (mostly from the United States) also provide instruction at the Center. According to the CIJ director, over 5,000 journalists and other media professionals, journalism students, and high-school pupils have attended CIJ courses and programs since November 1994.

Panelists agreed that newsprint and printing facilities are widely available. Most of the newspapers own a printing house in order to reduce their costs. A single newsprint factory exists in Romania. Its owner is a very controversial businessman and politician. The plant does not function in a customer-oriented manner, but it is preferred to the imported paper because it sells paper about 10 percent cheaper.

Kiosks for media distribution are, in principle, independent and free. The largest print media distribution company, the former state-owned Rodipet, is still inefficient, and cases when it generated financial problems for media outlets appear quite often. In 2006, the weekly financial magazine *Saptamana Financiara* wrote articles about the new owner of Rodipet, and the firm counterattacked by refusing to distribute the magazine.

#### 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 in private hands, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.



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Voinea said that Rodipet does not work better, despite its privatization. Tolontan raised the general problem of distribution firms: "They are not properly managed; it is total chaos there." All panelists directly involved in their media business complained about the fact that distribution firms are delaying payments.

## Panel Participants

**Ioana Avadani**, Executive Director, Center for Independent Journalism, Bucharest

**Razvan Martin**, Program Coordinator, Media Monitoring Agency, Bucharest

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

**Manuela Preoteasa**, Editor, EurActiv.ro

**Catalin Moraru**, Editor-in-Chief, *Monitorul de Botosani*

**Catalin Tolontan**, Editor-in-Chief, *Gazeta Sporturilor*

## Moderator

Cristian Ghinea, Journalist, *Dilema Veche*, Bucharest