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ROMANIA

Media outlets in Romania were hit in 2012 by the twin effects of the prolonged drop of advertising revenues and political turmoil which increased pressure on the media, and begged them to take a stand for the rights of journalists.

A second attempt to impeach President Traian Basescu triggered a constitutional crisis, with vital institutions such as the Constitutional Court and the Ombudsman being fiercely attacked by the majority in parliament. An intervention from the EU was needed to restore the basic functionality of democratic institutions. The situation took its toll on media outlets, which openly played one political camp off the other, with impartiality being the main victim.

Hit by the financial crisis and left with huge debts, layoffs and severe wage cuts, media institutions in Romania have had to deal with unprecedented political and institutional pressures in addition to the downturn in the economy.

Romania's media suffers from the effects of an investment bubble that peaked in 2009 and has declined sharply since. The panelists estimated that the media market experienced an 80% decline in advertising revenues between 2008 and 2012. Print media has been devastated. Two of the biggest media companies in Romania were in bankruptcy proceedings after their creditors demanded payment of their large debts. Adevarul Holding, once a leader in print media in all segments, closed in 2012 under the weight of 100 million euros in debt. The television market is overcrowded, and new stations continue to be created, but largely because politicians and business persons are looking for political influence and assistance with their "brands."

With these trends in mind, MSI scores dropped for all five objectives this year compared with last year, with the change most pronounced in Objectives 3 and 4. Public media independence remains a major constraint. Falling pay levels appear to have dragged ethical standards down along with them. Economic weakness in general led to Romania's poor showing on business management, with media audience dispersing to free online and niche outlets, leaving the mainstream players to wither away.

Still, there are bright spots. Access to foreign news has never been more widespread. Libel is a civil issue, protecting journalists from most frivolous claims. Market entry is generally permissive, and crimes against journalists are somewhat rare.

As it stands today, Romania has more pluralism in the media but less sustainability, less professionalism and less objectivity. A new super majority in parliament (over 75% for the Socialist-Liberal coalition) was formed after the 2012 elections, and has raised new doubts over the near future of independence in the media industry.

ROMANIA at a glance

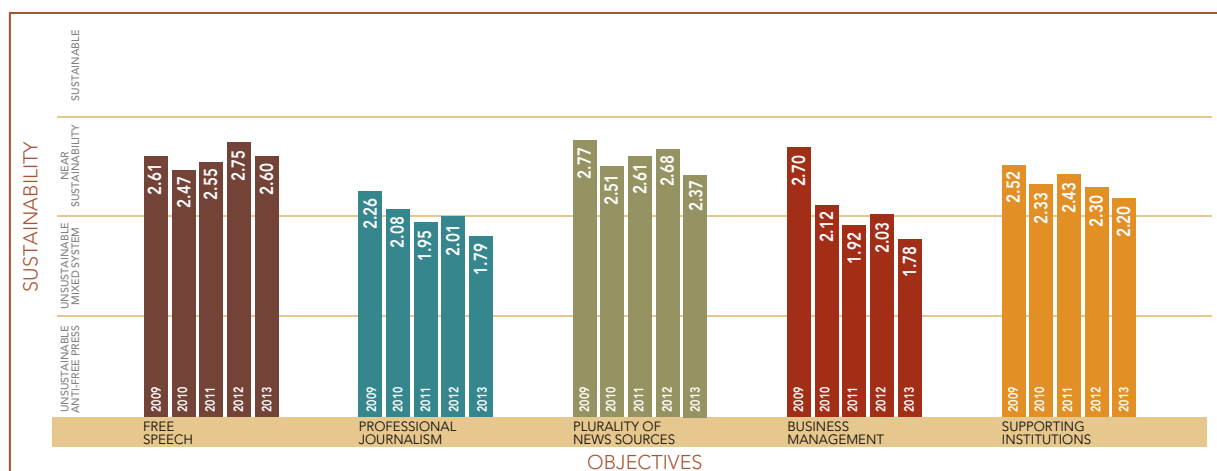
GENERAL

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

MEDIA-SPECIFIC

- > Newspaper of active print outlets, radio stations, television stations: Print: 138 publications (according to BRAT); Radio Stations: 598 (licenses for terrestrial broadcasting, 26 satellite broadcasting (CNA Annual Report 2010); Television Stations: 45 news stations, 13 music stations, 15 sports-oriented (CNA Annual Report 2011)
- > Newspaper circulation statistics: Top ten papers had a combined circulation (May–June 2012) of approximately 416,964, with 9 out of 10 print runs declining (Paginademedi.ro, according to Audit Bureau of Circulation)
- > Broadcast ratings: Top three television stations: Pro TV (7.0%), Antena 1 (4.5%), Kanal D (2.8%) (paginademedi.ro, November 2012)
- > News agencies: Mediafax (private), Agerpress (state-owned), NewsIN (private)
- > Annual advertising revenue in media sector: about €303 million, of which €190 million on television, €23 million on radio and €41 million on Internet. (Media Fact Book 2012, Hotnews)
- > Internet usage: 3.611.716 number of unique visitors (2012, Internet Audience and Traffic Study SATI)

MEDIA SUSTAINABILITY INDEX: ROMANIA



MEDIA SUSTAINABILITY INDEX 2013: OVERALL AVERAGE SCORES



CHANGE SINCE 2012

▲ (increase greater than .10) □ (little or no change) ▼ (decrease greater than .10)

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.

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

OBJECTIVE 1 FREEDOM OF SPEECH

Romania Objective Score: 2.60

The constitutional and political crises that occurred in Romania during the summer of 2012 raised the stakes and created an environment of fierce verbal attacks against journalists, who were blamed by politicians that accused them of “destroying the image” of the country abroad.

An agent from the Romanian Intelligence Service (RSI) was confirmed to have penetrated one newspaper’s editorial team in 2012, according to both parliament and the RSI itself. But as panelist Razvan Martin from the media watchdog group Active Watch described the failings of checks and balances on the matter. “The official reply from parliamentary Committee which controls RSI was simply a copy of the RSI’s statement, nothing more. This demonstrated [that] there is no civilian control over the intelligence services, exposing segments of society (media, in this case) to abuses.” Nevertheless, no other public condemnations were registered in this case other than those from the media industry and human rights organizations.

The lack of public outcry or reaction from civil society was decried by other panelists. “Romanian society has not given any importance to freedom of expression and has often confused it with the permission to say anything, including the right to offend someone,” said Petrisor Obae.

LEGAL AND SOCIAL NORMS PROTECT AND PROMOTE FREE SPEECH AND ACCESS TO PUBLIC INFORMATION.

FREE-SPEECH INDICATORS:

- > Legal and social protections of free speech exist and are enforced.
- > Licensing or registration of media protects a public interest and is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against media professionals, citizen reporters, and media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > The law protects the editorial independence of state of public media.
- > Libel is a civil law issue; public officials are held to higher standards, and offended parties must prove falsity and malice.
- > Public information is easily available; right of access to information is equally enforced for all media, journalists, and citizens.
- > Media outlets’ access to and use of local and international news and news sources is not restricted by law.
- > Entry into the journalism profession is free and government imposes no licensing, restrictions, or special rights for journalists.

“Romanian society has not given any importance to freedom of expression and has often confused it with the permission to say anything, including the right to offend someone,” said Petrisor Obae.

He also noted several abusive practices to the panel. One of the main cable-internet providers, RCS-RDS, decided to ban access to a websites without any court ruling in response to pressure from a third party.

In July 2012, ruling coalition senator Dan Sova accused journalist Carmen Valica, at that time the Brussels correspondent for Romanian Public Radio, of misinforming the European Commission. He alleged that Valica told the EC that there was an imminent risk that the new Romanian government to going to arrest the Constitutional Court judges. He added that her questions led to EU Justice Commissioner Viviane Reding’s harsh criticism of the Romanian government. Senator Sova insisted that he had records confirming the allegations against Valica. He has, however, never produced that recording. As for the journalist’s reputation, the Ethics Committee of Public Radio concluded that Valica did nothing wrong and Sova’s accusation was simply a lie. The Board of Directors of Public Radio endorsed the Ethics Committee opinion five months later. This decision was completely ignored and had no effect whatsoever on Sova’s further political career. This case is relevant for its lack of accountability in Romanian politics. A prominent politician produces false, fabricated accusations about a professional’s reputation and no one pushes him or pushes for further evidence. His dishonest behavior, however, did not prevent Sova from becoming a member of the government several months later.

The National Council of Broadcasting (commonly known by its acronym, CNA) is an autonomous body that controls broadcast licensing. It is formally controlled by parliament, whose members’ mandate is distributed following the political configuration of the parliament. CNA’s 11 members are appointed and confirmed by the government and parliament.

In previous years, the panelists expressed doubt over the license-granting process, often citing the preference of political affiliation over professionalism. The panelists did not feel the same held true this year. “There were no obstacles in granting new licenses but there were questionable practices in [the lack of] competition between cable distribution companies delivering their own television

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channels and the ownership of the television stations,” Obae stated. The current regulations do not prohibit any cable provider from having its own television station, so CNA says it has no legal basis for rejecting license applications from cable operators.

The question was raised about whether RCS-RDS—which is one of the main cable providers and has won several broadcasting licenses this year—will not disadvantage the channels of other competitors in the cable television marketplace. “If you [control] the distribution of channels and you own your content, it is a problem,” Obae added, questioning whether this would be a case of conflict of interest. Georgiana Greco, executive director of The Romanian Advertising Council, said, “The Competition Council should have been responsible for clarifying these situations.” Underlining the current lack of a legal basis for regulating issues such as these, panelist Gelu Trandafir, member of the National Audiovisual Council and CNA member through December 2012, added, “In the future it should be clear what cable providers can and cannot do in the television market.”

CNA is supposed to monitor the television programming content after it grants a license. However in practice, “Nobody has respected the content [they] promised [after getting] their license,” summarized Cătălin Moraru.

A large majority of panelists referred to what they called hard political pressure over reporting political events during the summer of 2012 and the failure of CNA to intervene. “The selection procedure of CNA members has been politicized, the Council has been divided [across] political lines and its [ability to operate effectively] has been affected by political conflict,” Martin said.

Political leader have sent stronger signals and suggested heavier legislative actions in 2012 compared with previous years. Martin mentioned two of the most relevant. In March, CNA members were summoned in front of the parliamentary Commission for Culture, Arts and Media to

be criticized because of their “tolerance” of certain editorial practices. In autumn, Crin Antonescu, Senate President and interim President of Romania during the constitutional crisis in the summer, openly said he would agree with the disillusionment of CNA if the issue arose.

Political pressure became more pointed during the end of 2012 and was linked to the last Council’s decisions dealing with the unprecedented politicization of TV content. “CNA has been very [attentive] to the political messages it has received. There were pressures from both political camps and these were seen in discussions and decisions within the institution. Last year, consensus between CNA members had not been reached except in a very few cases,” Obae explained. History has seen tough decisions—fines or program suspensions—applied to all TV stations, independent of their political views or orientation.

Since 2005, CNA has been doing a decent job, according to the panelists. Obae added, “The ownership of the media company which controls Antena 1 and Antena 3 has been linked to the ruling coalition and has promoted its political interests and leaders. But even these stations have been severely fined. Now, however, there has been resistance inside CNA which has made [the organization] unable to impose fines.”

CNA issued many fines and some brave decisions were made but then, in order to avoid sanctions and under unprecedented political pressure, the Council failed to systematically correct the behavior of broadcast media, some panelists indicated.

“Come on, CNA has existed for quite a long time in Romania [but] let’s take a look at today’s TV talk shows. The most popular [ones] have constantly abused CNA itself, whose members have been depicted as decrepit whose only goal is to sanction the brave work of journalists,” Vlad Mixich, journalist with Hotnews, said.

Pressures during the summer’s political crisis of 2012 have shaken the cohesion of CNA, whose members have lost confidence in one another. Major misconduct by television stations were not fined during this time. Many serious incidents occurred, such as personal attacks on Constitutional Court judges who were trying to make crucial decision based on the rule of law. During all of this, CNA decisions were postponed. Even when, in the end, sanctions were discussed, CNA could not reach a consensus on sanctioning television stations that were protected by the ruling coalition, even if lower fines were being considered. Making such decisions also coincided with the end of the mandate of six CNA members, which caused further uncertainty and contributed to CNA’s reluctance to make decisions.

However, CNA was able to act in cases of severe misconduct. The leader of an extreme nationalist parliamentary party, Corneliu Vadim Tudor, and a local celebrity, Oana Zavoranu, had a shouting match during a live broadcasting and the images were rebroadcast later by all news programs. CNA took the toughest possible measures under the law and stopped the transmission to all major national channels for 10 minutes. The television stations were forced to repeatedly broadcast the text of CNA's decision: "We were totally outraged by how the TV stations showed the scandal between Corneliu Vadim Tudor and Oana Zavoranu and we have ordered a 10-minute interruption of broadcasting." It was only at this point when CNA gave its strongest signal. However, many panelists felt that even in this case, it difficult for CNA to reach this decision. "Compared to previous years, CNA's decision was hesitant and its members avoided sanctions when dealing with several of these serious events," said Trandafir.

One of the most controversial proposals all panelists indicated was the attempt to change overnight, by Emergency Ordinance, The Broadcasting Law (which is the foundational law of CNA). The Emergency Ordinance—a measure that would give a governmental decision the power of a law the moment it is passed—has been repeatedly used by the Romanian government to bypass parliamentary debates. Many proposed provisions have raised major concern that changes have come from the owners television channels that were supportive of the new political power structure. One of the provisions would make direct sanctions decided by the CNA non-binding, despite the fact that the CNA is the single most effective regulatory agency. The same proposals would give parliament the authority to dismiss the entire Council if its annual report is deemed unsatisfactory. Parliament has used the same method to control editorial boards at public TV and radio organizations. Indeed, each new majority in parliament rejects the previous year's report and dismisses the previous boards. CNA was, until now, protected from this form of abuse. Moreover, panelists indicated that CNA's work cannot be evaluated in the same manner as that of public television, where more performance indicators can be taken into account (audiences, targets).

"The new [majority] tried changing the provisions of the Broadcasting Act that would seriously affect CNA's activities. Ordinances amending the law were first announced as adopted by the government, and only then were some consultations and procedures considered. This set of amendments clearly demonstrated what the political intentions were," indicated Moraru.

"The Emergency Ordinance amending the Broadcasting Law hit us right at the beginning of the electoral campaign.

"The selection procedure of CNA members has been politicized, the Council has been divided [across] political lines and its [ability to operate effectively] has been affected by political conflict," Martin said.

We then organized consultations with the cable market's representatives, the advertising industry, and television stations. We sent a technical response and then asked the cabinet to formally consult us on the proposed changes. CNA members then learned about the new provisions of the government's Emergency Ordinance from TV," said Trandafir of his time as a then-member of CNA.

As for the digitization process, Romania has postponed the deadline for the switch over to 2015. The process was delayed several times. Romania is a country with a market for cable operators and has a well-developed infrastructure. However, with the principle of "must carry" (and nothing else), television channels have solved the problem and only cable providers remained as the party that is interested in digitization. "Everyone prefers the status quo. That is why the digitization has been delayed," Trandafir said.

Even if in 2010 the government abolished the practice known by Romanians as "intellectual property rights contracts" as a way of evading employment taxes under the Labor Code, other similar contracts have been used by journalist such as "bonus contracts," making journalists vulnerable to layoffs. Last year panelists indicated that the abolition of this type of payment would force media companies to pay journalists through regular, safer and more stable employment contracts. The result has been that employers deducted the share for taxes from journalists' salaries, further decreasing their salaries.

"There have been no [real] facilities [available] for the press, [rather] only for distribution companies and [even then] the VAT is too high," said Cristian Godinac, president of the Mediasind Trade Union. "But there has been a real need for facilities. It has been getting harder and harder to keep operations afloat," added Moraru.

In 2005, the government eliminated libel from the criminal code, and currently considers it to be a matter of civil law. According to Martin, who has been closely following court cases on libel, said that, "Despite decisions against Romanian authorities that were issued by the European Court for Human Rights, there have been judges who have not heard

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libel cases according to the intent of the Convention on Human Rights or using European Court jurisprudence.”

“Legally, we are covered. But instead of libel cases, we have now been facing all too frequently, accusations of invasion of privacy, which have been more difficult to defend. Most officials have been able to defend themselves or their families, but common people have been exposed to such abuses from the media,” said Ioana Avadani, executive director with the Center for Independent Journalism.

Law enforcement during the electoral campaign proved to be a challenge for some courts that tried to punish newspapers with sanctions applicable only to broadcasting. “We published [clearly as an advertisement and marked as such] a text from ARD (a center-right coalition) saying that USL (the socially liberal coalition) had stolen votes. USL obtained in court the right to reply, based on the decision of a judge from the County Election Office, who referenced articles from the Audiovisual Law,” said Moraru.

In terms of access to public information, there have been successful examples of using legal provisions provided by Law 544 on free access to information. “We sent requests asking for the number of underage girls who gave birth in 2011 and received many different answers, that ranged from claiming this was private data, to invitations to come look for ourselves in the medical records,” Avadani explained, referring to the lack of clear procedures in providing public information. She also noted that, “You do not get information unless you have received a stamp in your request, which reduces the right of citizens to access information from public institutions.

The general rule in terms of accreditation of the journalists is that it is fairly smooth. There are a few exceptions, especially when dealing with local authorities, which tend to be overly bureaucratic, the panelists noted.

There are no restrictions for becoming a journalist in Romania but it is rather confusing to determine the status of bloggers. When Avadani indicated that there are access restrictions as far as bloggers are concerned and that there

are no standards to regulate their status, Mixich mentioned the lack of professionalism that some bloggers exhibit. “Certain boundaries must be in place. Bloggers pollute certain areas of [the media industry],” he said.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Romania Objective Score: 1.79

As in the previous years, the panelists sharply criticized the quality of journalism in Romania. Further cuts in staff and resources are among the complaints but so too is the lack of ethical norms or pressures from owners and politicians that further degrade the quality of reporting. The political crisis, the referendum to impeach the president and the parliamentary elections in December 2012 all found the media industry clearly divided and ready to openly support different political camps. Partisanship was obvious and some editors did not even appear to try to be objective. “All media outlets in Romania have been seen as partisan. There has been no interest whatsoever in being objective and sources have been chosen based on partisanship and information has not been verified” stated Martin.

Panelists gave several blatant examples of a lack of professionalism. Cosmin Chitu—a Romanian studying in Norway—was initially accused of committing murder by the Romanian media. The story was taken from Norwegian media, but a mistake in the translation led Romanian journalists to report that Chitu as the perpetrator of the crime. An exchange of emails between Active Watch and the

JOURNALISM MEETS PROFESSIONAL STANDARDS OF QUALITY.

PROFESSIONAL JOURNALISM INDICATORS:

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

author of the article revealed that Chitu was not involved in the murder.

Another example is that of the families of Judge Cristi Danileț, member of the Superior Council of Magistrates and Iulia Motoc, judge at the Constitutional Court, who were harassed by journalists during the ruling coalition's campaign to impeach the president.

Besides political bias, the lack of professionalism in media reporting also comes from a lack of time and extremely limited financial resources. Romania has 11 all-news television stations that broadcast 24 hours a day with endless talk-shows.

"There have been some cases of best practice, but most of them [are mediocre] mostly due to time limitations. Television programs, for example, have been forced to always invite the same people who jump on the opportunity to be seen, but true professionals are not on television," Mixich noted.

Trandafir also added: "We have been facing a human resource limitation. There are a few experts, but [there is an overabundance] of television news stations that do not have many topics for discussion. [There are only] a few guests that get shared by several television stations. Romania is a small country, yet the need to discuss topics other than domestic politics is quite limited." Obae also added that, "Gaining an audience is sometimes the reason there is a lack of complex subjects [to discuss]."

The history of attempting to apply codes of conduct in Romania is long, but only foreign media companies, like the Swiss Ringier, or subsidiaries of foreign media brands such as the BBC and Radio France Internationale, have such codes and actually apply them. CNA asked all television stations to adopt and publicize their ethics codes. They formally complied by adopting and publishing codes previously proposed by other professional associations on their websites, but no serious efforts were made to internally enforce these new rules, thus the impact of CNA regulations has been minimal.

"The major problem is that there have been no penalties for not enforcing ethics rules. CNA gave a deadline for the television stations to adopt such a code, but most local stations only adhered to the code of ethics of the Convention of Media Organizations (COM). On the other hand, adherence to a code of ethics changed nothing in the content and remained a formality. The only notable progress has been that media outlets have accepted that the existence of a code is necessary," Trandafir.

"A code of ethics has been considered outdated and even seen as a form of censorship. To ask some popular television journalists in Romania to behave is almost an insult, a kind of threat to their ratings, if you will," Obae said.

As the panelists described the trends in media, they felt that it is unlikely that there will be effective enforcement of codes of ethics in the near future. "A code of ethics has been considered outdated and even seen as a form of censorship. To ask some popular television journalists in Romania to behave is almost an insult, a kind of threat to their ratings, if you will," Obae said. "It's an empty shell", added Cezar Ion, president of the Association of Romanian Journalists and editor with state television.

When it comes to the content of the existing code, things are also not clear and there are even some very controversial provisions. Most of the Bucharest based television stations complied with CNA requirements by adopting ARCA standards (ARCA is an advocacy association for the media industry). "ARCA's ethics code has recognized the right of the owner to intervene in the editorial content, but it proves that the owners want to control the major television news coverage," Avadani said.

Public institutions remain the only media outlets where at least some enforcement takes place. Both public television and radio have ethics committees whose members are elected directly by the employees. Their functionality has been affected by the frequent changes of board members and by the fact that their decisions are not compulsory. "The decisions of the ethics committees have had the advantage of being used in court. In cases of dismissal or other professional matters, a decision by the ethics committees has been one that could save or sink a journalist," Ion said. But few such cases end up in court.

In the case of public radio, a new committee was elected in 2012. "The members of the committee were electronically voted on by journalists, but they have been afraid to state how they have voted. Only 320 journalists out of 970 voted. Unofficially they indicated that they have been reluctant because they feared their identity [would be known] and their vote could be detected," said panelist Adrian Moise, vice president with Mediasind—media trade union, who was elected by his colleagues as a member of the committee.

“During the election campaign I kept silent. We no longer evaluated the candidates and haven’t published any investigations about them, but have only published neutral reports. This has led to completely flawed information being provided to the public,” added Moraru.

In fact, there have been several cases of serious allegations against some Romanian journalists in 2012. Bogdan Chireac, journalist with many years of experience in media, has been accused by Cristian Sima, broker and former president of Sibiu Stock Exchange, that he was the middleman for unofficial payments by the Ericsson to several Romanian politicians.

The panelists felt, as in previous years, that self-censorship by journalists and editors is widespread. Self-censorship happens through a combination of an owner’s intervention and because of economic pressure.

Catalin Moraru said, “It is very serious. The situation has been very serious for the local media because advertising has driven the editorial process. The pressure is very high; there are offers you cannot reject, typically it is either ‘accept it or close the newspaper.’ A mayor of a big city does not need to say what he wants. Newspapers from that city know that if they published something that would upset the mayor, their business could be closed down. Today there are no more than five local newspapers in the whole country that have been able to afford to say no. This reality has perverted the system. Politicians are seen as a source of money. During the election campaign I kept silent. We no longer evaluated the candidates and haven’t published any investigations about them, but have only published neutral reports. This has led to completely flawed information being provided to the public,” added Moraru.

Political reports in television newscasts are becoming more like tabloids and they have come to contain more invectives and opinion than relevant information and public interest issues. “The success has become a kind of violent clownery,” said Iulian Comanescu, freelance journalist & media analyst, *HotNews*. “My newspaper has become less serious than it was five years ago,” added Moraru. “We need more substantial stories. Coverage of international events has been very low and it’s all been about a scandal or irrelevant story,” Grecu added.

Payments for journalists further declined in 2012, which led to experienced professionals leaving the profession. Many journalists from the private sector are making five times less than they did five years ago. In some cases, journalists with more than five years of experience are earning the same salaries as they did when they entered the field. Editorial management requirements have also decreased and as a result, the number of editors and senior managers has dramatically dropped. On the other hand, instead of long term employment contracts, short term contracts are now used more frequently. Successive short term contracts (3-6 months) have become the rule in the industry and as a result, the stability of journalism has been seriously affected. Many employers also have used abusive provisions of the Labor Code that allows them to eliminate positions so that journalists can be more easily fired without proper severance packages and without giving them the possibility to apply for unemployment. “There is a collective contract to protect journalists, but its provisions are not applied. Media employers have been arbitrarily using short term contracts,” Godinac said.

The panelists believe that generally, media outlets do have proper professional equipment. “Sharing the latest technology works for the press,” said Ion. Other panelists indicated that physical investments are not as important as programmatic content. “There have been problems accessing databases—usually very expensive—for investigative reports,” said Martin. “There are plenty of places where pirated software is still used,” said Comanescu. The prevalence of entertainment programs over news programming is still considered overwhelming, with the news tending to be “imported” stories and quotes. The panelists also pointed out that there is a lack of interest in serious investigative journalism. “Local media has been closer to the community,” Avadani indicated. “Yes, but it has been just a small number of truly independent journalists. Good journalists have chosen to work as political advisers or communications officers for private companies,” added Moraru. A journalists’ specialization in certain areas has also become scarce. “Fewer have been interested to come to trainings. Usually they say ‘Why come to training courses, I don’t know if I’ll keep my job anyway,’” Avadani added.

OBJECTIVE 3: PLURALITY OF NEWS

Romania Objective Score: 2.37

While the print market continues to slide, with the most widely circulated newspapers shedding circulation sales by as much as 80 percent since 2009, the television market

remains overcrowded. This is especially true for all-news television channels.

There are a variety of media channels in Romania but few offer a variety of views. Clear, political positioning of media outlets has brought a clear and deep division to the media market. Supporters of left- or right-leaning views have gone from being competitors to enemies, often resorting to vicious personal attacks.

Unlike publications and broadcast media, which is now mostly partisan, online media offers the greatest diversity of news for the public, but accessibility remains an issue.

The panelists warned that the media market is now characterized by excessive fragmentation in terms of business. There are too many brands in different segments to be profitable. In terms of content, however, the information is the same because resources are scarce. "Outlets [distinguish themselves] through opinion and attitude rather than information," Comanescu indicated.

Most panelists characterized state media institutions as more balanced than commercial ones. Political control and lack of corporate management with transparent targets (such as audience targets or economic performance or public trust) are some of the main problems that public media experiences. This reality became obvious once again this year, when the new majority in parliament replaced the board of the state owned television station as well as the manager of public radio.

MULTIPLE NEWS SOURCES PROVIDE CITIZENS WITH RELIABLE, OBJECTIVE NEWS.

PLURALITY OF NEWS SOURCES INDICATORS:

- > Plurality of public and private news sources (e.g., print, broadcast, Internet, mobile) exist and offer multiple viewpoints.
- > Citizens' access to domestic or international media is not restricted by law, economics, or other means.
- > State or public media reflect the views of the political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for media outlets.
- > Private media produce their own news.
- > Transparency of media ownership allows consumers to judge the objectivity of news; media ownership is not concentrated in a few conglomerates.
- > A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources
- > The media provide news coverage and information about local, national, and international issues.

Unlike publications and broadcast media, which is now mostly partisan, online media offers the greatest diversity of news for the public, but accessibility remains an issue.

"Public television (TVR) is more balanced than private television," said Martin. "But the balance of TVR's programs is somehow negotiated between the parties," Trandafir added.

Panelist Mixich noted, "Balance does not mean courteous language which, indeed, characterizes TVR's newscast. Balance also means covering uncomfortable subjects from both sides. Let's look at a symptom we mentioned. The guest lists for TVR's talk shows have changed completely after the majority in parliament changed. During the electoral campaign for example, TVR has kept quiet." Still, Martin insisted, "TVR covers several topics that are not on private television."

A relevant example of TVR's management being extremely sensitive to political trends was TVR Info's case. This was an online project launched several months before the change in the board. It was an unusually independent voice, courageously covering politics and investigative reports. TVR Info was the first media outlet to publish exclusive documents unveiling the allegations of plagiarism against Prime Minister Victor Ponta, a media scandal that led to political turmoil. "The new TVR general manager, Claudiu Saftoiu, publicly recognized that, when he asked the journalists about their information source, they refused to disclose it," said Mixich, who interviewed Saftoiu on this topic. Faced with major financial difficulties, TVR was forced to proceed with a drastic restructuring effort and TVR Info would be among the first programs cut.

There were still three news agencies in the market in 2012: Mediafax, Newsin and the only state owned entity, Agerpres. "Agerpres still functions as a government news agency, with no credibility," said Martin. Both private agencies had dramatically narrowed their news coverage and faced financial problems that endangered their operations as a result. On the other hand, the massive growth of free online content remains a milestone for the sustainability of the agencies. "Mediafax's subscription price was lower. However, we have only been using the agency to take photos," said Silviu Ispas, manager of MIDAS Media.

The transparency of media ownership continually decreased as the financial crisis deepened. Limited segments of the

“Three years ago we knew who owned what outlet, but today the number of mysterious cases of ownership has multiplied,” Avadani said.

national market are owned by big international media companies, while local politicians and business persons increased their shadowy participation in big media outlets. “The problem of media ownership has turned into an issue of financing, because it has become more important to know who is financing all the unprofitable television stations and publications than who owns them,” warned Comanescu.

The uncertainty about ownership clouds the television market also because of bankruptcy proceedings. Many companies are in so called insolvency proceedings after many of their contractors have been unable to recover their debts. While the business operations of a bankrupt firm are handed over to an administrators appointed by a judge, it is unclear who bears the editorial responsibility for the outlets. “Three years ago we knew who owned what outlet, but today the number of mysterious cases of ownership has multiplied,” Avadani said.

One of the most important transactions of the year for the print media market was the sale of Adevarul Holding, owned wealthy businessman by Dinu Patriciu, to another businessman, Cristian Burci, with much smaller financial resources and much lower possibilities to invest. The company and its products have seen a dramatic drop in the past three years in all market segments—quality newspapers, local publications, yellow press publications and books. Staff layoffs were dramatic in the company as were the delays in paying employee wages and suppliers.

OBJECTIVE 4: BUSINESS MANAGEMENT

Romania Objective Score: 1.78

Advertising, the most important source for the Romanian media market’s revenues, continued to decrease but not at the same rate as in the previous years. Advertising expenditures stood at 309 million euros in 2011 (less than 2% of the previous year), and were expected to drop again in 2012 to 303 million, according a report by the Media Fact Book. The report also announced that advertising in digital media was the “star” of the market in 2011, when the Internet surpassed outdoor sales.

According to the same estimates, television advertising was expected to record a drop this year of about 10 million euros. Internet advertising was expected to grow by about 7 million euros thanks to social media. Radio, print and outdoor advertising markets are expected to contract slightly.

From an economic perspective, the Romanian market looked more stable than others in the region. Television shares fell to 64% in 2011 from 66.2% in 2010. Internet shares grew from 8.3% in 2010 to 11% in 2011. The growth rate of the Internet was large (30%) in 2011, but the largest increase was marked by search engine marketing (70%).

In terms of sustainability, many media companies went through bankruptcy proceedings in 2012. Adevarul Holdings, one of the biggest players in the print media market, organized several attempted auctions of its top brands, and according to official estimates, the company’s total debt reached 100 million euros, largely because of aggressive expansion to try and capture more of the media market share.

“The largest media company, Adevarul Holdings, is bankrupt after succeeding to destroy other newspapers in Romania. Very few were able to resist its expansion,” Ispas complained.

The news agency NewsIn was insolvent with debts estimated at 2.8 million euros while Realitatea TV and the publisher of *Romania Libera* newspaper also faced financial difficulties.

When asked, the MSI panelists could hardly indicate a single media company without debt. In the entire Romanian media industry, not a single company ended 2012 with a profit. “In

MEDIA ARE WELL-MANAGED ENTERPRISES, ALLOWING EDITORIAL INDEPENDENCE.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets operate as efficient and self-sustaining enterprises.
- > Media receive revenue from a multitude of sources.
- > Advertising agencies and related industries support an advertising market.
- > Advertising revenue as a percentage of total revenue is in line with accepted standards.
- > Government subsidies and advertising are distributed fairly, governed by law, and neither subvert editorial independence nor distort the market.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor the product to the needs and interests of the audience.
- > Broadcast ratings, circulation figures, and Internet statistics are reliably and independently produced.

2008, many institutions just took off. It was a wild expansion based on lending. Then the crises decreased the [availability] of advertising funds and [companies] had to repay their loans. Financial turmoil followed," Ispas said, describing the market situation.

Local newspapers have the most diverse list of income sources. They collect money from local sources, from selling copies and national advertising. Bucharest based newspapers, all panelists agreed, were over dependent on advertising, which made them terribly vulnerable during the crisis. The panelists estimated that the advertising market fell by 85% between 2008 and 2012.

The Romanian advertising market is still dominated by big international players and their local subsidiaries. These include: Graffiti BBDO, McCann, Ericsson, Saatchi & Saatchi. However, other ambitious initiatives by former employees of large companies began to take shape as well. As in the previous year, panelists have complained about the gray or controversial practices in the market, such as blackmail or pressure to gain larger rebates.

"The advertisers have represented a developed market, but developed only for their own interests and not for the press," Ispas said, while adding that there were explicit threats demanding payment of rebates through a legal executor. The panelists estimated the regular rebate for the newspaper market was approximately 15% of all contracts, while for online subscribers, the percentage increased to 35%.

"Advertising budgets decreased in Romania more than in other countries in the region, which makes me think they were previously inflated so that the agencies would get a higher rebate. On the other hand, there have been newspapers that have increased their revenues from online advertising," Ispas said.

There are no direct subsidies for private media in Romania but contracts and tenders which they access are based on connections with the power elites of the day. There are still preferential opportunities to draw from public advertising budgets, particularly in promoting European funded projects or announcements related to procurements under these projects. Avadani indicated that the practice illustrates that the authorities in charge of managing these projects are corrupt.

"Public advertising funds have remained around 110 million lei per year. The regulations applied by the authorities have been totally unprofessional. Project beneficiaries have been asked to advertise in a national newspaper, and that has been it. Online advertising has not accepted because proof of publication (in the paper), must be seen and sent to the

"Public advertising funds have remained around 110 million lei per year. The regulations applied by the authorities have been totally unprofessional," said Avadani.

proper authorities. The procedures have often been outside the law. The lowest price has been the main criterion in awarding such contracts. Over 80% of the contracts we monitored were awarded following this rule, which neglected any technical criteria," Avadani said.

Estimates indicated that 8-10% of advertising money in the market comes from public funding. Panelists have also stressed the government has attempted to change the law on public procurement, by removing the threshold of 15,000 euros, above which would require a mandatory public tender. There were intentions of introducing a higher limit (30,000 euro per contract) to be able to award the contracts more easily. According to a government spokesperson, the limit remained at 15,000 euros "as requested by a group of NGOs."

For over eight years Romanian television audiences are to be measured by a single company, selected by both television companies and advertisers alike, and also endorsed by the Association for Measuring Audiences (commonly known by its acronym, ARMA). In January 2012, the winner of the selection was Kantar Media Company, after two years of measurements provided by GFK. A new mechanism and procedures starting in January 2012 was to account for online reach as well, when measuring audiences. The former system implemented by GFK was criticized by SRTV for being biased and favoring the most popular private channel, ProTV.

"There were three institutes which measured audiences in recent years. Each institute claimed to have a scientifically calibrated panel. When it came to the results you could see that, after three weeks, the audience of a television show dramatically changed as if more than a quarter of its viewers had died instantly," said Ion, expressing his skepticism toward the system.

As for print media, the industry and big advertisers formed an organization called the Romanian Audit Bureau of Circulation (commonly known by its acronym, BRAT). It was founded in 1998 as an independent, nonprofit entity. BRAT developed the National Readership Survey (commonly known by its acronym, SNA), which approximates the total number of readers per publication. As in previous years,

“There are professional associations, but they have been inactive, with no significant activity. Industry representatives prefer to influence the legislative process individually,” Martin said.

some panelists raised doubts about the number of readers reported by SNA. Nevertheless the current president of BRAT defended the record of SNA, saying that it failed only in the few cases where the local panels were too small to satisfactorily cover the population.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Romania Objective Score: 2.20

Faced with new waves of mass layoffs, on top of the already difficult trend from last year of poor salaries and late payments, Romanian journalists have failed to organize, join or form professional associations in order to have a common voice.

“There are professional associations, but they have been inactive, with no significant activity. Industry representatives prefer to influence the legislative process individually,” Martin said, giving as an example the recent proposal for amending the Broadcasting Act using an

SUPPORTING INSTITUTIONS FUNCTION IN THE PROFESSIONAL INTERESTS OF INDEPENDENT MEDIA.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of media owners and managers and provide member services.
- > Professional associations work to protect journalists’ rights and promote quality journalism.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs exist providing substantial practical experience.
- > Short-term training and in-service training institutions and programs allow journalists to upgrade skills or acquire new skills.
- > Sources of media equipment, newsprint, and printing facilities are apolitical, not monopolized, and not restricted.
- > Channels of media distribution (kiosks, transmitters, cable, Internet, mobile) are apolitical, not monopolized, and not restricted.
- > Information and communication technology infrastructure sufficiently meets the needs of media and citizens.

Emergency Ordinance. The media called the proposal “the Voiculescu Ordinance,” after Dan Voiculescu, owner a large media conglomerate.

After two years of editorial restructuring and reductions in salaries, in many cases openly disregarding the Labor Code, the number of media union members has decreased. Fear of losing one’s job or, as in the cases of Adevarul Holding and Romania Libera companies, the prospect of never recovering previous wages, has led journalists to become silenced. This trend has been confirmed by union leaders.

“Salary cuts and massive layoffs have decreased the number of union members in the media,” said Moise. He also claimed there were disciplinary pressures from the management of state run radio (where he is employed). “I have been subjected to an internal disciplinary investigation,” he added.

In a few cases, where the prospect of bankruptcy was openly considered, employees were more courageous. Godinac gives an example. “The first collective contract in the private media had been in Realitatea Media. What really helped us were the complaints from within Realitatea to the County Labor Inspectors Authority—the public body that deals with abuses against employees and sets compliance with the Labor Code. But nobody dares to organize a union in the private sector. It was a strategy we’ve seen in many media outlets, splitting their operation into smaller firms. If you have under 15 employees you cannot have your own union.” The percentage of employees in media outlets that have been drawn to trade unions is relevant, as compared to previous years, just for public radio and television.

On the other hand, one panelist argued that the provisions contained in collective contracts for journalists negotiated by Mediasind are overprotective of the journalists. “It has only contained rights for journalists and not obligations,” said Moraru.

Professional organizations, once powerful, have become marginal and continue to play a passive role in condemning improper professional attitudes or actions or in defending any attempt to restrict free speech. The Romanian Press Club, once a powerful organization, has vanished from the public arena. Only traditional organizations dealing with media freedom, such as the Centre for Independent Journalism and ActiveWatch Media Monitoring Agency, have been acting as watchdogs. They have promptly reacted to legislative initiatives that would restrict the freedom of expression.

"Journalists have not been able to defend their rights and they have not been able to associate to defend them," said Martin. "Sometimes [journalists] say that we haven't done enough to get their payments from their employers. They do not feel any duty or responsibility toward their situation and are expecting things or solutions from outside," said Avadani.

Some panelists believe that the impressive advocacy work by many NGOs still remains a mystery to many. "NGOs have had remarkable results in advocacy, but 90% of the journalists know nothing about that," Morar said.

"Active membership doesn't exist, not necessarily because of the lack of money but because the quality of journalism or the quality of journalists' work has not been considered a priority anymore," said Avadani, who, as director for the Center for Independent Journalism, has extensive experience in providing specialized trainings for media professionals.

Another large trend seen lately in Romanian media outlets is the replacement of experienced, high salaried journalists, with young and inexperienced newcomers. The newcomers are typically hired with short term contracts – and sometimes only with the perspective of having one. They often make three to five times less money than an experienced journalist. These newcomers now have access to the top newsrooms, where, a few years ago they would have had no chance to hope to work in such settings. "These children have not received coaching or professional feedback to their work. They have only been exploited," Avadani said.

Several private projects run by current or former anchors from the top TV stations have provided paid training especially for young students dreaming of a career in television.

The media has no restrictions in obtaining printing equipment or facilities but several professional alternatives do exist. There have been recently registered controversial decisions from cable providers to remove certain international television channels from the packages for which consumers have already paid. One of the main cable providers, RC-RDS decided to remove the Discovery channel package and replace them with their own offerings, generating protests from consumers, but to no avail.

List of Panel Participants

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Bianca Toma, former EU affairs correspondent, *Adevarul*; researcher, Romanian Center for European Policies, Bucharest

Catalin Moraru, editor-in-chief, *Monitorul de Botosani*, Botosani

Cezar Ion, president, Association of Romanian Journalists; editor, public television, Bucharest

Cristi Godinac, president, Mediasind, Federation of Journalists' Trade Unions, Bucharest

Gelu Trandafir, member, National Audiovisual Council of Romania, Bucharest

Georgiana Grecu, executive director, Romanian Advertising Council, Bucharest

Ioana Avadani, executive director, Center for Independent Journalism, Bucharest

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