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## UKRAINE

Key events in Ukraine during 2012 included the European Soccer Championship in June and the parliamentary elections in October. OSCE observers concluded that the elections were characterized by the lack of a level playing field, the abuse of state resources, the lack of transparency of campaign and party financing, and the lack of balanced media coverage. Freedom House noted the continued and selective persecution of political opponents (opposition leaders Yulia Tymoshenko and Yuriy Lutsenko are still jailed with no signs of release) and named growing corruption as Ukraine's biggest challenge. Ukraine discussed further economic integration and vacillated between association and free trade with the EU.

"This year was determined by the elections, in them, the Ukrainian media failed from a professional point of view," said Oleg Khomenok, panelist and senior media adviser for the Internews Network. "They failed the test of money, prioritizing at the expense of professional standards and public service. In addition, this was probably an experiment in preparation for the 2015 presidential elections."

The Ukrainian economy was marked by recession, controversy about the national currency exchange rate peg, continued lack of transparency in the energy sector, and inaction on much-needed reforms. Despite Ukraine's ranking of 137th place in the World Bank's Doing Business ratings (up 15 places from the previous year), the Bank rates the general investment climate as "stably unfavorable" due to fiscal pressures and weak rule of law.

At the end of 2012, media-support organizations emphasized a threefold increase in the number of attacks on journalists, growing sums demanded for compensation by those suing for libel, instances of direct political censorship, and various other pressures in national and regional media. Despite this, some journalists and public-awareness campaigns to decriminalize libel have been hailed as positive achievements. Media monitoring conducted by four media organizations documented a startling increase in the instances of paid content, including news, opinions, and consumer stories. During the campaign, such content more than doubled in print and Internet media, compared with the beginning of 2012, and amounted to 50-60 percent of regional television news. All political parties (the ruling party, Communists, Ukraina—Vpered, the United Opposition, and independent candidates) contributed by placing paid content, locally called *jeansa*. While elections' compliance with international standards has improved, the balance and transparency of the information presented remains problematic.

The panelists downgraded several objectives in 2012, compared with the previous year, due to a number of factors. These included the record-setting number of attacks on journalists and the absence of subsequent prosecution, attempts to criminalize libel, marginalization of some regional channels from airing on certain cable networks, media censorship in certain parts of the country, and widespread bribery in the media during the election cycle.

# UKRAINE at a glance

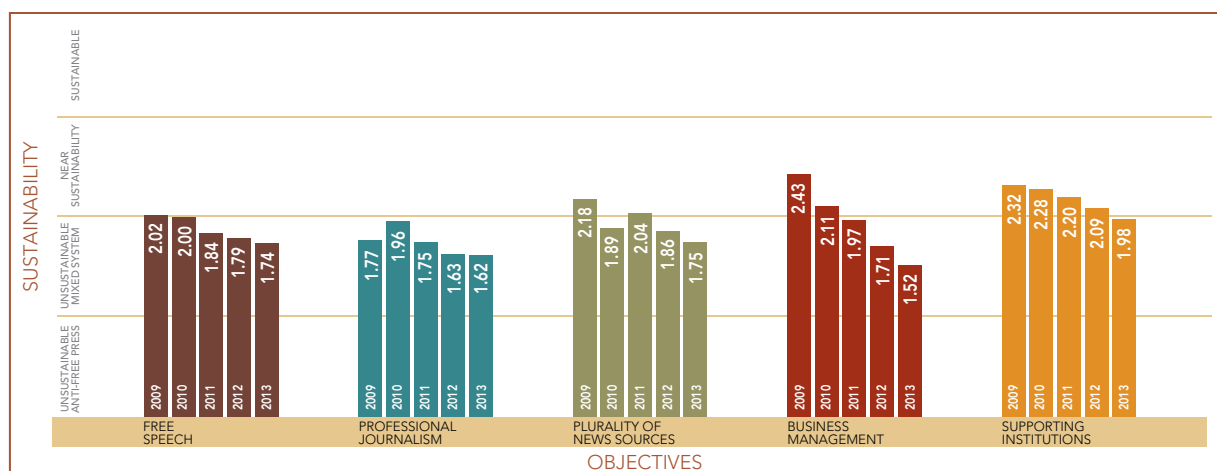
## GENERAL

- > Population: 44,854,065 (July 2012 est. *CIA World Factbook*)
- > Capital city: Kyiv
- > Ethnic groups (% of population): Ukrainian 77.8%, Russian 17.3%, Belarusian 0.6%, Moldovan 0.5%, Crimean Tatar 0.5%, Bulgarian 0.4%, Hungarian 0.3%, Romanian 0.3%, Polish 0.3%, Jewish 0.2%, other 1.8% (2001 census, *CIA World Factbook*)
- > Religions (% of population): Ukrainian Orthodox—Kyiv Patriarchate 50.4%, Ukrainian Orthodox—Moscow Patriarchate 26.1%, Ukrainian Greek Catholic 8%, Ukrainian Autocephalous Orthodox 7.2%, Roman Catholic 2.2%, Protestant 2.2%, Jewish 0.6%, other 3.2% (2006 est., *CIA World Factbook*)
- > Languages (% of population): Ukrainian (official) 67%, Russian 24%, other 9% (*CIA World Factbook*)
- > GNI (2011-Atlas): \$142.812 billion (World Bank Development Indicators, 2012)
- > GNI per capita (2011-PPP): \$7,080 (World Bank Development Indicators, 2012)
- > Literacy rate: 99.4% (male 99.7%, female 99.2%) (2001 census)
- > President or top authority: President Viktor Yanukovich (since February 25, 2010)

## MEDIA-SPECIFIC

- > Number of active print outlets, radio stations, television stations, Internet news portals: Print: over 29,000 registered publications, about 2,067 regularly published newspapers with total average monthly circulation at 46.7 million, 669 municipal newspapers (State Committee on Television and Radio, 2011); Television: 30 national, 63 regional, and 194 local channels; Radio: 15 national, 50 regional, and 212 local stations (Natstrada, 2011)
- > Newspaper circulation statistics: The top three dailies (all private): *Sogodnya*, *Fakty i Kommentarii*, and *Komsomolskaya Pravda v Ukraine* (TNS est., April 2011. State Committee lists 46.7 million avg. monthly circulation, reliable data N/A).
- > Broadcast ratings: Top television stations (all private): *Inter*, *Studio 1+1*, *STB*, *TRK Ukraina*, *ICTV*, *Novyi Kanal* (GfK Ukraine); Top radio networks (all private): Hit FM, Russkoe radio, Retro FM, Lux FM (GfK Ukraine)
- > News agencies: Interfax (private), UNIAN (private), Ukrainski Novyny (private), Ligabiznesinform (private), RBC-Ukraine (private), UNIA Ukrinform (state-owned)
- > Annual advertising revenue in media sector: Television: \$483 million; Print: \$330 million; Radio: \$39 million; Internet: \$85 million (All-Ukrainian Advertising Coalition, 2012 est.)
- > Internet usage: 7.77 million (2009 est. *CIA World Factbook*)

## MEDIA SUSTAINABILITY INDEX: UKRAINE



## 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](http://www.irex.org/system/files/EE_msiscorers.xls)

## OBJECTIVE 1: FREEDOM OF SPEECH

Ukraine Objective Score: 1.74

Each year the panelists state that Ukrainian media legislation is among the best in Europe; however, the laws are poorly implemented. Kostyantyn Kvurt, board chair of Internews Ukraine, stressed, “[The] general policy of the regime toward building a police state has increased. They have systematically worked at various levels—legislation, law enforcement, and business climate. [One] positive sign has been a certain activation of the journalistic community to stand [up] for their rights, but society remains generally [complacent].” Oleksiy Pogorelov, general director of the Ukrainian Association of Press Publishers (UAPP), added that over the past few years, cynicism and pragmatism in using current laws have substantially increased. “The laws are not violated but are applied in a way that is mostly favorable to those who interpret them,” he said.

Among the issues that are not well regulated by Ukrainian law are those pertaining to the status of both Internet media and journalists, as well as prosecution of censorship. This was noted by Oksana Romanyuk, of Reporters Without Borders, in an interview with Telekritika.

Enacted on November 20, 2012, the new Criminal Procedure Code provides procedures for protecting a journalist’s source, which can be disclosed only by a court decision.

### 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.

Prior to this, the right to protect a journalist’s source was provided by Article 25 of the Law on Information. This law, however, provided no protection against the interrogation of journalists or searches of their property by law enforcement.

Andriy Marusov, a freelancer, emphasized that every year, opinion polls show that the value of free speech is not seen as a priority by the majority of the population and that this, rather than imperfect laws, is the greatest danger. “Under these conditions, even the existing level of free speech has always remained fragile and unsustainable,” he said.

“Post-Orange [Revolution] disappointment in society caused total apathy of citizens, who would not go out to defend either a favored television channel (such as TVi) or a journalist who is being threatened due to professional activities,” noted Olga Simanovich, correspondent and script writer at STB. “STB journalist Iryna Fedoriv, who covered the issue of illegal construction in Kotsubynskoe, was threatened in September 2012. To support her, there were some 50 people, mostly friends. Journalists do not support each other much and have not explained to society that freedom of speech affects everyone.”

International organizations and monitors have often expressed their concerns about freedom of expression and media independence in Ukraine. In April 2012, a delegation of media representatives met with members of the president’s administration to express their concerns. These included representatives from the World Association of Newspapers and News Publishers (WAN-IFRA), Freedom House, Article 19, Open Society Foundation, and the UAPP. The concerns discussed included the high level of corruption and lack of transparency that influences the media and the judicial system. The delegation also discussed other concerns, such as the lack of independence and pluralism in television, the politicization of news coverage, and the lack of punishment for those who exert pressure on the media with impunity. At the 64th World Newspaper Congress in September 2012 in Kyiv, while President Yanyukovich was speaking on his government’s commitment to freedom of speech, 14 activists from the Stop Censorship movement stood up and raised posters protesting censorship. One of the posters said, “Eight of nine major television channels are controlled by the government.” Some guards made attempts to suppress the activists but later denied that they worked for the government. The board of WAN-IFRA expressed their concerns in a written statement.

The panelists agreed that registration of print media and news agencies is unimpeded. In practice, however, online outlets and their reporters frequently fail to achieve recognition, and serious barriers remain in the licensing of



television outlets. Simanovich added that Internet media outlets do not experience problems with registration, but Internet journalists from unregistered websites do face problems with access to events and accreditation. Each year various officials raise the issue that control over the Internet should be introduced, and the panelists also noted that the threat of introducing a new regulatory mechanism over the Internet remains.

The panelists decried the National Television and Radio Broadcasting Council because of its loyalty to the government, and the opaque bidding competition for Ukraine's digital frequencies. The current law does not guarantee the competition's independence nor transparency of decision making in assigning frequencies. According to Dmytro Dobrodomov, general director of Lviv TV channel ZIK, the competition for digital frequencies significantly undermined the principle of competitiveness. "The decision on providing frequencies has depended exclusively on political [connections], and this has become monopolization of the air by the ruling party," he said. "It is absurd and extremely cynical that newly registered companies were able to obtain licenses while television companies who have been operating in the marketplace for decades were not." Dobrodomov also explained that after the 2011 digital competition, those companies that went to court lost, because it was an unwritten rule from the government to the contestants that if you sit quietly you may have a hope to get licensed next year. Moreover, if one did not do so, you would risk getting a warning and your current license cancelled. A number of television companies (Malyatko TV, TVi, Era, Chornomorska TRK, MTRK Chernivtsy, and SAT-plus from Slovyansk) have filed lawsuits against the results of the first digital competition; they lost in January 2012 and in subsequent courts of appeal in April 2012. Proceedings continue today in higher courts.

Unprecedented pressure on opposition channel TVi is the primary example of government bias toward certain registrations. Following a tax inspection in April 2012, a criminal case was opened against TVi President Mykola Knyzhitskiy. In September, TVi lost its lawsuit, and the court ordered TVi to pay 4 million UAH (about US\$492,000) in taxes and fines. TVi raised these funds from public supporters and paid the fine and taxes, yet it did not acknowledge the legality of the case. For some time, currency accounts of TVi were arrested. Starting in July, TVi was removed from 80 cable networks all over Ukraine, and opposition MP Mykola Tomenko claimed that instructions for Natsrada to shut down TVi before the elections had come from the office of President Yanyukovich. Natsrada eventually allowed cable operators to include TVi in the so-called universal program service, but TVi remained

unavailable on many basic cable packages in the country through spring 2013.

According to Pogorelov of UAPP, business conditions for media outlets are essentially the same as for other businesses. So far, print media enjoy VAT (value-added tax) exemption on print-run sales or subscriptions, but newspapers are not exempt from VAT. Moreover, the old law on state support for media restricts firms from increasing distribution prices above a certain percentage of print costs. This privilege is used only by a few large-circulation newspapers.

At the end of December 2012, the Stop Censorship movement and a number of other media-support organizations published a statement noting that in 2012 there were 80 cases of aggressive behavior toward journalists, 18 cases of threats, and almost three hundred cases of violations and pressure put on journalists. In 2012, the number of physical violence cases tripled, compared with 2011, and exceeded the previous "record" of two hundred total cases in 2004. They emphasized that a record low number of cases were filed by prosecutors to protect journalists, and that only one in 20 perpetrators was convicted. Prosecutors are reluctant to classify crimes against journalists as such, nor to prosecute the perpetrators as felony assailants who violate free speech.

A dozen media organizations also submitted a petition to the president's office, the general prosecutor's office, and the Ministry of Internal Affairs on November 23, 2012 (International Day of Impunity), where they listed 29 criminal cases committed against journalists, all of which media experts verified. Romanyuk said in her interview with Telekritika that impunity is the most important problem for Ukraine. "If last year journalists were attacked primarily by [government] officials, this year they were attacked by businessmen, private guards, or when they covered car accidents," she said. "Society has received the signal that a journalist can be beaten with impunity." Telekritika has launched an interactive map exposing crimes against journalists at [pravo.mediasapiens.ua](http://pravo.mediasapiens.ua), which shows a high number in Kyiv as well as many such incidents across the regions.

Telekritika also logged an increase during the election campaign. *Kyiv Post* journalist Vladyslav Lavrov observed the same phenomenon. "I personally faced threats and pressure, and it was made rather openly via my colleagues and contacts," he said. "The proposition of a bribe [to stop my reporting] was made to me openly by an official handing over a business card with their name and position." Simanovich added that due to telephone threats, Iryna Fedoriv was provided with private bodyguards hired by

STB, while the police neither protected her nor found any real perpetrators. Dobrodomov confirmed that the need for private bodyguards for editors and journalists is more frequent in private media.

Lyudmyla Pankratova, media lawyer for the Regional Press Development Institute, commented that with the new Criminal Procedure Code, crimes against journalists must now be investigated by local police before they are investigated by the prosecutor's office. This at least lends some credibility in identifying crimes against the media. "I believe it is positive that the journalistic community has raised these issues and publicly discusses possible solutions at various public forums, including the Interagency working group," she said. "Unfortunately, almost all such crimes have been defined as hooliganism, and the fines might be as low as 51 UAH (about US\$6.50) even under a criminal case."

The panelists were skeptical about the effectiveness of the Interagency working group's work on compliance with the free-speech laws and protection of journalists' rights established by President Yanyukovich in mid-2011. The group consists of relevant government officials and representatives of media-support NGOs.

Khomenok added that the Interagency working group propagates the so-called telephone rule, where officials can influence the courts outside the legal limits of their authority. The case against Olena Garaguts, against whom Dnipropetrovsk prosecutors brought charges for not disclosing sources of information, was stopped because of a telephone call from the Kyiv prosecutor. However, this incident was a crime that should have been investigated and taken to court.

In the high-profile case of Georgiy Gongadze, murdered in 2000, the court hearings on the hitman, Oleksiy Pukach, who was detained in 2009, continued for almost two years behind closed doors before the accused was sentenced to life in prison in January 2013. It is reported that he named top Ukrainian officials as those who ordered the murder, but it is unlikely that their role will be further investigated.

There is still no political will to privatize state and municipal media, and appointments as well as editorial policies of the majority of them, with a few rare exceptions, are fully dependent on local governments. The chief editor of the Rivne Investigative Reporting Agency, Volodymyr Torbich, noted that municipal media are absolutely dependent on those currently in power. In 2012, the court of appeals confirmed that the municipal newspapers of the Rivne region are not obliged to disclose their budgets or spending to the local community.

Dobrodomov mentioned a recent case during recent local elections in Lviv when the local government, under control of the majority Svoboda party, drastically increased the financing of municipal television. This essentially meant that the party was able to use taxpayer money for the party's election campaign. "Lviv newspaper *Ratusha* is almost the only exception to the rule. Municipal and state media that received budget subsidies have no incentives to use market mechanisms to try to increase their circulation," he said.

Libel has been a civil-law issue since September 2001. At that time, the ruling party attempted to criminalize libel with provisions for up to three years of imprisonment. Pankratova said that the suggested draft libel law provided for criminal responsibility, high fines starting at US\$1,000, additional moral damages, a three-year ban on practicing journalism, and imprisonment. "This would destroy such things as investigative journalism, reduce possibilities to defend or substantiate factual [evidence], and increase self-censorship," she added.

Its adoption caused a storm of criticism among media and media-support organizations in Ukraine and internationally. Many influential print media outlets followed the example of newspaper *Korrespondent* by publishing blank front pages, and many journalists protested near parliament on the eve of the vote. The law was not adopted as a result. The panelists agreed that this small victory was even more important, as it was the start of journalists actively uniting against a common threat. "Its adoption was prevented not only by the protest of journalists but also by political processes. Those in power understood that its adoption would unveil the true attitude of the government toward free speech," Pankratova added. On the other hand, Ukrainian society in general does not have a clear idea why this law is dangerous for the freedom of expression. Pankratova noted that 2012 was marked by substantial increases in court cases concerning defamation. Courts often do not even try to distinguish between facts and opinions, and they reduce damage claim amounts from some 1,500 to 200,000 UAH (US\$187 to US\$25,000) in order to ensure that both sides are happy and will not appeal.

The law on access to public information was enacted in May 2011 and has become a significant step forward or, according to Marusov, "a crack in granite." He stated, "Its [interpretation] and implementation is contradictory," adding, "On one hand, journalists and officials have not been fully ready to use it; on the other hand, monitoring its implementation brings contradictory results. Some bodies ignore it and reply with runarounds; others comply with it." Kvurt added that the law on access to information does not supersede the general trend to retreat from democracy and European standards. "This law was unfortunately a

cosmetic repair, and from a cultural viewpoint we could not expect that overnight everything would become open and transparent," he said.

Pankratova commented, "We have faced many instances when information stewards have established the status 'for official use only' to huge arrays of information that go beyond the provisions of the law. Due to the law on protecting personal data, access is denied to information connected with individuals, such as apartments, land pieces, salaries, etc. We have to stand for this in court, but I am not sure that it will be solved in Ukraine." Lavrov also noticed increased incidents of withholding information because of confidentiality. Tetyana Rikhtun, investigative reporter and director of the Sevastopol Information and Press Center, complained that there are no standards of practice that government officials must adhere to in terms of applying the law of public disclosure of information.

The panelists also admitted that journalists are not often able to formulate proper information requests and tend to rarely request information from governmental bodies. Khomenok noticed a number of online databases and registries that have appeared during the past year. Many journalists are probably unaware of them, but they are unable to use them if they are aware. However, some positive developments have occurred. "In Chernivtsy oblast, we have found that all village councils maintain websites where they publish their decisions," he said.

Access to, and use of, local and international news sources is not restricted by law, but they are likely to be limited because of economic reasons or language barriers. As previously stated, Ukrainian media often do violate the intellectual property rights of one another. One panelist noted that there are no branding or marketing standards on the Internet that one could use to prove that copyright issues or fair-use standards were violated.

Moreover, there have been instances where some websites posted false news content with the aim of legitimizing the source so that other media outlets could easily refer to them. "Trust in online sources of information has been increasing, but one often finds fake information online, and no one bears responsibility for this," said Dobrodomov. "Moreover, there have been instances where respected media outlets have reprinted this fake information."

In December 2012, some Ukrainian media, starting with the state news agency Ukrinform, published stories quoting German newspaper *Berliner Tageszeitung*, which ostensibly reported that the German chancellor's office was considering whether it should release imprisoned opposition leader Yulia Tymoshenko. An investigation by *Deutsche Welle* discovered that the supposed source, the

website *Berlinertageszeitung.de*, was likely paid to generate the falsified content. It further found that in the previous six months, Ukrinform referred to this "source" 11 times. In January 2013, the publisher of *Berliner Tageszeitung* sued *Deutsche Welle* to remove the investigative piece that exposed it.

Entry into the field of professional journalism is absolutely free. As in previous years, the panelists again discussed that this reality, at times, even damages the profession and undermines the sense of trust and responsibility the media should have in society. Victoria Syumar, executive director of the Institute of Mass Information, emphasized, "The problem and the need for self-regulation in the industry has been obvious. The challenge is in journalists' accountability, especially *jeansa*, [where we have seen the] manipulation of information or the spread of unreliable information become more and more frequent." Dobrodomov mentioned that during the elections there were again numerous cases where non-journalists obtained press cards from some media outlets; they were able to attend polling stations and election commissions and to follow other electoral processes.

A number of NGOs, including the National Union of Journalists of Ukraine and other media trade unions and associations, have started the process of introducing a single national press card for journalists. There is hope that this will foster self-regulation and compliance with ethical standards, as well as identify true journalists. There is also a need to similarly identify photographers, cameramen, and Internet media journalists.

## OBJECTIVE 2: PROFESSIONAL JOURNALISM

Ukraine Objective Score: 1.62

Parliamentary elections in 2012 influenced media coverage and displayed the problems that exist in the country between the media and the electoral process. Kvurt stressed that political campaigning started long before the formal beginning of election processes and negatively influenced compliance with journalism standards. "Lack of professionalism and expertise makes Ukrainian journalism easy prey for political operatives," he said. "Pressure on editors continues, and as of now there are only three people who are to be covered positively on TV screens. They are President Yanyukovich, Prime Minister Azarov, and the head of the State Tax Service, Klimenko."

Dobrodomov added, "Unfortunately, balance and objectivity in journalism are sliding due to lower standards of professionalism, direct censorship, and self-censorship of journalists. Journalism is being further monopolized by

those with economic or political power. *Jeansa* is flourishing and is not seen as a negative phenomenon anymore; it's becoming an element of routine work, as if it's impossible to live without it in modern economic conditions. Journalism is generally losing its acuteness and instead easily agrees to participate in the manipulation of information. The reasons for this are low professionalism and complicated economic conditions for the media market in general." Riktun characterized Ukrainian journalism as journalism of opinions rather than facts.

Simanovich noted that the number of stories that are paid for have increased in the news. However, a positive sign is that the party of Natalia Korolevska (Ukraine Vpered), which spent the largest *jeansa* sums for her campaign, had not done well. Even with extensive *jeansa*, this party trailed the Communists, the ruling party, and the United Opposition.

In her story for Telekritika, Diana Dutsyk noted that the amount of funding spent on advertising (and *jeansa*) for the 2012 campaigns totaled 600 million UAH (US\$75 million). This was nearly the largest amount of all previous elections. Dutsyk also mentioned one example of gross negligence in which a journalist interviewed a human-rights defender and, in publishing the interview, publicly named him and another prominent human-rights figure, by mistake.

Petro Burkovskiy, in an interview with Telekritika, said that yellow journalism is dominating print media and attracting more readers, although the information is usually one-sided, sensational, and often unchecked. Internet media are taking a leadership role with respect to compliance with some standards, though one must check multiple sources to get an objective picture of the day. He mentioned TVi as one

channel that was trying to comply with standards; however, it excessively criticizes the government. In terms of standards compliance, Burkovskiy listed the channels from bad to worse: 5 Kanal, Ukraina, Inter, Victor Pinchuk's channels (ICTV, STB, Novyi), and last, the state-owned television channel itself.

In September 2012, several media-support organizations and the International Renaissance Foundation (IRF) initiated the signing of a memorandum with the leading television channels to agree to an independent monitoring exercise of their news content and advertising. The channels that signed the memorandum (Inter, 5 kanal, ICTV, Novyi, STB, Ukraina, and the state-owned Pershyi Nacionalnyi) did so with the aim of seeking a better balance of news programming. Syumar noted that "some of the channels substantially changed their policy toward more objectivity and criticism, while others (such as Pershyi Nacionalnyi) did not. However, experts were able to openly point out which ones fulfilled the law's requirement of providing equal coverage of all political factions on television." But in an interview with Telekritika, Oleksandr Chekmyshev, head of the Equal Opportunities committee, expressed his belief that this was a promotional stunt for foreign observers and the international community to demonstrate that Ukrainian channels are able to change their content and context according to European standards. In fact, he felt that the memorandum did not result in any real improvement, except for during the few weeks before elections.

Lavrov noted frustration with professional standards compliance primarily because of the dominance of *jeansa* in broadcast and print media. According to him, ethical standards compliance does not improve precisely because of the practice of various press tours and gifts to journalists from private and state institutions. For instance, every year oligarch Pinchuk sponsors journalists to participate in the Yalta European Strategy meeting, and the fund of Rinat Akhmetov presented tickets to the press to attend a Madonna concert on International Journalists' Day.

Torbich added that ethical standards are poor in regional and local media, especially noting the number of "bought" stories that were covered on the eve of the election. He noted, "Self-censorship in media has increased since 2010 and continues to grow. The number of critical stories in the Rivne and Volyn regional media has decreased. Local media do not want to publish investigations if they expose [wrongdoing] by local and national government officials."

The panelists agreed that the majority of journalists would not even try to produce stories that contradict editorial policy since all are well informed by media managers about who the owners are. Pressure on media owners is often

## 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).



exerted via threats to their other businesses or family members. Rybka emphasized that self-censorship will only continue to grow, most alarmingly for the media managers of successful, private media outlets. The panelists felt there was growing evidence that media managers were being targeted by law-enforcement or tax authorities through what is commonly known as a “mask show” (raids by masked individuals). The media managers do not want to leave their owners financially at risk for their editorial decisions and content.

“Self-censorship at STB would look like this: an experienced journalist who is able to objectively and professionally dig up a story would not take it, if they presumed that editors would force them to taking something off and soften the story,” Simanovich said. “And newly hired journalists treat the editor’s advice as the ultimate truth.”

Rikhtun noted that self-censorship becomes pervasive in the journalistic community. Furthermore, if journalists do not follow the unwritten rule of self-censorship, they face being censured by their colleagues.

Torbich commented that journalists often ignore socially important issues, especially when they require investigation. “Most information in media is generated by governmental bodies via press releases and press conferences. Topics that are largely ignored include corruption, use of public money, energy efficiency, or environmental issues,” he said. “[Take, for example,] the Rivne nuclear power plant and the other nearby in Khmelnytska oblast. Only two media outlets covered the potential problems of constructing new blocs at the Khmelnyts NPP or the continued operation of the old blocs at the Rivne NPP.” Lavrov added that mainstream media ignore the subject of the international isolation of state leaders or the negative positions of Ukraine in various international rankings. On this point, Kvurt cited the media’s informational campaign that aims to gain membership for Ukraine in the Customs Union.

Dobrodomov highlighted that it is easy to mislead Ukrainian journalists and force them to cover unimportant issues when other important things take place. The Ukrainian media, he contends, cover trivial things, such as provocative language in certain laws or the introduction of currency-exchange taxes. Pogorelov explained that this situation occurred because of the lack of professionalism of editors and journalists, their difficult economic circumstances, and pressure from government forces. “Editors and journalists must be an expert on the issues, with their own agenda as to what is important and what matters, rather than follow their sources or instructions from state bodies,” he said.

As in previous years, the panelists stressed that high pay levels do not always prevent corruption. Torbich

remarked that the majority of Rivne journalists worked as public-relations managers during election campaigns to earn additional money. Those who gained experience and started to value their worth more left for the capital, went to press offices, or exited journalism altogether. Khomenok stressed that the unethical combination of journalism and public relations and/or politics happens too often among Ukrainian journalists.

In her Telekritika interview, Romanyuk explained that the problem was due to the lack of a true media market, the difficulty for journalists in finding good-paying jobs and large sums of salaries being paid by employers under-the-table to evade paying taxes. She also explained that 70 percent of women journalists receive salaries that are 30 percent lower than their male counterparts. “Therefore, journalists try to retain the jobs that they have. These have been the primary social and economic reasons for *jeansa* and censorship. Often journalists are afraid to become unemployed and have to accept the pressure of owners,” she said.

The panelists agreed that entertainment programming eclipses news and analytical information. Pankratova noted that news has become more like entertainment. The numbers of informational and analytical programs have decreased, and numerous new entertainment programs overwhelm the airwaves. Simanovich added that television news is often turned into more of a production with music-aided episodes and staged footage. Torbich remarked that television has become more and more entertainment oriented, but that local news is not totally neglected. Rikhtun agreed that daily television news in Sebastopol has become less informative about acute, everyday issues.

The panelists said that facilities and equipment for news production are adequate, available, and affordable. For the most part, these do not serve as a barrier to the quality of news and programming. Dobrodomov stressed that in order to transfer to digital broadcasting, television companies have had to re-equip themselves with adequate modern equipment; otherwise, they will not be competitive in the market. Torbich added that every media outlet has digital cameras, recorders, and Internet connectivity, and most journalists have their own cameras as well. However, there is often not enough equipment for everyone.

In his interview with Telekritika, Kostyantyn Grubich, ex-anchorman for Inter’s program “Znak Yakosti,” said, “Ukrainian producers of television content work better and more efficiently. Formats adapted by us have often been developed better than the original. But if we [take our fluff], its essence is in a deplorable condition. Today,

everyone wants lightning-fast ratings by satisfying the most primitive intellectual needs.”

The panelists noted the gradual development of investigative journalism and the niche of business publications as being among some of the most developed over the past several years. Rybka noted the number of growing investigative reporting bureaus in the capital and some regions that frequently conduct investigative journalism. The panelists especially singled out investigative programs at TVi and websites, such as Nashi Groshi (Our Money), that monitor public procurement bids and publish the information on the most controversial examples. On the other hand, many experts complain that usually there is no real accountability that results from investigative reporting. However, they did point to the notable example of accountability and appropriate public reaction in Kostyantyn Usov’s investigation “Lukyanivka: Prison No. 1.” In this, he revealed the inner workings of the capital’s central jail, and as the most significant investigative report of the year, it rightly provoked the largest public reaction.

### OBJECTIVE 3: PLURALITY OF NEWS

Ukraine Objective Score 1.75

Syumar believes that generally, plurality of the news can still be found in various media outlets, but the worst situation is with major television channels, most of which are politically dependent. Kvurt emphasized that although

#### 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.

some citizens may use a plurality of sources, many Ukrainians obtain distorted news, and the mainstream media are being controlled more and more. “Formally, everything seems to be in place, but only a very small segment of the Ukrainian media has been protecting the interests of society. Even fewer media outlets are able to do this professionally,” he said. “The quality of local and international news is failing.”

Rybka noted that while 70-80 percent of Ukrainians call television their primary news source, the biggest threat is that key national television channels are concentrated in the hands of a few conglomerates, all of which are pro-government. Lavrov added that the phrase “a news story hurts the interests of its shareholder” has become a very frequent reason for not broadcasting stories. This also caused the tremendous bias of broadcast media seen during the election campaigns.

“Although the number of Internet media outlets has increased, it does not necessarily mean an increase of objective news,” said Torbich. “The Internet in villages and small towns is not yet widespread, but no one restricts using it.” Rikhtun agreed that multiplicity of sources on the Internet has not influenced diversity of news. Pankratova added that although there are a lot of opportunities to receive information from various sources and Internet access increases, the quality of news in the regions remains low.

In 2012, a Freedom House report on the Internet and digital media showed that Ukraine received the highest scores for freedom of the Internet and online media among post-Soviet countries. However, Ukraine was included in a group of countries (along with Russia and Belarus) in which pro-government, paid commentators (or “trolls”) manipulate and channel the discussions on the Internet.

According to an InMind survey, regular Internet users in Ukraine totaled 19.7 million, which is half the population of those 15 years and older. The share of Internet users aged 21-45 accounts for 75 percent of the population. The survey also noted a 90 percent increase in users older than 55 and a 56 percent increase in rural users. Access to the Internet is available for 22.3 million users in the country. According to GfK Ukraine, a branch of the Austrian research giant, regular Internet users amount to 15.09 million people, and 80 percent of available computers in the country are connected to the Internet. Ten percent of users access the Internet through mobile connectivity, and the highest number of Internet users is those between the ages of 16 and 29.

According to TNS Ukraine, the average weekly use of television was 95 percent; for newspapers, 63 percent; for radio, 57 percent; for the Internet, 49 percent; and for magazines, 44 percent. Over the past five years, newspapers lost 13 percent of their readers, while Internet users have

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increased by 5.5 times. However, the daily reach of media websites is only about 7 percent. So far, readers of print media still exceed Internet readers. For instance, readership of print versions of *Segodnya* total 1.27 million, while 81,000 people read only its website and 29,000 people read both. The similar situation holds true for *Fakty i Komentarii*, whose readership totals 1.3 million for the print version, 781,000 for its website, and 14,000 for both versions.

The Ukrainian Association of Independent Regional Publishers announced that, according to TNS Ukraine, the regional press had the largest audiences per issue in the regions of Vinnica, Zhytomyr, Luhansk, Lutsk, Mykolaiv, Rivne, Sumy, Ternopil, Kherson, Khmelnytskyi, Cherkasy, and Chernivtsi. The national press maintained a larger audience in Ivano-Frankivsk, Kirovohrad, and Poltava. The largest Ukrainian television channel, Inter, kept its leadership in 2012 but, to some extent, lost ground near the end of 2012 to competitors such as Studio 1+1 and STB, followed by Ukraina, ICTV, and Novyi.

“On one hand, access to domestic or international news is not restricted. On the other hand, we have seen examples of ‘kept-at-a-distance’ exclusion of TVi and ZIK from the most affordable packages of cable operators. [This practice], as well as the inclusion of the winners of non-transparent digital competition to this package, have all resulted in limiting the audiences of TVi and ZIK,” said Dobrodomov.

There is no state or municipal media outlet in Ukraine that reflect the views of the political spectrum, are nonpartisan, or serve the public interest. “In state and municipal media, the priority has been given to pro-government news,” said Torbich. “Activities of the opposition have often been silenced. This has been seen in the monitoring of Rivne media, in particular.”

Kostyantyn Grygorenko, president of the All-Ukrainian Association of Municipal Press, mentioned in an interview with *Telekritika* that during elections, local officials started to overtly put pressure on municipal newspapers in Kharkiv. Municipal editors are forced to coordinate their publications with district administrations before printing, and officials ban publishing opposition ads or any compliments to the opposition or any criticisms of the government. “There were no such shameful practices of pre-publication approvals one and a half to two years ago. On the eve of elections, the situation has changed. Now editors are called to district administrations and receive instructions or ‘recommendations’ on coverage. This has happened not only in the Kharkiv region, but colleagues from Luhansk and Cherkassy have reported that they are in similar situations as well,” he said.

Zurab Alasania, who managed state-owned Kharkiv television in 2005-2010, left this position with disappointment. In his *Telekritika* interview, he commented that the regional television company in Kharkiv is part of the system that consists of 27 other state-owned regional television channels subordinated to the State Committee for Television and Radio Broadcasting. “At the moment, true public television does not have a true chance in our country,” he said.

The major Ukrainian news agencies include UNIAN, Interfax, Ukrainski Novyny, LigaBiznesInform, RBC-Ukraine (the Ukrainian affiliate of the Russian RosBiznesKonsulting Group), and the state-owned Ukrinform. The panelists admitted that the business model of subscriptions to such news agencies is gradually dying because much of the information is available for free on the Internet and the “copy-paste” editorial model of news reporting and other “quiet stealing” methods of providing news content seem sufficient for the major Ukrainian news agencies. Alasania commented in his interview with *Telekritika* that people are bored with information as it is and suggested that 80 percent of news is “copy-pasted.” “If one wants to see a picture of the day, one does not need to visit a certain website. One would find it anywhere. The other thing is that I do not often believe what I see, because journalistic compliance with standards [has been] almost absent,” he said.

Otar Dovzhenko, in his annual *Telekritika* media review, stated, “There are less and less Ukrainians in Ukrainian media. Our media sector that was started 15 years ago to overcome colonial dependence on the Russian market now reflects a microcosm of it,” he said. He noted that more and more Russian media franchises for both information and entertainment have been replicated in Ukraine.

According to media reports, the largest television channels belong to a few Ukrainian oligarchs—Dmytro Firtash, Valriy Khoroshkovskiy, Viktor Pinchuk, Ihor Kolomoiskiy, and Rinat Akhmetov. People may know by rumor or declaration in the mainstream media who owns what outlet, but there will be absolutely no possibility to prove this. It is also not known who stands behind numerous Internet media outlets. “With the introduction of the law protecting personal data, the situation with transparency of ownership has been even more aggravated,” Pankratova said.

The news site *Tyzhden.ua* characterized the Ukrainian media market as noticeably monopolized, noting the excessive numbers of business-segment publications, such as *Kontrakty*, *Biznes*, *Kommersant*, *Delovaya Stolitsa*, *Vlast i Deneg*, *Forbes*, and a dozen more. It also pointed to the underdevelopment of tabloids and nearly obscure presence

of an influential daily press in the marketplace. It went on to say that there is a noticeable discrimination of the media, an unreasonable number of franchises and affiliated foreign media outlets (such as *Komsomolska Pravda v Ukraine*, *Argumenty I Fakty v Ukraine*, *Kommersant*, *Izvestiya v Ukraine*, etc.), and an abnormally low number of analytical publications.

The primary example of one media outlet that inflates itself to suggest that it monopolizes the print media market in the country is the Ukrainian Media Holding Group (listed on the Frankfurt Stock Exchange as Ukrainian Media Holding). It has operated in the market for 12 years with a self-declared cumulative circulation of publications of two hundred million copies. It positions itself as the leading publishing house for the past decade in the country. In addition to dozens of publications, it manages a number of online products that reach nearly half of the Ukrainian Internet audience.

In the radio segment, there is also a trend of national networks merging with local radio stations. According to Tyzhden.ua, the majority of radio stations work in the entertainment format. The only talk-radio station, Radio Era, has essentially turned into an affiliate of Radio Russia. With the change of government two and a half years ago, the limited television market (US\$400-425 million) has seen 5 Kanal and TVi being pushed off the air. Subsequently, TVi experienced problems with cable operators and estimated the loss of two thirds of its audience due to this event. The majority of Ukrainians still use analog television, while cable networks are available only in large cities.

Torbich noted that media in foreign languages and for minorities are not restricted, but they are not widespread at the same time. Dobrodomov expressed the point that broad spectrums of political and social events are not reflected, and with the new law on regional languages there might be improvement for media in other languages. The law expanding the use of regional languages, especially Russian, was adopted in July 2012 and caused numerous protests. It is believed that it aimed to placate Eastern Ukrainian voters on the eve of elections. Rikhtun added that there is a lack of quality news in nearly all available languages. He noted that Ukrainian speakers in Crimea would want to watch or listen to news in Ukrainian, but there are no quality offerings available.

"Television news has become more yellow, [only showing] blood, car crashes, tears, and the bedrooms of celebrities. Television news has been lacking socially important information and has been substituted by human-interest stories," said Simanovich. "At *Vikna-Novyny*, for example, they ask to find a hero whom viewers would sympathize with. A person overcomes some hardships for a good

purpose and finally must change something in his/her life. As a result, a number of stories about disabled people who did not lose hope and helped themselves or others has increased. [Alternately,] social issues where the government does not fulfill its duties are not encouraged because it looks like a deadlock [between competing ideas] and the viewer will not experience a catharsis."

According to Tyzhden.ua, Ukrainian-language segments are gradually disappearing in the printed-press marketplace. It refers to the Book Chamber, which cited that the annual circulation of Ukrainian-language newspapers has decreased more than double over the past 20 years, while Russian-language press has increased by one and a half times. This is one of the consequences of the myth thrust on advertisers, which is that Ukrainian-language readers are poor and advertising will not work. Banks may even be hesitant to offer loans to Ukrainian-language outlets. This is evidenced by the perception that there is a preference for Russian-language content, which has serious implications for the further development of Ukrainian-language news.

Kvurt expressed his view that the quality of international news is exaggerated. "Negative stories about the West have been encouraged in the media controlled by the ruling party. This trend toward international isolation has become more noticeable," he said. Dobrodomov noticed that local coverage on national television channels has decreased as a result of the downsizing of their regional reporting staff. He felt that this was being done so that inhabitants of the Lviv region would not be able to watch local news content as often as they have.

"International news has usually been reprinted by local media from the Internet," said Torbich. "The network of municipal district newspapers does cover local news, but their quality is questionable. In rural areas, there might be only one single source of local news. In district centers, one may find local websites." Marusov did point out that there are, in fact, local websites in smaller cities and towns that cover local news. It is especially so in urban areas of eastern Ukraine. For instance, he was satisfied by coverage of the environmental demonstration in Mariupol that was displayed within the local website network. Rikhtun, however, was upset that, by and large, communication on such forums and social networks has not become true civic journalism in the full sense of the idea but is rather just an exchange of brief pieces of data.

## OBJECTIVE 4: BUSINESS MANAGEMENT

Ukraine Objective Score: 1.52

Kvurt stressed that there is a difference among mainstream media, state and municipal media, and regional commercial media. "State and municipal media have worked well outside of market forces. Mainstream media perfectly understand what things should look like, but they have been constrained by the general policies of the owners that media should cater to their primary client (metallurgy, aviation, etc.)," he said. "The market has also been ruined by the availability of political money and political advertising, especially in 2012. Therefore, without systematic changes, reforms of the current marketing conditions will not be improving." Khomenok added that a lot of media made good money this year on *jeansa* and elections.

Syumar believes that most major television channels are subsidized by their owners without the intention of ever turning them into profitable businesses because the most important thing to most owners is to have them as a political tool rather than a well-run media business. Other sources also mentioned that the expenses of some television channels might be twice as much as their revenues. "A few years ago, we [STB] had a bright example of a manager who would attend BBC training workshops and participate in producing newscasts," Simanovich said. "Now he is disappointed and says that there are no political forces to trust and therefore no one to collaborate with."

Pogorelov noted that the situation in media management is similar to the rest of Europe. With reductions in the

advertising market, media outlets have had to look for other revenue sources and opportunities to reduce costs. "There has been a lack of professional training, and therefore the pace and quality of changes and attempts to find effective solutions has been lower in Ukraine than in Europe," he said.

"There are no specialized education options for media management, but there are talented managers who want to learn but who act primarily on instinct. STB channel started to earn profits and then stopped to use a mediator in advertising sales and launched its own agency called StarLightMedia," said Simanovich. "Then the channel started to produce its own programs, but ratings were raised primarily from [entertainment shows]; therefore, serious analytical programs and even news were reduced," he said. Political news, especially during election campaigns, turned to exclusively paid content, followed by the absence of criticism of pro-government figures in order to not risk losing their business interests.

"Very few regional media outlets are self-sustainable or profitable, and many are subsidized. There are no social and political bloggers who earn money on their blogs," Torbich said. "The main source of revenue for most local municipal media is the local government budget. The main sources of income of private media are either the private funds of the owners or advertising. The main income sources for civil-society media come from grants. The majority of media outlets do not operate on funding from advertising. Only a few regional media outlets have a sufficient share of advertising to factor it into their revenue structure." Torbich believes that around 30 percent of the Rivne media operates on revenue from advertising.

Dobrodomov added that conflicts between advertising and journalism favor advertising. "Recently we had an advertising contract with the Lviv Polytechnical University, and after we published a story critical of violations at one of their construction sites, they broke the contract," he said. Kvurt added that disproportionately large sums of advertising money are in the form of *jeansa* or political advertising.

Online media are in search of various ways of monetizing their content. According to Borys Lozhkin, author of the aforementioned article on the WAN-IFRA congress in *Kommersant*, there are no commercially successful publications in Ukraine that did away with paper copy in favor of online content. The model of paid online subscriptions has not proven to be successful. *Delovaya Stolitsa* attempted to introduce it but stopped after several months. "First of all, Ukrainians [do not have significant discretionary] resources that they will use to pay for content over the Internet. Second, the number of consumers with

### 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.



such resources is too few," he said. According to Yulia Stephanishyna, general director of Sanoma Media Ukraine, most of the Ukrainian paid content can be found for free.

Ownership of the leading advertising agencies is very murky. "About 80 percent of the advertising market has been managed by three large agencies. Any agency would be attracted by the large fees to be earned, and television [commands] the highest in absolute figures. Major television advertising has been managed [essentially] by one agency," Pogorelov said. "This has been the main reason for advertising wars between television and print media. The battle is not over, and therefore print media have been intensifying the fight. In 2012, we observed that advertisers have aimed at attracting customers, such as banks and insurance companies, which have tended to place advertising directly into regional media outlets. It has been less expensive for them, but on the other hand, they have faced a number of problems with professional services, especially in municipal media outlets, which in half of the regions have the largest audiences. So advertising in regional media has increased due to such advertisers, and forecasts for the next year are optimistic as well."

At the end of 2012, three of the four largest television groups established a historic advertising alliance that has been the largest in Ukraine's history. The merger of StarLightMedia, Inter Group, and Ukraina now controls 70 percent of the television viewing audience and has increased advertising prices by 20-40 percent, dictating rather strict conditions in the advertising market. 1+1, the media group of Ihor Kolomoiskyi, controls 13 percent of television audiences, which is still a significant part of the remaining market.

In February 2012, media groups UMH (Borys Lozhkin), KP Media (Petro Poroshenko), and Media Group Ukraina (Rinat Akhmetov) united their portals (i.ua, bigmir.net, and tochka.net, respectively) into a single, joint advertising company called United Online Ventures. Lozhkin commented on this decision in an interview with Telekritika, saying that none of the East European countries have as many Web portals or television channels as Ukraine, and therefore no one could make money in such a market.

According to the NGO All-Ukrainian Advertising Coalition, the 2012 media advertising market (television, radio, print, and the Internet) totaled 8.556 billion UAH (close to US\$1.07 billion). This was an increase of approximately 25 percent for these segments from 2011, and projections are that this may increase by 11 percent in 2013.

The 2012 television advertising market reached 3,867 billion UAH (about US\$483 million), up 9.8 percent from 2011; the share of the national television market was 3,740 billion UAH

(about US\$467.5 million), up 10 percent from 2011. The share of the regional television market was just 127 million (US\$16 million) UAH, up 5 percent from 2011. These estimates do not include official political advertising during the campaign period. In 2013, estimates predict that national television stations might add 10 percent to their advertising revenues, while regional television might gain 5 percent. Sponsorship of television programs is estimated separately at 400 million UAH (US\$50 million), up 8 percent from the previous year.

Print outlets increased their advertising revenue by 8.6 percent to 2,647 billion UAH (US\$330 million) in 2012. Of the 2012 figure, 755.3 million UAH (US\$94 million) went to newspapers (up 9.6 percent), 924 million UAH (US\$115 million) to magazines (up 5.7 percent), 62.5 million UAH (US\$9 million) to inserts and supplements (up 9.6 percent), 273 million UAH (US\$34 million) to classifieds (up 9.5 percent), and 632 million UAH (US\$79 million) to non-standard placements, such as special projects and sponsorships (up 11.7 percent). It is expected that in 2013 advertising flows will be distributed in favor of larger publishing houses and that the share of non-standard advertising and multimedia projects will grow.

In 2012, radio advertising increased by 15 percent to 312 million UAH (US\$39 million) and is projected to increase by 15 percent in 2013. The demand for radio advertising is driven by the growth of television ratings.

According to the All-Ukrainian Advertising Coalition, Internet advertising grew to 680 million UAH (US\$85 million), including banners, agency content advertising, and digital services. Direct client advertising content counted separately for an additional 650 million UAH (US\$81 million). Due to different classifications in 2011, percentile changes are unavailable. According to Gemius, in 2011 Ukraine was a leader in Internet advertising growth (59 percent) in Central and Eastern Europe. Large print-media owners estimated that Ukraine lags behind Europe and the United States by three to seven years in print media and Internet advertising spending.

The government uses two ways to fund the media. It may give direct subsidies to a state-owned or municipal media outlet or execute agreements to cover its activities through state and private media. Usually the priority in the latter spending scenario is given to loyal state and municipal media outlets even without any real competition. The Kyiv regional administration and council stopped financing its newspaper *Kyivska Pravda* because of critical articles published about local government. Its chief editor made an attempt to withdraw governmental bodies from its ownership through the court system, but instead the government managed

to remove employees from their shareholder status and launched a new municipal newspaper.

Torbich noted that government subsidies to state and municipal media undermine the competitive market in the regions. Moreover, he personally lost a lawsuit to gain access to information on funding and spending for municipal media in the appeals court.

Pogorelov commented that professional management in media is low and that only a handful of media outlets really make use of available market research. Even if they do not have access to comprehensive research, free data are often available. Torbich admitted that market research is conducted, but most regional media outlets cannot afford it or conduct it themselves. Dobrodomov added that GfK research became more expensive and that his channel could afford to buy their services only once a quarter. "It helped us a lot and influenced our success with advertisers. But in regional markets it has not been a widespread tool for working with advertisers or adapting programming for our audiences," he said.

There were a couple of public scandals connected with the recent TNS Ukraine nationwide audience research effort. In May, *Ukrainiskyi Tyzhden* discontinued its participation in the research, accusing TNS of manipulating the methodology. Two months later, a group of "old" business media (*Biznes, Delovaya Stolitsa, Vlast i Deneg, and Kontrakty*) also refused to participate in the nationwide research, and relative newcomers MMI Ukraine and PMI refused to participate in the regional-level market research. All media outlets felt that market manipulation was occurring when certain social and political publications (*Korrespondent, Focus, and Kommentarii*) declared themselves as private businesses and squeezed out traditional businesses in this segment. Thus, these firms decided to remove themselves from this TNS research survey. However, Pogorelov tried to persuade other panelists that this was all just a purely methodological correction that occurs once every few years. The TNS methodology is the same in many countries, and international audits have confirmed this as well. Media have the right to position and classify themselves as they deem necessary and as a way to regulate themselves. The scandal concluded by TNS's not changing the classification system.

Syumar noted that the situation with television, print, and Internet outlet ratings is not improving. "Transparency and competitiveness should have been ensured in these issues, and these instruments must be objective for media to become true businesses," she said.

The Industrial Radio Committee ordered research to be conducted by GfK Ukraine using a "day-after-recall,"

computer-assisted telephone interview method. Radio companies obtained this tool only in 2012 and have already noticed its efficiency with advertisers and listeners alike.

The Industrial Television Committee, a trade association of the largest stations, ordered television panel research from GfK Ukraine that measured audiences of 44 national and other channels with the aid of 2,540 people-meters that were placed in the households of cities and rural areas. In June 2012, the director of Ru Music complained that 5-8 percent of the panel measurements were corrupt due to information leaked on the metered households and attempts to provide them with instructions on what to watch. GfK had to revise its research by selecting different households.

Dobrodomov commented that the scandal with GfK again casts a shadow on the reliability of television ratings. There are also questions on the measurements of Internet ratings as well. "Declaring circulation figures of print publications has become a daily routine," he said. Pogorelov agreed that in print media, even attempts to certify circulations are forgotten because the status quo is convenient for everyone.

## OBJECTIVE 5: SUPPORTING INSTITUTIONS

Ukraine Objective Score: 1.98

Kvurt noted that media-support institutions, trade associations, and professional associations displayed a high level of self-organization during the fight against

### 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.

criminalization of libel. This was especially evident at the World Newspaper Congress. “However, neither associations nor regional TV channels managed to counteract the Natsrada in its 2012 decisions,” he said. Torbich added that trade associations operate more or less adequately in the area of print and television, but while he acknowledged that trade associations exist for Internet media outlets, he could not think of anything they had tried to accomplish.

Trade associations of broadcast media include the Industrial Television Committee, uniting the largest television stations, and the Independent Association of Broadcasters, uniting 67 regional and national companies, which operate about one hundred television and radio channels. The Industrial Radio Committee has been established by the three largest radio networks, three advertising agencies, and the Independent Association of Broadcasters. The UAPP unites about one hundred publishing houses all over Ukraine (about four hundred publications and one hundred websites with a general circulation of more than 14 million copies). Regional publishers are united through the Ukrainian Association of Independent Regional Publishers. Concerning representation of Internet media outlets, trade associations include the Ukrainian Internet Association and Ukrainian Association of Internet Advertising. The All-Ukrainian Advertising Coalition measures the media and non-media advertising market.

Pogorelov, of UAPP, said that during the past year the quality of rendered services of trade associations has increased. They have combined efforts and substantially enhanced the interaction between each other in representing members’ interests. Their activities have achieved results on a few serious issues, such as counteracting the National Expert Commission for Public Morale, libel legislation, banning certain types of advertising (medicines, medical services), and removing VAT circulation privileges from print media.

Khomenok praised the two press publishers’ associations for supporting their members and conducting the aforementioned WAN-IFRA World Newspaper Congress and World Editors Forum in Kyiv in September 2012, which hosted nearly one thousand media professionals from all over the world. WAN-IFRA conducted important surveys and issued a report about freedom of speech in Ukraine.

Lavrov emphasized that large businesses, NGOs, and public figures are all scrambling to burnish their reputations and assail their opponents through the media. Rather indicative of this was the sponsorship by Dmytro Firtash’s company, Group DF, of the WAN-IFRA events in Kyiv. Firtash is well known as a libel tourist—he lost a suit in the United Kingdom against the English-language and Ukraine-based *Kyiv Post* in 2011—and is one of the most closed and

hostile media personalities in Ukraine. Pogorelov replied that the Ukrainian hosts had little choice but to accept the sponsorship deal, noting the whole opportunity of hosting the WAN-IFRA Congress in Ukraine was at stake.

With the death of the previous head of the National Union of Journalists of Ukraine (commonly known by its acronym, NUJU), Ihor Lubchenko, in May 2012, a new head of the union, Oleg Nalyvayko, was elected and instituted certain reforms for the union. The panelists agreed that it is too early for the results to be judged. There are twenty thousand members of the NUJU; the majority are from state and municipal media. Khomenok stressed that no reforms at the NUJU are feasible until they develop a mechanism for excluding who cannot become a member. Many members are no longer journalists but have long since become public-relations managers and are still members. Membership also includes government officials or law-enforcement officers who keep their membership cards with the NUJU and discredit the entire spirit of such organizations.

Dobrodomov said that the only tangible action seen from journalists’ organizations has been their initiatives to establish a single, universal press card. “At the moment there have been more declarations on this rather than real mechanisms to protect the interests of journalists. In recent years, the NUJU was also used by journalists to obtain free Shengen visas,” he said.

The panelists agreed that the activity level of a few media trade unions is low because of the lack of solidarity that journalists have with one another. Torbich stated, “The activities of professional media unions have been nearly unnoticeable and not surprising, as I was told that only two people in Rivne have paid their membership fees.” Pankratova mentioned that media trade unions have legal services and make important statements when journalists’ rights are violated.

Simanovich, a member of the Media Front Union, added that she has noticed only one explicit action—a victory of the union’s head, Osman Pashaev, in court, concerning the eighth instance of his dismissal, which was deemed illegal because it was not coordinated with the union. “This has been an important precedent, but just a single one. Other dismissals at ‘Vikna Novyny’ [news program] took place ‘voluntarily,’ meaning under pressure,” she said.

Major media-support NGOs include the Academy of Ukrainian Press, Institute of Mass Information, Internews, Media Law Institute, Regional Press Development Institute, Telekritika, and regional organizations such as Information and Press Centers in Simferopol and Sebastopol. Dobrodomov noted that NGOs have become more active

and have achieved results. Their systematic activities give impetus to the development of professional journalism. Legal services, training workshops, and conferences conducted by such organizations reinforce the journalistic community. Torbich said, "I could not imagine how we would have done investigative reporting without the legal support of media lawyers or how the professional level of our journalists would have increased without training workshops." Simanovich agreed that increased legal support helps considerably so that journalists do not give in to despair.

According to Simanovich, the *Chesno (Honestly)* and *Stop Cenzuri (Stop Censorship)* movements have been noticeably active in 2012; however, these are unions of journalists who were forced out of the profession due to pressure, and their activities have been barely noticeable. They try to communicate ideas via Facebook or blogs but are not known to the wider public.

Good examples of practice-oriented journalism schools that the panelists mentioned were those of the Kyiv Mohyla Academy and the Ukrainian Catholic University in Lviv, both of which offer masters-level programs in journalism. For the second consecutive year, the Ministry of Education did not finance scholarships for the Academy's master's program in journalism. For several years, Akhmetov has been supporting the innovative Digital Future Journalism course at the Academy. Simanovich commented: "Having taken this course, I know that [the Academy] had an amazing foundation and professors, and therefore the reduction of the budget for its journalism school is an aggravation." The master's program in journalism at the Ukrainian Catholic University was launched in 2011 to matriculate 17 students per year. The program plans to add an additional 13 students annually through media communications, analytics, research, and other related courses.

The panelists agreed with Torbich's opinion that, other than these examples, the quality of journalism education throughout the country is awful. "I have based my opinion on four universities in the Rivne and Lutsk regions. Radio journalists are prepared without any relevant equipment, and investigative journalism is taught by a graduate student who has never worked in any media outlet. I have seen third-year students who cannot write news articles," he said.

Khomenok mentioned that 60 percent of journalists employed by Ukrainian media do not have journalism degrees. "Due to administrative barriers, the education system in state universities has not been able to react to the demands of the industry. They cannot practically change the curriculum without permission from above, while private universities can do this," he added.

Dobrodomov estimated that five or six universities in Lviv produced 1,400 media-related graduates each year. Recently, various open sources mentioned about 50-80 journalism departments throughout the country and up to ten thousand graduates per year. In an interview with *Telekritika*, Volodymyr Rizun, director of the Journalism Institute of the Kyiv Shevchenko University, officially estimated that only 39 universities graduate journalism students despite higher numbers being mentioned.

Short-term training programs offered by NGOs and trade associations, as well as in-house workshops at a limited number of media-support organizations, remain the only alternatives to an academic education. Pankratova said that she decreased the score for this indicator because media outlets, by and large, lack in-house training programs and sometimes media outlets do not allow journalists to participate. She did note, however, that some NGOs were using new technologies, such as webinars, to allow media professionals to be trained.

Khomenok mentioned that during the elections there were attempts to control print media. "On October 25 at the Melitopol printing house, police detained its truck, driver, and general director, Mykhaylo Kumok, and attempted to confiscate newspapers for the Crimea. Incidentally, these publications were those that were in alignment with the ruling party. There was a risk that during the search, falsified prints would be planted, and this could paralyze the printing house," he said. Kumok filed complaints with the regional prosecutor's office and law-enforcement department.

Digital television provider Zeonbud, which won the contract to provide digital television technology, is a monopoly. State-owned Concern RRT is as well and is the largest broadcasting network in the country, owning some 560 transmitting towers and 80 television stations all over Ukraine. In 2013, Concern RRT increased prices by 7.9 percent, while its growth was 8.9 percent in 2012, 9.6 percent in 2011, 15.5 percent in 2010, and 23 percent in 2009.

Pogorelov reminded the panelists that the press distribution system remains problematic. Ukraine still has a rather low number of newsstands per capita (eight times less than in Poland and 15 times less than in France or Germany). Establishing kiosks is possible only with the permission of a dozen local authorities, and land issues are not regulated. Kiosks are often dismantled by local authorities despite the governmental moratorium of 2009 on dismantling press kiosks. UAPP, in particular, lobbies for relevant and clear legal regulations to foster press distribution.

For example, the company Presa-M (a subsidiary of Kartel publishing house) has been operating in the city of

Kryvyi Rig for 15 years. It received a notice from the local administration in December 2012 to dismantle its kiosks in January 2013 (at a time when the whole country is off for the New Year holiday). The decision did not have sufficient legal standing, and the notice was canceled.

Many technical innovations are available in the country and for the industry. Gaps in technology and their economic affordability between large cities and rural areas remains a problem. Broadband Internet is less available in small towns and rural areas. The panelists agreed that there is a problem with digital broadcasting, as its technical provider is an artificial monopoly. "Information and communications technology infrastructure has been transferred more and more into the hands of oligarchs, and this has not led to increased [infrastructure] investments, transparency, and/or increased quality of services," Kvurt said.

In his interview with *Korrespondent*, Pierre Danon, executive chairman of the largest cable operator in Ukraine and the third-largest Internet provider, *Volya*, said that there are only two areas in which Ukraine lags behind: the lack of HD television and interactive television services, such as "on-demand" television.

According to summaries at Budde.com.au, a telecommunications research consultancy, despite the hard economic crisis of 2009, Ukraine's telecommunication sector has shown considerable resilience. He said that it has been growing steadily during the past few years, with the broadcasting and mobile sectors offsetting the faltering fixed-line telephony sector. In 2012, market penetration of fixed broadband services was 12 percent, mobile was 119 percent, and fixed-line was 25 percent. Important developments are expected in 2013 following the decision to set up a universal service fund to expand and improve broadband delivery in rural areas. Developments should also occur because of the decision by the main provider, Ukrtelecom, to invest in a national "Fiber-to-Home" network. Ukraine possesses a sizeable broadband market, with effective cross-platform competition. DSL dominates the Internet access market, although cable is available and there have been considerable investments in "Fiber-to-Business" in recent quarters. LAN and wireless platforms, such as WiFi and WiMAX, exist on a smaller scale. Digital television is accessible from cable and satellite platforms, and while the digital terrestrial television platform has progressed, it has not been without controversy in terms of who will be selected as the broadcasters.

## List of Panel Participants

**Dmytro Dobrodomov**, general director, ZIK TV channel, Lviv

**Oleg Khomenok**, independent journalism trainer, senior media advisor, Internews Network U-Media project, Kyiv

**Kostyantyn Kvurt**, chairman of the board, Internews-Ukraine, Kyiv

**Vladyslav Lavrov**, journalist, *Kyiv Post*, Kyiv

**Andriy Marusov**, freelancer, Kyiv

**Lyudmyla Pankratova**, media lawyer, Regional Press Development Institute, Kyiv

**Oleksiy Pogorelov**, general director, Ukrainian Association of Press Publishers, Kyiv

**Tetyana Rikhtun**, director, Media Information and Press Center, Sebastopol; investigative journalist, Sebastopol

**Yevgen Rybka**, chief editor, Liga News and Liga Dossier projects, *LigaBiznesInform* (information agency), Kyiv

**Olga Simanovich**, correspondent, script writer, International Media Center STB, Kyiv

**Viktoria Syumar**, executive director, Institute of Mass Information, Kyiv

**Volodymyr Torbich**, chief editor, Rivne Agency for Investigative Reporting (information agency), Rivne

*The following participants submitted a questionnaire but did not attend the panel discussion.*

**Sergiy Guz**, chief editor, *Nash Reporter* weekly, Dneprodzerzhynsk

**Iлона Fanta**, chief editor, *Kolo* publications group, Zhyttya i Dilo media company, Poltava

## Moderator and Author

**Kateryna Laba**, executive director, Regional Press Development Institute, Kyiv

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