

NORTH MACEDONIA



MEDIA SUSTAINABILITY INDEX 2019

Tracking Development
of Sustainable
Independent Media
Around the World



NORTH MACEDONIA

AT A GLANCE

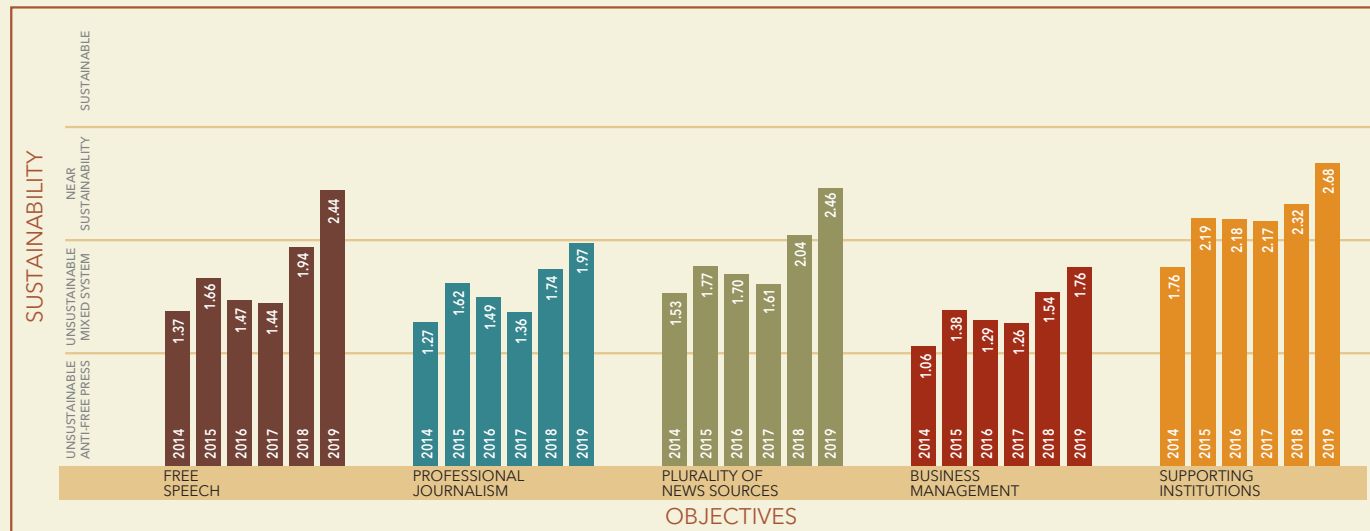
GENERAL

- **Population:** 2,118,945 (July 2018 est. *CIA World Factbook*)
- **Capital city:** Skopje
- **Ethnic groups (% of population):** Macedonian 64.2%, Albanian 25.2%, Turkish 3.9%, Romani 2.7%, Serb 1.8%, other 2.2% (*CIA World Factbook*, 2002 est.)
- **Religions (% of population):** Macedonian Orthodox 64.8%, Muslim 33.3%, other Christian 0.4%, other and unspecified 1.5% (*CIA World Factbook*, 2002 est.)
- **Languages (% of population):** Macedonian (official) 66.5%, Albanian 25.1%, Turkish 3.5%, Romani 1.9%, Serbian 1.2%, other 1.8% (*CIA World Factbook*, 2002 est.)
- **GNI (2017 - Atlas):** \$10.17 billion (World Bank Development Indicators, 2017)
- **GNI per capita (2017 - PPP):** \$14,680 (World Bank Development Indicators, 2017)
- **Literacy rate:** 97.8% (male 98.8%, female 96.8%) (*CIA World Factbook*, 2015 est.)
- **President or top authority:** President Gjorge Ivanov (since May 12, 2009)

MEDIA-SPECIFIC

- **Number of active print outlets, radio stations, television stations, Internet news portals:** Print: 5 dailies, 4 weeklies, 29 other periodicals (Registry kept by AVMS); Television: 53 TV broadcasters (AVMS Registry) – Public broadcaster MRT (5 channels), 5 DVB-T national broadcasters, 8 national cable and satellite TV stations, 10 regional cable TV stations, 10 regional DVB-T TV stations, 20 local cable TV stations; Radio stations: 71 radio stations (AVMS Registry) – Public Radio MRA (3 channels), 3 commercial national radio broadcasters, 17 regional radio stations, 50 local radio stations; Internet news portals: approximately 80 (estimate based on coverage of largest news aggregator)
- **Newspaper circulation statistics:** *Sloboden pečat* – 12,800, *Večer* – 7900, *Nezavisen vesnik* – 7000, *Nova Makedonija* – 7500, *Koha* – 5000 (figures refer to print circulation, figures on sold copy unavailable)
- **Broadcast ratings:** Sitel TV – 24.46%, Kanal 5 TV – 13.51%, AlsatM TV – 5.56%, Telma TV – 2.85%, TV24 – 2.81%, Alfa – 2.42%, 1TV – 1.09% (Nielsen ratings, received through national Joint Industry Committee)
- **News agencies:** MIA, Makfax
- **Annual advertising revenue in media sector:** est. €31.5 - 35M - TV 57%, Radio 5.7%, Out of Home 22.8%, Print 2.8%, Digital 11.5% (Google and Facebook control approximately 50% of the digital advertising spending) – Estimate by Macedonian Association of Marketing Agencies.

MEDIA SUSTAINABILITY INDEX: NORTH MACEDONIA



SCORE KEY

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 <https://www.irex.org/msi>



For the second year in a row, North Macedonia's MSI scores showed increases across all objectives, which is reflected in its higher overall score for the 2019 edition. While the country remained the "near sustainability" ranking with this year's study, panelists noted that the country's slow economic growth, crowded media market, and competitive advertising market present significant challenges to sustainability and quality of journalism throughout the country. While the government has largely adhered to its commitment not to interfere in the media sector, the continued rise in prominence of news from social media also brings a slew of negative factors, including fake news, filter bubbles, and disinformation.

In 2018, the Prespa Agreement formally changed Macedonia's name to the Republic of North Macedonia, a culmination of negotiations with Greece to resolve the 27-year dispute over Macedonia's name, which has stood as a barrier to the country's efforts to integrate fully with the European Union and with NATO. Foreign ministers signed the agreement on June 17 and the country's parliament ratified it on June 20.

North Macedonia saw several other political developments over the past year. Political party members involved in the failed coup d'état on April 27, 2017 were brought to trial, as were several high-ranking officials from the previous government. Former Prime Minister Nikola Gruevski was involved in serious corruption and received a two-year prison sentence for a case surrounding his procurement of a new armored limousine by abuses of office. However, he never saw the inside of a cell, as he escaped to Hungary in November. He received political asylum from Hungarian Prime Minister Viktor Orban.

The two sets of events collided, as the government could not secure the two-thirds majority to change the constitution or implement the name change unless it granted amnesty from prosecution for the party members involved in the April coup attempt. Civil society organizations and the majority of people who were active in the "Motley (Colorful) Revolution" cried foul, arguing that European integrations are worth nothing in the absence of the rule of law. Their objections were in vain.

The economy of North Macedonia had another slow year. With a 2.5 percent growth in 2018, it was well below the 4.5 to 5 percent growth rate generally necessary for economic progress and improved living standards. The center-left government did increase minimum wage on a national level and introduced new welfare programs for several vulnerable groups.

The media market remains overcrowded, although it experienced some movement towards reduction. A number of broadcast media, specifically those broadcasting at local and regional levels, ceased operations.

The MSI panelists generally held that the situation with media freedom and freedom of expression is much improved, as evidenced by the increasing average MSI score of this objective over time. The government's "Plan 18," adopted in November 2018, delineated urgent national reforms but did not include any of the long-awaited and much-needed media reforms — effectively pushing them to the sidelines. However, before the end of the year, the government elected to introduce a subsidy program for print media. And on the last working day of 2018, parliament adopted the Law on Changes and Amendment to the Audio and Audiovisual Media Services, which covered primarily the composition and the manner of appointing members to the Agency for Audio and Audiovisual Media Services and the Programming Council of the public service broadcaster.

**OBJECTIVE 1:
FREEDOM OF
SPEECH**

244

The discussion of media reforms has taken a backseat to foreign affairs and the prosecution of former government officials for corruption and abuses of office. Still, civil society media groups, organizations in related fields, and professional journalism associations remain focused on these media sector issues.

Panelists have long considered the country's media legislation good quality, in line with relevant international standards. However, their general perception is that implementation is lacking and often depends on the will of political centers of power. Participants in the ongoing reform debate have identified several areas in the 2013 Law on Audiovisual Media Services and the Law on Media that need serious intervention. Lawmakers must ensure that the regulations are in line with international standards and existing EU directives, and that they address issues pertinent to the welfare and sustainability of the media sector in North Macedonia.

The government has largely stayed true to its pledge that it will not interfere in the media sector or with editorial policies. According to the panelists, the situation is much improved compared to the rule of the previous government. But the restored freedom has yet to translate into increased confidence in the media and journalists. A recent IPSOS survey showed that North Macedonia's public is divided almost evenly, with slightly more than 50 percent of citizens polled believing that the media are independent.

The media offer news on local and international affairs but focus on the national political scene. Few

media outlets are able to finance and maintain either national or international correspondent networks. Additionally, most media cannot afford to pay the fees for major international wire services or news agencies. Their coverage of foreign affairs usually depends on the reports by major international media available on the Internet.

Licensing in North Macedonia applies to broadcasting only. Actual licensing policies have traditionally been ultra-liberal, which has contributed to an overcrowded and unsustainable broadcast sector. More than 50 television stations and 70 radio stations compete in a market of nominally 560,000 households — in one of the weakest economies in Europe. The less strict licensing process for non-terrestrial broadcasting means that new companies continue to enter the market as satellite or cable broadcasters, further pressuring North Macedonia's already oversaturated media market.

Panelists said that North Macedonia's media regulatory body remains unreformed and politically dominated, in spite of all proposals advocating for transforming the regulator into a truly independent institution. Stole Naumov, editor at Kanal 77 Radio, said deliberation on license distribution may depend on factors other than mere legal requirements and criteria. "Two studies to determine the need to allocate new national TV licenses, conducted half a year apart, yielded totally opposite conclusions. As if the market could change that much over that period of time," he said.

Print media are subject to mandatory registration, which the audiovisual regulator manages. Online media have no registration procedures, due to the media community's vehement opposition and fears that such power could be abused as another instrument of control. Panelists did note that the self-regulation body,

Council of Media Ethics of Macedonia¹, keeps a voluntary registry for online media outlets.

Print media are given reduced value-added tax (VAT) rates. But otherwise, the government does not offer special benefits to media companies.

Restrictions are in place for preventing media ownership concentration. These regulations ban high-ranking political figures, political parties, and

Legal and social norms protect and promote free speech and access to public information.
FREE-SPEECH INDICATORS

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

¹ At the time the MSI was conducted, none of the local organizations mentioned throughout this chapter with "Macedonia" in their names had made any modifications to reflect the change in country name. As a result, IREX is maintaining the use of "Macedonia" in that context.

holders of public offices from owning or holding shares in media companies. Some panelists believe that such bans are of little use as they are easily circumvented through proxy owners. Panelists also noted that the general public is usually aware of who the real owners are in cases when various forms of proxy ownership are used.

Journalism is an open profession, and anyone can work as a journalist without registration or licensing. However, the media community tends to divide itself into journalists from traditional media and from new online media — seen by many as not proper. Panelists said that online media cause unfair and unwanted competition in the ever-shrinking advertising market. North Macedonia's existing political divisions, the current climate of “fake news,” and the influx of propagandists and public relations experts into the journalistic sphere all lead to periodic calls to action, such as requiring some form of licensing for journalists.

The improvements in the media environment have carried over into journalist safety. Panelists praised recent efforts to investigate and prosecute perpetrators in cases of attacks against journalists. But panelists also said that they are not satisfied with the slow pace of investigations, and they lamented the emergence of solidarity among prosecutors and suspects when security and enforcement agencies are the accused.

For a number of years, defamation has not truly been used as an instrument against freedom of expression. The number of new cases has been dropping consistently, and courts have improved their procedural practices and the application of both national law and international standards. Still, defamation cannot be completely eliminated as a potential threat, especially in SLAPP (strategic litigation against public participation) cases. Because of the media sector's vulnerable financial

and economic situation, few outlets can afford any prolonged litigation.

The same improvement can be said with regard to access to public information. In fact, the new government has adopted a new policy of almost radical transparency, declassifying documents that were kept confidential by its predecessors. Journalists now have tools to check on the personal expenses of public officials and cabinet members. Panelists noted that journalists do not use their access to information rights enough, largely due to the demands of the 24-hour news cycle.

“In addition to delays, media are not mentioned at all in the government's ‘Plan 18’ that delineates future reform efforts necessary for [North Macedonia's] Euro-Atlantic integration processes,” said Dragan Sekulovski

Panelists also mentioned that access to information is much worse at the local level, with municipal administrations decidedly more closed to the media and the public in general. Lawmakers have an initiative underway that changes freedom of information legislation and prevents information holders from delaying the release of requested information and waiting for the mandated 30-day deadline to expire. Stakeholders are also discussing giving appropriate oversight functions to the Commission on Freedom of Access to Information, to ensure that it will be able to enforce its decisions on demands to release information. For example, at the moment the Commission cannot sanction violations itself and can only file cases to the Administrative Court. However, changes to freedom of information legislation that is in the works should

transform the Commission into an independent agency that will be able to sanction violations.

The public broadcasting service, Macedonian Radio and Television (MRT), has nominal legal protections for editorial independence. Panelists agreed that MRT has a major problem with independence: political parties consider MRT part of the “winner's loot” of election. MRT has been chronically underfinanced and unable to fund all its programming obligations.

MRT has also found itself in limbo, awaiting the adoption of the new audiovisual legislation. The changes will apply to the selection process of its steering and managing bodies. Controversy has arisen on the decision to allow the incumbent, politically-dominated Programming Council (MRT's governing body) to re-elect the incumbent director general for a new term in office. He has always been perceived to be a soldier of the former ruling party.

Panelists noted that informational and news programming reflects the unresolved legal state of media. “The current team at MRT does everything in its power to demonstrate a balanced and impartial approach,” explained Vesna Nikodinovska, a media expert from the Macedonian Institute for the Media. “However, it lacks a professional staff, technical staff and equipment, as well as a simplified bureaucratic procedure so it could create a functioning system.”

The panelists reacted strongly to the delays in adoption of the proposed changes to the Law on Audio and Audiovisual Media Services. Parliament members submitted the proposal in February 2018, but the opposition blocked parliamentary debate in committee. They used the proposal as a bargaining chip to secure the necessary two-thirds vote on the Prespa Agreement and end the long-standing dispute with Greece. The changes to the Law on Audio and Audiovisual Media Services were finally adopted on the last working day of the year.

Panelists said that the government seems willing to stay out of the media sector, but also seems less dedicated to the media reforms outlined in the so-called Priebe Report, in which the European Commission's Expert Group addresses systemic rule of law issues, and the EU's Urgent Democratic Reforms documents, with media ranking high on the list of priorities. "In addition to delays, media are not mentioned at all in the government's 'Plan 18' that delineates future reform efforts necessary for [North Macedonia's] Euro-Atlantic integration processes," said Dragan Sekulovski, executive director of the Association of Journalists.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

1.97

North Macedonia's media could not escape the challenges that come with the 24-hour news cycle, the digital revolution, and the need to be fast and first. Because financial constraints have resulted in newsrooms constantly downsizing, reporters struggle to find time to report any deeper than recapping an event. Inadequate finances also mean newsrooms cannot fund fact-checking departments. Still, reporters do their best to fact-check or get expert opinions on the issues they cover. A handful of investigative reporting operations, funded by foreign donors, have the means and time to properly fact-check and consult experts. While some of these are traditional media outlets, the majority are Internet sites.

The Code of Journalists of Macedonia governs journalists' behavior. The self-regulatory body, the Council of Media Ethics of Macedonia, follows the International Federation of Journalists' Declaration

of Principles on the Conduct of Journalists. With the exception of MRT, which is legally required to adopt internal codes of ethics and conduct, no other outlets have developed such rules for their journalists.

In addition to the Council of Media Ethics, the Association of Journalists of Macedonia's Council of Honor reviews complaints about professional ethics and standards. The other association of journalists, the Macedonian Association of Journalists (MAN), has neither internal codes nor a body to review complaints about unethical conduct and violations by its members. Panelists mentioned a case in which one MAN member incited sexual assault against a foreign female reporter whose reporting he did not like, and the association simply responded that its members "have no constraints and can say and write what they want."

According to panelists, journalists are often held hostage by the editorial policies of their respective outlets. "The biggest threat to professional standards and journalism quality comes from the relations between the owners and the editors," said Marjan Nikolovski, a journalist with the national broadcaster Sitel TV. "There are many examples where senior editors, in an attempt to preserve the benefits of the position they hold, turn themselves into a service for the owner of the media outlet and not as a service for the general public."

Print media do pay attention to properly marking advertorial content. The line is far more blurred for online media. Distinguishing between advertorial and editorial content usually depends on whether staff and reporters have experience in traditional newsrooms.

Plagiarism remains an issue, and accusations are constant — especially against online media and news aggregators. Content is often taken from foreign news sources because most media

do not have the financial means to run foreign correspondent networks or cover the fees of international news and wire services. The same problems occur with the ever-popular celebrity-focused stories. Many journalists do not even attempt to sue for copyright infringement, out of some sense of misplaced solidarity or because they consider it a waste of time, according to the panelists.

Panelists did note an initiative led by the Independent Trade Union of Journalists to address copyright infringement. The union helps photojournalists by sending invoices to all entities that have used their photos without permission or compensation, with a threat to sue. Most parties on the receiving end of the campaign have quickly complied, and the union is now contemplating similar action for articles.

Journalism meets professional standards of quality.

PROFESSIONAL JOURNALISM INDICATORS

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

NORTH MACEDONIA

According to the panelists, self-censorship remains a problem for many journalists. The precariousness of their employment is a powerful instrument of pressure. The law on media offers legal protection for journalists that are pushed into reporting an issue from a certain point of view or urged to not cover an issue. But panelists knew of no recorded instances of journalists invoking that legal right or seeking protection for invoking the right.

Panelists said that owners are considered the greatest threat and are the force behind self-censorship. Most owners are far more concerned about their other business interests—which their media outlets exist to support.

Media cover all the key events in the country. In 2018, outlets were focused on the national political scene, the ramifications of the trials of former high-ranking officials, the agreement over the name dispute with Greece, and the subsequent referendum on the agreement. The media also extended coverage of the demonstrations by nationalist activists protesting the Prespa Agreement. Panelists mentioned several cases in which journalists, perceived as having a pro-government or leftist bias, were harassed and verbally abused. Such abuse is frequent on social media, coming from all societal groups in North Macedonia.

Few media have the means to finance permanent correspondent networks, whether abroad or in the country. However, they do manage to send teams of reporters to most or all important events taking place outside of the capital city of Skopje. The quality of coverage differs between national media and local media— which have fewer resources and tend to focus on coverage of local affairs. Many panelists complained that outlets lack news to even fill a proper newscast.

Low wages in the media industry remains a huge problem. At an estimated average of €300 (\$340) per month, journalists' salaries are about 75 percent of the national average salary. Many journalists from traditional media run their own online media outlets on the side, hoping to attract some advertising and supplement their monthly income. Top editorial positions, however, command much higher salaries than the national average. Panelists said similarly high salaries are paid to a number of propagandists-for-hire that hold senior editorial positions at a number of media outlets.

According to panelists, the financial situation is worse at local and regional media, with journalists paid even below the minimum wage if they are hired on service contracts. In these situations, reporters are expected to supplement their wages with a percentage of advertising income they manage to bring to the outlet.

Given the precarious nature of employment in journalism, the media sector has seen an exodus. An analysis of employee numbers for 2018 is not available at the time of this writing, but the Analysis of the Labor Market in the Broadcasting Industry for 2017, prepared by the Agency for Audio and Audiovisual Media Services (AVMU), shows that the number of broadcast industry employees has dropped almost 10 percent compared to 2016, partly due to eight broadcasters closing. When statistics are available, analysts expect to find that this trend continued in 2018 in the broadcasting industry and across the board in media market segments.

Despite these financial problems, citizens of North Macedonia have access to a variety of news and information sources. Foreign TV channels, available through various cable providers, have attracted a significant audience in North Macedonia. The most viewed programs on TV channels in the country are Turkish telenovelas and soap operas,

and the market on those seems to be cornered by two or three leading TV stations. Leading TV stations also tend to slot their main daily newscasts between two popular telenovelas to ensure that the audience will stay on the channel for the newscasts, too. However, most viewers in North Macedonia use national TV broadcasters for news, political talk shows, and political panel programs, and as a result, TV stations tend to dedicate a high portion of their prime-time slots to this type of programming. Therefore, entertainment never truly established dominance over news and information.

“The biggest threat to professional standards and journalism quality comes from the relations between the owners and the editors,” said Marjan Nikolovski. “There are many examples where senior editors, in an attempt to preserve the benefits of the position they hold, turn themselves into a service for the owner of the media outlet and not as a service for the general public.”

All major broadcasters (terrestrial, cable, and satellite) dedicate a major segment of primetime to newscasts and political panel/debate shows. They average 10 to 15 percent of total airtime. Citizens of North Macedonia also have a plethora of other online news sources available, ensuring access wherever and whenever needed. Social networks have grown into a major source of news for citizens of the country, trailing only television.

The panelists noted that an abundance of news outlets does not mean a great variety of news. Most outlets tend to present the same news item, often produced by a news agency.

Slobodanka Jovanovska, the editor-in-chief of the daily newspaper *Nezavisen vesnik*, commented on sharing of material. "Usually you see a small number of journalists at an event, and then there will be reports published in more than 100 media outlets," she said.

Media throughout North Macedonia are technologically on par with their colleagues abroad. Some outlets might find it hard to replace outdated equipment or acquire improved technologies. However, as costs for technology are reduced, outlets can keep up with trends, especially in online and print media. Several panelists noted that quite a few media have not adapted their content format from legacy media to the online world, eschewing multimedia formats and treating their web presences only as digital versions of their newspaper or broadcast. They added that media outlets in North Macedonia rarely have the technical staff necessary to perform some newer forms of journalism, such as data journalism or computer-assisted reporting.

Niche and specialized reporting has suffered in recent years, due to shrinking newsrooms and limited time to allow staff to specialize. At larger traditional media outlets, journalists still can specialize in topics such as politics, economics, sports, or culture. But increasingly, all reporters are expected to cover whatever topic comes their way. Major broadcasters maintain some programming specialized in business and economics. For most online media, such specialization is rarely possible. Often these outlets have small newsrooms with just a handful of people.

OBJECTIVE 3: PLURALITY OF NEWS

246

North Macedonia has never had problems with media pluralism, in terms of the number of outlets. The sector includes more than 50 TV broadcasters at the national, regional, and local levels; in excess of 70 radio stations; six daily newspapers; and numerous online news sites of varied size and seriousness. However, that multitude of news sources still has not translated into a pluralism of views, positions, or ideas. While few outlets have a formal affiliation with a political party, media in North Macedonia nonetheless have learned that it is best to be close to the government. Many outlets, including those that previously were staunch supporters of the previous government, have re-aligned editorial policies in favor of the current government. Several foreign-owned media, including a television station and a number of online news sites, now support the opposition.

Panelists pointed to the problem of media tending to reduce all pluralism—including ethnic, linguistic, socioeconomic, and cultural representation in their coverage—to the several leading political parties and coalitions represented in the Parliament. The panelists added that the opposition gets more than its fair share of air time now, in comparison to previous years. While MRT is obligated to pay attention to full diversity in North Macedonia, other media tend to ignore it. "The media are not really a public forum for the free transmission and circulation of information and the views of different social groups," said Sefer Tahiri, a professor at the School of Media and Communications at the Southeast European University in Tetovo. "One

consequence is that our journalism is, for the better part, one-dimensional."

Blogs are not really considered news sources, although members of the journalism community tend to use "blogger" for all new online actors without experience in traditional media. On the other hand, social media is growing as a main source of news, especially for the younger generation. Television still leads the way overall, but it is quickly losing ground. The rise in prominence of news from social media also brings a slew of negative aspects — fake news, filter bubbles, and disinformation.

Citizens in North Macedonia have access to all sorts of media, foreign and domestic. Macedonian newsstands offer a variety of international press, mostly from the neighboring countries, plus some prominent international weekly magazines. Cable and Internet protocol television operators offer a huge variety of channels in their catalogues.

Panelists did say that access is somewhat different in rural areas and smaller towns, where offerings at newsstands may be somewhat limited. Generally, smaller villages do not have cable services, so they can watch only television channels that broadcast over the digital terrestrial multiplexes.

MRT found itself facing uncertainties in 2018. The decision to eliminate the broadcasting tax significantly cut MRT's budget, and it now lacks financing for all of its functions. It also expects to get a new governing and managing bodies, which should continue the work on reforming it into a proper public service broadcaster. Although panelists said that recently MRT has made an effort to remain neutral, the general public still distrusts MRT as a result of it essentially acting as a government mouthpiece for years.

Despite insufficient funding and lack of support, the MRT manages to largely perform

NORTH MACEDONIA

its duties to educate, entertain, and inform. This includes fulfilling its obligation to provide the cultural and educational programming and content that private broadcasters might not offer because it is not commercially viable. However, panelists did agree that a major intervention is necessary. “The public service broadcaster needs to be strengthened with new professional personnel that would allow it to dictate the trends and to lead with higher standards of quality in information, documentary, educational, and cultural programming,” said Vesna Nikodinovska from the Macedonian Institute for the Media.

Panelists concluded that domestic news agencies account for the bulk of reporting available. North Macedonia has two news agencies: the state agency Macedonia Information Agency (MIA) and the privately owned Makfax. Additionally, the country has several self-styled online news agencies, but they function more as regular online news sites. After the change of government, MIA came under new leadership and has worked to expand its services by offering video and photography. Makfax, too, has moved into the production of video content. According to panelists, their services are not expensive, but many smaller local outlets and most online media cannot afford their services.

International news agencies are out of reach for most outlets. According to panelists, only national TV stations can freely afford their services, and even then, some choose not to subscribe.

Commercial media produce their own news and take care to be present at all key events. They also recognize the importance of political panel shows and debate programs. They reliably attract advertisers, and as such, broadcasters air them in the best primetime slots. The situation is somewhat different for local and regional media. They produce

some local news, but rely on the national media and Internet sources for national or international coverage. A number of online news sites produce their own news and information, but a great majority rely on already-published content from other sources, both domestic and foreign.

The government regulates ownership transparency for broadcast media and print media. Both are legally required to publish this information and register with the audiovisual regulatory body. On paper, North Macedonia has very strict limitations on the ownership of broadcast media by political parties, politicians, and other holders of public office. However, the formal obligations for transparency of ownership can be circumvented easily, especially for those outlets tied to political parties or figures through proxy owners. According to the panelists, citizens have always had a great degree of understanding on who the “real” owners are, and they can draw conclusions on any possible editorial slant.

The limitations on horizontal and vertical cross-ownership in the broadcasting sector means that North Macedonia has no large consolidations in its media sector. Unfortunately, those limitations have resulted in the current overcrowded media market. While several major national TV stations are owned by businesspeople and corporations with diverse business interests and portfolios, most media are privately owned and usually by a single owner. Panelists said that they find this situation untenable. “Either they give the regulatory body greater powers of investigation into the true ownership and powers to sanction those who violate those provisions,” proposed Naumov. “Or, we should probably liberalize both ownership rights and the ability to own more than one broadcast media outlet.”

Foreign ownership is not all that common.

However, foreign donors have invested heavily in the efforts to produce diverse offerings — especially content that is in line with the need for democratic development in North Macedonia. Panelists noted a national television broadcaster and several online news outlets in North Macedonia are now owned by two Hungarian nationals who are perceived as important cogs in the machinery that ultimately helped the ultra-conservative and xenophobic government currently in power in Hungary to establish control over Hungarian public service media and large swaths of privately-owned media in that country.

The media are not really a public forum for the free transmission and circulation of information and the views of different social groups,” said Sefer Tahiri.

According to panelists, the ownership situation in online media is far more problematic. Many small operations, usually with strong political or ideological views, do not publish owner information. In some cases, the ownership is tied to known tax shelters in foreign countries. Often these issues are used as arguments for why online media need mandatory registration, similar to what is already in place for print media.

Panelists said that diverse interest groups throughout North Macedonia are represented in the media, albeit to varying degrees. The ethnic divisions in the country are reflected clearly in numerous national, regional, and local media offered in the Macedonian and Albanian languages. Media in other languages are also available in areas that have larger concentrations of their respective ethnic populations.

Multiple news sources provide citizens with reliable and objective news.

PLURALITY OF NEWS SOURCES INDICATORS

- ▶ A plurality of affordable public and private news sources (e.g., print, broadcast, Internet) exists.
- ▶ Independent broadcast media produce their own news programs.
- ▶ Citizens' access to domestic or international media is not restricted.
- ▶ Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates.
- ▶ State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.
- ▶ A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.
- ▶ Independent news agencies gather and distribute news for print and broadcast media.
- ▶ Broadcast ratings, circulation figures, and Internet statistics are reliable.

MRT is legally obligated to air programs, in particular news and cultural programming, in nine different languages —the highest number in Europe. Other issues, such as gender identities and sexual orientation, are far less present in traditional media. Moreover, when those issues are represented, deeply-rooted prejudices and stereotypes are difficult to eradicate, panelists said.

The Internet has proven to be a force for both good and bad in that regard. It provides a low-cost platform for such diverse social groups to express themselves and establish their own media, but it also allows reinforcement of prejudice and stereotypes, especially on social networks.

Community radio has been little used in North Macedonia, with just three student radio stations

tied to major state universities. However, in 2018 North Macedonia got its first religious community radio outlet.

The panelists said the Internet has become the great equalizer even with the aforementioned disparities between national media, regional media, and local media and their capacities to cover their respective markets. "There is no way one can hide some information in [North Macedonia] or limit the ability of citizens to get the information they need," Nikolovski said. "There are simply too many media formats that offer news and information."

OBJECTIVE 4: BUSINESS MANAGEMENT

1.76

The business practices and operations of media in North Macedonia are diverse and dependent on capacities. The national broadcasters that are part of larger corporations are among the few with the means to maintain properly staffing structures. The rest, especially small local media and online media, rely on a handful of people to do every job - reporting, editing, advertising sales, human resources, and more. The law requires all legal entities in North Macedonia to outsource their accounting and bookkeeping to professional specialized services.

Only the largest media outlets also have the ability or feel the need to prepare business plans and stick to them. According to panelists, citizens of North Macedonia do not see the media as legitimate enterprises. "Most media companies in North Macedonia are not profit-making companies and, while nominally commercial, are not true businesses and are not even treated by the owners

as businesses," said Sefer Tahiri of Southeast European University in Tetovo.

Private broadcast media in North Macedonia report that more than 90 percent of their revenue comes from advertising sales, and advertising is restricted to 12 minutes per real hour of programming.² As a result, outlets are fighting for the limited advertising revenue available. Advertising industry professionals estimate the amount to be somewhere between €15 and €35 million (\$17 million and \$40 million), though there is no official measurement. That amount is not nearly enough to fund the 54 TV stations and 70 radio stations in the country. According to the panelists, a significant portion of the necessary funding to bolster these broadcast media outlets likely comes from internal subsidies — primarily, their owners' diverse business interests.

MRT and community radio stations are not allowed to sell advertising time.

For print media, even a superficial look reveals that outlets do not sell enough advertising space to be self-sustainable. Most outlets barely manage to sell one full page of commercial ad space in a regular week. Each day, all print media carry four to eight pages of mandatory public notices, which include judicial notices or announcements of public competitions. These notices represent print media's only significant source of income, even though they are not represented as subsidies but as commercial operations by respective managements of the newspapers.

Circulation sales are an insignificant source of income, especially given that all newspapers are seriously underpriced. Prices have remained

² The changes to the law on audiovisual media services introduced some flexibility to sell larger blocks when programs are longer than an hour, but the same 20 percent limit still exists.

the same for more than 15 years now, with no price adjustment for inflation. Panelists said that newspaper prices should be at least twice what they are now, which is just 20 to 25 cents per newspaper.

Government funding, in the form of government advertising campaigns, has been effectively abolished, out of fears that it might be abused as instrument of pressure on the media, as was the case with the previous government. At the local level, municipal administrations use money from their budgets to purchase airtime to promote their activities. These purchases, according to some panelists, are the sole source of income for many local media. Dragan Sekulovski, executive director of the Association of Journalists of Macedonia (AJM), reported that its research shows "the total amount of such funds available from local governments exceeds half a million Euros (\$566,000) per year."

Foreign donors provide another significant source of financing. These donors mainly invest in production of investigative journalism, documentaries, and feature stories to help continue democratic development in North Macedonia.

The advertising market in North Macedonia is very limited. Advertising agencies, mostly branches of international and Balkan-wide agencies, dominate the market. Some segments of available advertising revenue go to specialized regional broadcasters, mostly sports channels. Moreover, digital advertising continues to grow as a share of the market. In addition, a significant proportion of digital advertising spending is controlled by the major international tech companies, specifically Facebook and Google. Panelists noted the widespread opinion in the media community that some action needs to be taken to address the tight competition between media for advertising revenue

and to help advertising revenue stay within North Macedonia.

The advertising industry in the country exists primarily due to foreign companies that work there. Financial services, automobile retailers, and telecommunications companies remain among the top advertisers in the country, along with the food industry, domestic hygiene products, and pharmaceuticals.³ There are significant local advertisers, mostly from the food industry. The companies that make up half of the national GDP do not require advertising. The national industrial output, and the national economy more broadly, are based on these companies that work with raw materials,

Independent media are well-managed businesses, allowing editorial independence.

BUSINESS MANAGEMENT INDICATORS

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

³ An official ranking is not available. AVMU used to publish a list of top advertisers but stopped doing so after the government was ranked the top advertiser in 2013 and the second-largest advertiser in 2014.

semi-manufactured goods for known foreign buyers, and so-called "loan" production.

Panelists said that the advertising industry favors national outlets. Media with very limited local or regional markets usually are overlooked. "Major advertisers and agencies seem to have forgotten local and regional media and put their emphasis on the big national broadcasters. That puts smaller media in an unequal position, in spite of their importance for their local, urban, or rural communities," said Katerina Dafceva, reporter at the regional TV Vis in Strumica, an agricultural area in southeastern North Macedonia.

Although the media law adopted at the end of 2018 session prohibits all public bodies and government institutions from reserving budget funds for purchasing airtime, the government has elected to establish a subsidy system for print media. These funds are supplemental to the indirect subsidies, such as the privileged VAT rates and the mandatory public notices that include cost coverage for newsprint procurement and distribution. The actual implementation of the subsidy program has yet to be seen, so panelists cannot judge if the disbursement has been fair. "It depends on the will of this government to do something to help us," explained Vedad Memedaliu, editor-in-chief of the daily Koha, published in Albanian. "Unless such a program is codified in proper legislation, any future government can arbitrarily reverse it."

Apart from the biggest national broadcasters, few media have the means or necessity to incorporate market research in their planning activities. Figures on audience shares and ratings, circulation numbers of print media, and statistics for online media are considered inconsistent and unreliable, which factors into media companies' lack of planning.

AVMU publishes annual market reports for the broadcasting market, but they are considered incomplete and are based solely on annual balance sheets that media companies present. Surveys of audience habits and preferred use of media are available, but panelists said they feel they are of little practical use.

The Joint Industry Committee, created under AVMU's lead, selected HGB Nielsen to conduct audience measurements. However, the committee includes only the national terrestrial broadcasters, leaving out a huge swath of broadcasters. Panelists added that the ratings or online statistics seemed

Major advertisers and agencies seem to have forgotten local and regional media and put their emphasis on the big national broadcasters. That puts smaller media in an unequal position, in spite of their importance for their local, urban, or rural communities," said Katerina Dafceva.

to have little impact on the decisions of advertisers as to where to do their media buying.

The media also tend to exaggerate or focus on those statistics that work in their favor. For example, multiple broadcasters claim to be the leading broadcaster in the country. A new cable television broadcaster, established at the end of 2017, periodically announces that it is the leading broadcaster in the media market of North Macedonia.

Data on daily newspaper circulation is treated as a top-secret matter. Newspapers present only the print circulation in their mastheads, and panelists said those figures are such that they do not justify the costs of printing in the first place.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

2.68

North Macedonia has several media trade associations. The most powerful and influential is the Macedonian Media Association, an organization of the national digital video broadcaster - terrestrial (DVB-T) established under the auspices of the Macedonian Chamber of Commerce. The Association of Private Media of Macedonia is composed of privately owned local and regional media. The Association of Macedonian Internet Portals (AMIP) was created in 2013 with the specific goal of endorsing Internet media regulation, as proposed by the previous government; AMIP is now inactive. The Association of Private Electronic Media of Macedonia is mostly radio broadcasters and has been pursuing several initiatives regarding the recently amended audio visual law, along with further media reforms, and is attempting to defend and promote interests of its members. Another association called Medium Objective, which is meant to bring regional and local broadcasters in North Macedonia together, was formed in 2017, but it has been largely inactive.

AJM is the oldest and most engaged professional journalism association in the country. Together with the Independent Trade Union of Journalists of Macedonia (SSNM), AJM fights to advance professional and working standards and improve journalists' social standing. The organizations also speak on efforts to improve the political situation in North Macedonia. AJM and SSNM are partners with the European Federation of Journalists and the International Federation of Journalists. Although AJM and SSNM collect membership fees, their activities

largely depend on the availability of foreign funding.

AJM held its electoral assembly in early December 2018 to select a new president and board. According to the panelists, the presidential race was particularly contentious and created a serious split between the supporters of the two candidates.

The Macedonian Association of Journalists is made up of journalists from pro-government media. Although it was formed in 2001 by journalists dissatisfied with AJM's work, it was later taken over by pro-government journalists with the specific goal of counteracting AJM.

A number of NGOs work in the media sector in support of various aspects. The Macedonian Institute for the Media works to advance the standards of professional journalism and provides training. The Media Development Center focuses on media legislation and media policy; monitors the implementation of media legislation; and, in cooperation with foreign partners, provides free legal assistance and in-court representation for journalists sued in defamation cases or prosecuted for their reporting.

Several other organizations are active in areas of media consultancy and research, including ProMedia; the Metamorphosis Foundation, which promotes Internet freedom; the Centre for Civil Communications, which focuses on access to public information; the NGO Info-centre; and the Helsinki Committee for Human Rights. The latter two organizations serve in watchdog and monitoring roles. A number of organizations also work to prevent hate speech. Panelists especially praised the activities of NGOs and CSOs that work in media, or in media-related fields, and the cooperation they have with the media and journalistic community.

Several higher-education institutions offer degrees in journalism or related fields, such as communication studies. In general, the journalism

programs at state universities in Skopje, Tetovo, and Štip have reputations for producing undertrained journalists, with little practical or hands-on skills or even knowledge of how newsrooms work. Instead they focus on theory. Panelists also noted a decreasing interest among young people to study journalism; they seem to not view it as possible career choice. For instance, the leading journalism school, the privately owned School of Journalism and Public Relations, has not enrolled new students for five years in a row. With numbers so low, the school is not even running a full curriculum. The situation is similar in other journalism schools. "Back when I enrolled in journalism studies, there were 120 students in my class. Now, they can't get 15 candidates," said Vasko Popetrevski, the editor and anchor of the investigative and political show 360 Degrees.

"Back when I enrolled in journalism studies, there were 120 students in my class. Now, they can't get 15 candidates," said Vasko Popetrevski.

Short-term training programs are available only on an ad hoc basis, usually provided by NGOs that have managed to secure funding and incorporate training workshops or seminars for journalists in their projects. The School of Journalism and Public Relations also offers tailor-made media courses, including in-house sessions, in a variety of areas. According to panelists, such training programs do not always meet the needs of the media but are aligned with the agendas and priorities of the organizations that prepare them, or the agendas of foreign donors that support them. Several embassies offer programs for study visits and short education programs abroad, and most of those programs do

not charge a participation fee. Some donor organizations also have limited funds available to cover fees and expenses for journalists to participate in training programs abroad.

Media in-house or on-the-job training is almost non-existent. Panelists said that media owners are not prepared to invest in training programs, citing the high turnover of journalists from one outlet to another as the main deterrent. Most panelists expressed the belief that journalism is best learned on the job, not in a classroom. Some mainstream media outlets had been operating internal schools, many of which produced excellent reporters, but they are defunct.

The government places no restrictions on the import of materials or equipment necessary for media production. Also, as noted above, the government is securing subsidies for procuring newsprint for all print media. Recording equipment and editing software are increasingly accessible and affordable, thanks to the rapid progress and advancement of digital technology. North Macedonia has enough printing companies to cover the needs of the market, and most dailies have learned that the best way to avoid possible print refusals is to invest in printing facilities of their own.

Panelists raised the issue that media businesses are unable to import equipment independently. "We, as media companies, can't register also for exporting and importing activities, which means that we have to go to authorized dealers, instead going to the source ourselves, which would secure us better prices on new equipment," explained Mevaip Abidu, from the Albanian-language regional broadcaster TV Koha.

The distribution of print media is not centralized, and all publishers organize their own distribution. Under the new subsidies program, the costs of distribution will also be covered. In terms

of broadcast media, the two commercial DVB-T multiplexes are operated by a single telecommunications company.

Holders of cable television broadcasting licenses note that the 2013 Law on Audio and Audiovisual Media Services does not have a must-carry provision, leaving them at the mercy of cable operators that charge whatever respective local markets can bear to carry their programming services. Local and regional broadcasters also point out that cable operators offer their programs in analog TV catalogues, which makes them unattractive to audiences and impedes access to their channels. "Cable operators in Tetovo refuse to place [TV Koha] in the digital catalogue even though

Supporting institutions function in the professional interests of independent media.

SUPPORTING INSTITUTIONS INDICATORS:

- ▶ Trade associations represent the interests of private media owners and provide member services.
- ▶ Professional associations work to protect journalists' rights.
- ▶ Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
- ▶ Sources of newsprint NGOs support free speech and independent media.
- ▶ Quality journalism degree programs that provide substantial practical experience exist.
- ▶ Printing facilities are in private hands, apolitical, and unrestricted.
- ▶ Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.
- ▶ Information and communication technology infrastructure sufficiently meets the needs of media and citizens.

NORTH MACEDONIA

they air digital signal,” said Abidu.

Cable operators often choose to exclude individual broadcasters. In particular, cable operators in eastern North Macedonia often do not carry Albanian-language television stations holding national licenses.

North Macedonia has a good broadband Internet infrastructure, and the latest surveys show Internet penetration rates hovering at more than 70 percent. The penetration of mobile telephony has advanced greatly, with more than 45 percent of citizens saying mobile devices are their primary way to access the Internet. Despite this existing infrastructure, media have not yet adapted to the increasing importance of mobile technology, neither in terms of specialized content nor as a source of advertising revenue.

The state has not been observed attempting to filter websites or meddle in registration of websites and news portals.

List of Panel Participants

Marjan Nikolovski, journalist, Sitel TV, Skopje

Stole Naumov, editor and host, Stadion politics and social issues weekly show, Kanal 77 Radio, Stip

Dragan Sekulovski, executive director, Association of Journalists of Macedonia, Skopje

Vasko Popetreski, editor and host, 360 Degrees investigative journalism and political panel show aired on Alsat TV, Skopje

Slobodanka Jovanovska, editor-in-chief, Nezavisen Vesnik daily, Skopje

Darko Buldiovski, expert in digital advertising, NewMedia.mk digital advertising agency, Skopje

Sefer Tahiri, professor of journalism, School of Media and Communications, SEE University, Tetovo

The following participants did not participate in the panel, and their responses were gathered in face-to-face interviews:

Mevaip Abdiu, owner, TV Koha, Tetovo

Vedad Mehmedaliu, editor-in-chief, Koha daily, Skopje; member of the Programming Council of Macedonian Radio Television

Ilija Stefanovski, owner/editor-in-chief, Radio Kocani, Kocani

Vesna Nikodinovska, program coordinator, Macedonian Institute for the Media, Skopje

Katerina Dafcheva, reporter, VIS TV, Strumica

Jovan Sokolovski, owner and editor-in-chief, Centar.mk news-site, Resen

Moderator and Author

Dejan Georgievski, president and executive director, Media Development Centre, Skopje

The panel discussion was convened on November 20, 2018