

MAPPING DIGITAL MEDIA: ROMANIA



Mapping Digital Media: Romania

A REPORT BY THE OPEN SOCIETY FOUNDATIONS

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Mapping Digital Media

The values that underpin good journalism, the need of citizens for reliable and abundant information, and the importance of such information for a healthy society and a robust democracy: these are perennial, and provide compass-bearings for anyone trying to make sense of current changes across the media landscape.

The standards in the profession are in the process of being set. Most of the effects on journalism imposed by new technology are shaped in the most developed societies, but these changes are equally influencing the media in less developed societies.

The **Mapping Digital Media** project, which examines the changes in-depth, aims to build bridges between researchers and policy-makers, activists, academics and standard-setters across the world. It also builds policy capacity in countries where this is less developed, encouraging stakeholders to participate and influence change. At the same time, this research creates a knowledge base, laying foundations for advocacy work, building capacity and enhancing debate.

The Media Program of the Open Society Foundations has seen how changes and continuity affect the media in different places, redefining the way they can operate sustainably while staying true to values of pluralism and diversity, transparency and accountability, editorial independence, freedom of expression and information, public service, and high professional standards.

The Mapping Digital Media project assesses, in the light of these values, the global opportunities and risks that are created for media by the following developments:

- the switchover from analog broadcasting to digital broadcasting,
- growth of new media platforms as sources of news,
- convergence of traditional broadcasting with telecommunications.

Covering 60 countries, the project examines how these changes affect the core democratic service that any media system should provide – news about political, economic and social affairs.

The aim of the Mapping Digital Media project is to assess the impact of these changes on the core democratic service that any media system should provide, namely news about political, economic and social affairs.

The **Mapping Digital Media** reports are produced by local researchers and partner organizations in each country. Cumulatively, these reports will provide a much-needed resource on the democratic role of digital media.

In addition to the country reports, the Open Society Media Program has commissioned research papers on a range of topics related to digital media. These papers are published as the **MDM Reference Series**.

Mapping Digital Media: Romania

Executive Summary

Romania was hit very hard by the economic crisis of 2008–2009, which slowed the remarkable growth of Romania’s television, print and online sectors over the previous decade, especially in 2001–2004.

While this growth increased the diversity of content, it did little for quality. Investment in good-quality news and debate programs has fallen over the past five years. With no tradition of good-quality print media and the non-existence of a newspaper market in rural areas (where almost half the population lives), many Romanians remain totally indifferent to news. Media literacy remains low.

The audiovisual market continues to be controlled by four large commercial players and the public service broadcaster. Due to the restrictive regulation of the 1990s, the public service broadcaster, TVR, is still the only holder of a nationwide license.

Another effect of the economic crisis was that it has strengthened television’s supremacy as the favourite source of entertainment. Both the numbers watching television, and the time spent doing so, have grown in recent years. At the same time, television has been the most important news source for the last 20 years; and this is still the case. In contrast, radio listenership is decreasing, and newspaper circulation remains low. Sales of good-quality newspapers fell significantly in 2009 and continued the fall in 2010 while traditional newspapers have been slow to adapt to the online environment.

However, the internet has caught up with Romanians fast in the past decade after many years of slow development. Almost all internet connections are broadband, either through cable, ADSL or similar technologies. At the end of 2009, more than a third of Romanian households had an internet connection. Mobile penetration is also healthy, with 118 subscriptions per 100 persons in 2009. However, mobile consumption value-wise remains low, reflecting the low economic power in society: about 70 percent of all mobile subscriptions are accounted by pre-paid cards.

The biggest change in news consumption over the past five years has been the audience loss by TVR1, the flagship public service channel whose primetime newscast saw its average ratings fall from 7.9 percent to 2.2 percent. In contrast, the all-news channels Realitatea TV and Antena3 have gradually increased their ratings and market shares over the period. However, these all-news channels have increasingly become platforms for opinionated reports, at the expense of factual news. The public service broadcaster, SRTV, has not yet ventured into launching a fully-fledged all-news channel. Its TVR Info channel focuses on practical information only, such as traffic and weather, and reaches a minuscule audience.

Although trust in television information declined in 2008 and 2009, it remains high by European standards. However, this is changing. A recent survey found that the internet is now the most trusted source of information for youths aged 15–20, particularly those living in urban areas. According to another survey, some 30 percent of Romanians spend 4+ hours online per day, much above the EU average of 17 percent.

As in other European countries, the public service media are driving broadcast digitization. However, this process turns out to provide yet another opportunity for the public service broadcasters to make fresh investments in a non-transparent way. The process has been profit-driven, paying little if any attention to innovation and democratic values. As such, it is not expected to affect the quality of content. Any effect on pluralism in the media is likely to be minimal.

Nor is it likely that the digitization of broadcasting will help to improve the *quality* of journalism. The quality of news was never high, and is declining. Most media outlets churn out material from press conferences and press releases. Only rarely do they enrich these materials with other sources prior to publication. With corporations and politicians monopolizing the communications sphere, the public interest is less well served and investigative journalism is becoming an expensive, sometimes inconvenient activity. The media agenda is dominated by what has become known as “herd journalism.” A topic broached by a few influential media outlets, usually all-news television stations, independent news websites, and sometimes even blogs, is rapidly imported into the media agenda, and is broadly covered by them without checking the authenticity of the imported content.

This poor quality has been tolerated if not encouraged by the five leading media groups, which have never emphasized the importance of balanced news reporting. Pro TV, the leading station in terms of ratings, fluctuates between sensationalism, trivialization, and serious reporting in its primetime newscast, but rarely if ever covers important topics in depth. As for news and journalism on the new platforms: user-generated content features mainly as comments on popular news websites and on independent forums, followed by blogs. There are some 200 blogs with more than 10,000 unique visitors a month, but they rarely cover politics and serious issues.

However, the internet has had a major effect on how traditional media treat news. Some broadcasters that would not cover certain issues because they were not allowed to do so by their owners now have to jump at any story that is broken on the internet. The emergence of independent news websites and journalistic blogs

is considered by various observers as the biggest gain brought by digitization and the internet to the news media.

A spate of serious news websites, including many covering business issues, has emerged in the past few years. But despite this apparent richness of news, there is still great room for growth for quality news outlets, publishing original stories. Most of these new serious websites mainly aggregate news pieces. Media that can claim high credibility and solid original factual reporting are still scarce. However, a few major media groups such as Adevărul Group, Pro TV, Realitatea Media, and Intact Media Group, are committed to investing massively in high-quality news websites.

Internet publishing has grown, sometimes even faster than the advertising industry's ability to keep up. Pioneering websites such as HotNews.ro or EvZ.ro are beginning to monetize on their web traffic, attracting healthy advertising revenues and investment from major media owners.

In order to break the control of the audiovisual space by a few powerful groups, the digital switch-over process should be rethought and redesigned. Legislation to ensure the transparent licensing of digital channels and prevent concentration of ownership should be adopted without delay. Digital licensing should be open and transparent, and the public should be informed about what digitization will mean for them. With the public moving online for entertainment, news and information, the internet should remain minimally regulated while self-regulation, with civil society involvement, should be actively encouraged.

Context

Before and since becoming a member of the European Union in 2007, Romania has wrestled with the challenge of reforming its economy, which bears the deep scars of communist and post-communist mismanagement.

With GDP per head decreasing from €12,000 in 2008 to €11,000 in 2009, Romania has struggled to come out of the economic downturn. Inflation doubled over the first half of year 2010, following a decision, aimed at avoiding a budgetary crash, to increase the value added tax (VAT) by 6 percent and to cut public sector salaries by 25 percent. The unemployment rate, of about 4 percent in previous years, doubled over the first six months of 2010. It is estimated that it will exceed 8 percent at the end of 2010.

Major concerns are related to the public budgetary deficit, which reached 7.4 percent at the end of 2009 and is estimated at around 8 percent for 2010, according to the Ministry of Finance, after the International Monetary Fund (IMF) agreed to a loan of US\$12.5 billion over a two-year period. The situation of the public social security budget is critical, as Romania has an aging population and a substantial number of people reliant on social benefits: some are retirees from the formerly state-owned enterprises, while others depend on the state for medical support. The total number of retired people (about 7 million) and unemployed (700,000)¹ is approximately twice the number of employed (4.3 million). The average monthly net salary is roughly €340, according to official statistics. But this figure is believed by economists to be even lower in real terms due to inflation. In some cases the declared salary does not reflect the real income as undeclared labor still plays a significant role in the economy.

Romania had a negative growth rate of 7.7 percent in 2009. According to the most optimistic scenarios, the economy will return to growth in 2011, at around 0.5 percent or even 1 percent year-on-year. Existing challenges in turning around the economy in the wake of the global financial crisis were exacerbated by the generous social protection system, a result of vote buying by several governments, and also by the proportion of rural residents in Romania. Of 21.6 million Romanians, almost half live in rural areas, many of them are very poor, and a quarter of the total population works in peasant farming, according to the INS.

1. National Statistics Institute (*Institutul Național de Statistică*, INS), May 2010.

Through the Cohesion Policy, the EU allocated €19.66 billion to Romania for the period 2007–2013. The money is aimed at developing public infrastructure, enhancing the capacity of the local authorities to restructure and modernize the public system, contributing to a more competitive and innovation-oriented business climate, and improving the human resources capacity. Thus far, only about €1 billion has been disbursed, according to information from the government. Delays in spending this funding, particularly on strategic projects such as infrastructure, further prevent the country's economic recovery.

The media sector has been growing healthily in terms of the number of outlets. The country has made significant progress in the adoption of new technologies, and giving people access to a variety of private news sources. However, the lack of financial resources and the low level of media literacy and lack of education on the democratic role of the media were the main factors that led to the rise of populist television channels and low-brow entertainment programs. With no tradition in good-quality print media and the non-existence of a market for newspapers in rural areas, many Romanians remain totally indifferent to news. The more active citizens prefer to consume news through new media. Digitization is not expected to change the quality of content. Its effect on pluralism in the media is likely to be minimal.

Social Indicators²

Population (number of inhabitants): 21.47 million (end-2009)

Number of households: 7.3 million

Figure 1.
Rural–urban breakdown (% of total population)³

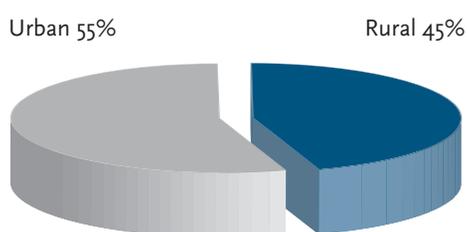
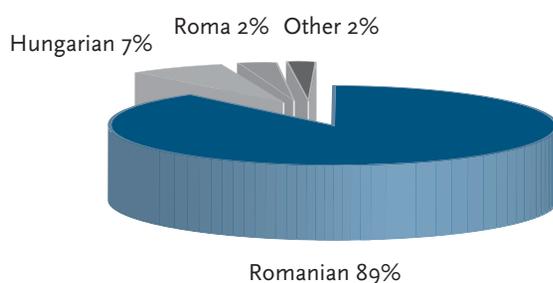


Figure 2.
Ethnic composition (% of total population)



Note: The category “Other” includes: Ukrainian and German (0.2 percent each) and Serbian, Russian, Turkish (0.1 percent each).⁴

2. INS.

3. July 2007.

4. 2002 Census.

Figure 3.
Linguistic composition (% of total population)

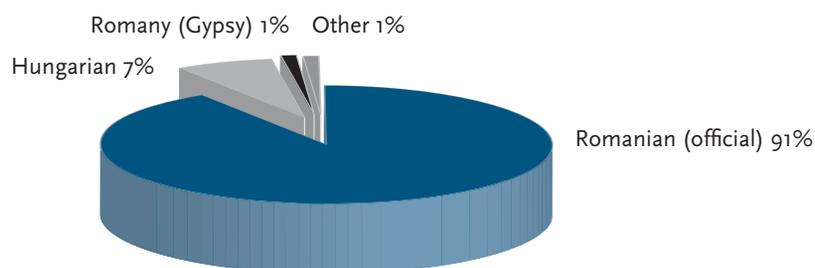
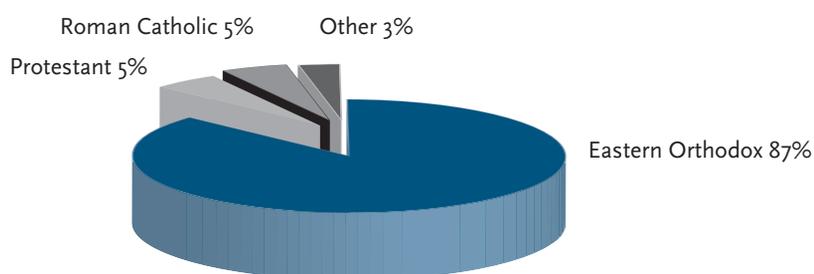


Figure 4.
Religious composition (% of total population)



Note: The “Other” category includes Greek Catholic (Uniate), with 0.9 percent, Muslim (0.01 percent), atheists, agnostics, other religions

Table 1.
Economic indicators

	2005	2006	2007	2008	2009	2010f	2011f	2012f
GDP (current prices, US\$ bn)	99.17	122.69	170.61	204.32	161.52	168.64	186.67	210.68
GDP per head (current prices, US\$)	4,567	5,670	7,912	9,507	7,542	7,902	8,777	8,724
Gross National Income (GNI), current US\$, per head	9,280	10,880	12,650	15,040	14,460	n/a	n/a	n/a
Unemployment (% of total population)	5.8	5.4	4.3	4.0	6.3	8.4	7.7	7.5
Inflation (average annual rate, % against previous year)	9.1	6.6	4.9	7.9	5.6	7.8	6.6 (H1 2010) 3.1 (H2 2010)	2.8

Notes: n/a: not available; f: forecast; H1: first half; H2: second half.

Sources: Eurostat (GDP); World Bank (GNI); National Agency for Employment (*Agenția Națională pentru Ocuparea Forței de Muncă*, ANOFM), unemployment data for 2005–2009; National Bank of Romania (*Banca Națională a României*, BNR) (data and estimates for inflation); the Government Convergence Program (unemployment rate estimate).

1. Media Consumption: The Digital Factor

1.1 Digital Take-up

1.1.1 Digital Equipment

Television has traditionally been the main type of media consumed, and remains so. Newspaper circulation is low, with the best-selling good-quality daily newspaper selling only 116,000 copies per issue. Just over 1 percent of the 9.7 million economically active inhabitants regularly buy a good-quality newspaper. There are only a handful of these. In order of circulation, they are *Adevărul*, *Jurnalul Național*, *România Liberă*, *Evenimentul Zilei*, and *Gândul*. In each town, on average, one can choose from five nationwide and one or two local newspapers. Most of the bestselling newspapers use a myriad of marketing tools to boost their sales, including books, CDs, DVDs, and so forth.

Television viewing time averages over three hours a day. In 2009, more than 96 percent of the 7.32 million households had at least one television set. Half of those households owned two or even more sets. The average number of television sets per household reached 1.66 in 2009.⁵ There were about two radio sets per household in 2007, according to the latest data from the INS. A personal computer was found in one out of three households the same year.

Despite the poor overall economic performance, the electronic communications industry has grown significantly over the last three years, particularly in the IT and mobile phone sectors. Revenues in the electronic communications sector in 2008 were among the highest in the EU in terms of percentage of GDP, totaling €4.56 billion (3.3 percent of GDP), 18.9 percent higher than the previous year.⁶

5. Data supplied by the research agency GfK.

6. European Commission, "Progress Report on the Single European Electronic Communications Market," COM(2010)253, 25 May 2010, p. 339, available at http://ec.europa.eu/information_society/policy/ecomms/doc/implementation_enforcement/annualreports/15threport/ro.pdf (accessed 1 September 2010) (hereafter EC, 15th Progress Report).

Table 2.
Households owning equipment in Romania, 2005–2009

	2005		2006		2007		2008		2009	
	HH ⁷ (‘000)	% of THH ⁸	HH (‘000)	% of THH						
TV set	n/a	n/a	n/a	n/a	6,903	95.0	6,909	95.5	7,036	96.2
Radio set	6,705	83.0	6,276	85.6	6,256	86.1	6,229	86.1	6,231	85.2*
PC	1,833	25	1,906	26	2,470	34	2,749	38	3,364	46

Notes: HH: households; n/a: not available; * Preliminary data.

Sources: INS (TV, radio sets, estimates total number of households); International Telecommunication Union (ITU) (PC).

1.1.2 Platforms

Analog cable remains the dominant form of television reception, according to the National Authority for Communications (*Autoritatea Națională pentru Administrare și Reglementare în Comunicații*, ANCOM). Some 78 percent of the population accessed television services in 2009 through cable, either DTH (Direct-to-Home) or Internet Protocol (IP). As of 31 December 2009, 21.5 percent of cable subscribers were in rural areas.⁹ Almost a third of the population (29.4 percent in 2008) used DTH, with the two main players commanding 62 percent of the urban market: RCS&RDS (Romania Cable Systems & Romania Data Systems) with 50.7 percent, and UPC (United Pan-Europe Communication) with 31.2 percent. In urban areas about 80 percent of the cable services are offered by a variety of providers other than the RCS&RDS.¹⁰

Terrestrial digital broadcasting has been in the test phase since 1 December 2006, in the shape of experimental high-definition television (HDTV) transmission by Pro TV in and around Bucharest. DTH is important because it covers areas not reached by other television distribution platforms. The DTH services are provided by two main players, Dolce TV, with 48.6 percent market share, and Digi TV (RCS&RDS), with a 33.6 percent market share nationwide. The concentration is more acute in urban areas where Dolce TV has a market share of 60 percent, according to GfK.

In 2006, RCS&RDS, the second largest player on the cable market and a major internet provider, signed up a significant number of customers for DTH services. Soon after, other DTH operators such as Boom, Dolce (run by Romtelecom, the former state telecommunications company, now owned by OTE of Greece),¹¹ and Focus Sat (acquired by UPC) entered the market. In 2007, the number of digital subscribers surged year-on-year by 177 percent. According to ANCOM, Romania had 2.15 million DTH subscribers at the end of 2008.¹²

7. Total number of households owning the equipment.

8. Percentage of total number of households in the country.

9. ANCOM, *Piața de comunicații electronice din România* (Electronic Communications Market in Romania), statistics, periodically updated (the data refer to end-2009) (hereafter ANCOM, *Piața*).

10. Data supplied by GfK to the report’s authors.

11. Hellenic Telecommunications Organization (Οργανισμός Τηλεπικοινωνιών Ελλάδος, OTE).

12. ANCOM, *Piața*.

Despite the fast deployment of digital satellite services, digitization has been mainly profit-driven, with little, if any, attention paid to innovation and democratic values. Cable operators have only been interested in covering unwired areas of Romania such as small settlements, vacation homes in the mountains, and newly built residential areas around Bucharest and other big cities. Electronic Programming Guides remain the sole novelty brought by digitization. Apart from Pro TV's experimental broadcasts, HDTV and other such technical improvements are rare. HDTV started to be offered by Dolce and UPC in autumn 2009 as a separate product. Interactive television, Personal Video Recorder (PVR), and other devices have also been marketed individually in 2010 as an alternative to the existing DTH.

During the last three years, there was a slight decrease in analog cable penetration, while DTH rose from 15 percent in 2007 to more than 23 percent at the beginning of 2009. It did so, however, at the expense of terrestrial broadcasting, the consequence being that some of TVR's audience migrated to DTH-transmitted private channels. Due to the restrictive regulation of the 1990s, TVR is the only holder of a nationwide license. No private station has a nationwide terrestrial license, but nationwide coverage can be nearly achieved through bundles of local licenses for cable services. Technically, the largest private stations reach nationwide coverage mainly through cable and growing DTH.

Terrestrial television take-up has steadily decreased. Analog cable is likely to have shrunk in favor of digital cable. In 2010, large cable operators pushed for converting analog households to digital. Analog cable usually includes a narrower range of channels. The basic package with most operators offers 60–80 channels for €4–5 a month. Channels emphasizing science, music, or sports are almost exclusively offered as a part of a digital package that usually contains up to 110–120 channels.

Terrestrial reception is no longer popular in Romania, particularly in urban areas, having dropped to 7.3 percent of the television households in autumn 2009. In the past, due to the lack of cable penetration and other digital devices, the majority of the rural population used to have access only to state-owned broadcasting.

Compared with the television market, the radio market is more inert. Although Terrestrial Digital Audio Broadcasting (T-DAB) has been available since mid-2005 for five stations in Bucharest, digital radio consumption is unknown. No player in the radio market has rushed to switch to digital broadcasting.¹³ Radio Guerilla, a Bucharest station which is part of the group Realitatea Media-Cașavencu, started an HD radio experiment in May 2010.

The broadband market is seen by most players as having the highest potential for growth. Almost all internet connections in Romania are broadband, either through cable, Asymmetric Digital Subscriber Line (ADSL) or similar technologies. There were 2.8 million subscribers to fixed broadband internet connections on 31 December 2009, representing 34.1 percent of households.¹⁴

13. D. Butnariu, "Radio digital la bord" (Digital radio on board), Market Watch, available at http://www.marketwatch.ro/articol/1933/Radio_digital_la_bord, 24 December 2006 (accessed 24 August 2010).

14. ANCOM, *Piața*, H2 2009.

Mobile connections are widespread. Recent statistics (2009) show a mobile penetration rate of 118 percent, of which about 70 percent represents pre-paid cards. There is no mobile virtual network operator (MVNO) in Romania. The combined market share of the two largest mobile network operators, Orange and Vodafone, was 73.3 percent in 2009. The other two operators (Cosmote and Telemobil) appear to have increased their market shares in 2009.¹⁵ The same year, the Greek Cosmote Mobile Telecommunications bought a full stake in Telemobil, the company operating the Zapp mobile phone and data services network, which had acquired a 3G and a Code Division Multiple Access (CDMA) license. Cosmote has become the third owner of a 3G license.¹⁶

Table 3.

Platform for the main television reception and digital take-up in Romania, 2005–2009¹⁷

	2005		2006		2007		2008		2009	
	HH ¹⁸ (’000)	% of TVHH ¹⁹	HH (’000)	% of TVHH						
Terrestrial reception:	n/a	48.2	n/a	40.0	1,960	28.4	1,581	22.9	904	12.8
of which digital	0	0	0	0	0	0	0	0	0	0
Cable reception:	n/a	49.7	n/a	51.6	3,341	48.4	3,296	47.7	3,480	49.6
of which digital	0	0	17	0.2	65	0.9	200	2.8	319	4.5
Satellite reception:	3	2.1	613	8.4	1,601	23.2	2,032	29.4	2,652	37.6
of which digital	3	2.1	613	8.4	1,601	23.2	2,032	29.4	2,333	33.1
IPTV	0	0	0.08	0	0.25	0	0.34	0	n/a	n/a
Total:	n/a	100	n/a	100	6,903	100	6,909	100	7,036	100
of which digital	NA	2.1	NA	8.6	1,666	24.1	2,232	32.2	2,652	37.6

Notes: n/a: not available.

Source: ANCOM.

Table 4.

Internet subscriptions as % of total population and mobile phone subscriptions as % of total population in Romania, 2005–2009

	2005	2006	2007	2008	2009
Internet:	4	7	10	12	13
of which broadband	50	71	90	100	100
Mobile telephony:	58.1	74.1	94.8	113.8	118.2
of which 3G	n/a	n/a	n/a	n/a	22%

Notes: n/a: not available.

Sources: ITU (internet penetration); ANCOM (mobile); AT Kearney (for 3G penetration).

15. EC, 15th Progress Report, p. 341.

16. EC, 15th Progress Report, p. 341.

17. The figures refer to the main TV set in the households for multi-TV households.

18. Total number of households owning the equipment.

19. Percentage of total number of TV households (TVHH) in the country.

1.2 Media Preferences

1.2.1 Main Shifts in News Consumption

To our knowledge, no comparative study has measured the migration from traditional media to new media. There is a major debate regarding the need to identify the number of multiplied users, i.e. consumers who buy a newspaper but also visit the newspaper's website. These figures are so eagerly sought in the advertising market as they would reveal one of the major shifts in the media sector. At the same time, they would increase the transparency of this market. However, there is still no integrated system of audience measurement. In television, viewer profiles exist but they are still ignored by media buying companies when it comes to rural areas. Official measurements cover mainly urban audiences. In print media, large discrepancies between circulation and readership create controversy.

In Romania, the system of measuring audience and readership does not identify cross-channel duplications. Viewers of one channel are assimilated with viewers of another channel belonging to the same owner in order to increase their reach, especially when negotiating with advertisers. The only exception applies to measurement of internet traffic among several sites belonging to the same business entity or some other target, where duplicated users can be eliminated when calculating the market share of the publisher as a group.²⁰

The number of people watching television has increased in the past five years by 0.8 percent from 18.6 percent in 2009 to 19.4 percent in H1 2010, despite a slight decrease in 2007 to 15 percent.²¹ The time spent in front of the television screen has grown as well. The economic crisis has bolstered television's already solid place among favorite sources of entertainment.²² According to an IMAS questionnaire, 56 percent of respondents watch television for one to three hours on week days, while 26 percent watch for four to six hours. Most of the latter are unemployed, housewives, and retired persons.²³

Radio listenership has slightly decreased both nationwide and in urban areas. In 2010, there were 10.85 million listeners across the country. Over a third of Romanians (36 percent) do not listen to radio at all on a work day, while 22 percent listen to radio for less than an hour on a work day.²⁴ The main reasons for listening to radio are similar to those for watching television programs: to be informed and find out new information, for entertainment, and for leisure. Radio listeners prefer music and entertainment programs (88 percent) and news bulletins (73 percent). Most listeners listen to these programs alone, not with family or friends.²⁵

20. Journalist Cezar Ion, in a written answer to a questionnaire from the authors of the present report, Bucharest, 22 June 2010.

21. GfK, quoted by the Romanian Association for Audience Measurement (*Asociația Română pentru Măsurarea Audiențelor*, ARMA).

22. Initiative Media, *Media Fact Book 2010* (hereafter Media Fact Book 2010).

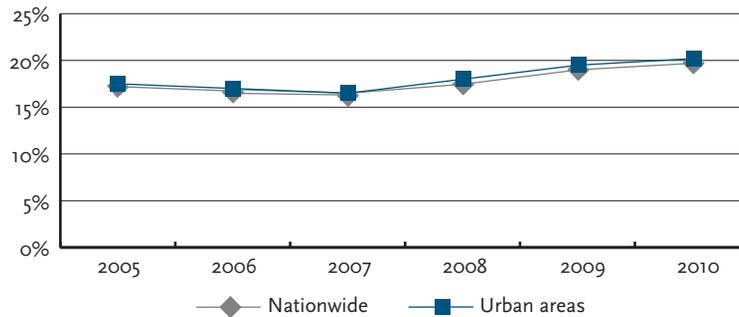
23. Institute for Marketing and Polls (*Institutul de Marketing și Sondaje*, IMAS), "Evaluation of Media Literacy Levels in Romania 2008," commissioned by ActiveWatch Media Monitoring Agency (*Agenția de Monitorizare a Presei*, AMP), (hereafter Study IMAS/AMP), Bucharest, June 2008, available at <http://www.activewatch.ro/uploads/Media%20Literacy%20in%20Romania%20MMA%20Research%20English%20Report%281%29.pdf> (accessed 29 November 2010), p. 14.

24. Study IMAS/AMP, p. 18.

25. Study IMAS/AMP, p. 19.

Figure 5.

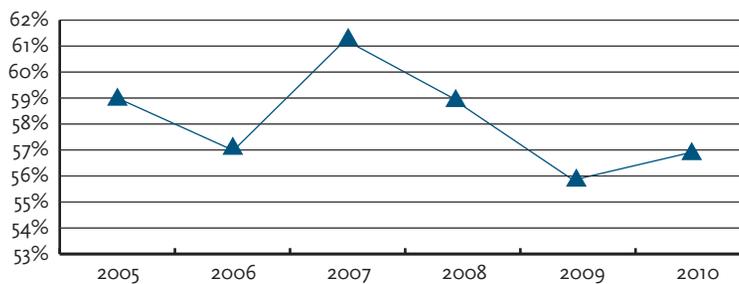
Television viewership (total rating), breakdown nationwide and by urban areas, whole day, 2005–2010



Source: GfK Romania, copyright Armadata.

Figure 6.

Radio listenership in Romania, nationwide average, whole day, % of total population with potential access to radio channels, 2005–2010



Source: IMAS & Mercury Research, data available on the website of the Association of Radio Audiences (*Asociația pentru Radio Audiență, ARA*), yearly averages calculated by report's authors.

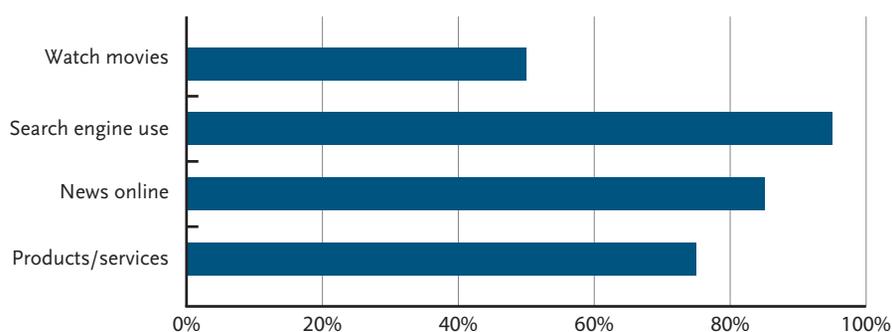
The internet is a major information source, particularly for youths aged 15–20 in urban areas. Almost three-quarters of respondents in this category declared that they browse the internet almost daily. The internet is also the most trusted source of information for the majority of respondents aged 15–20.²⁶ Fifty-five percent of the urban population aged 15+ uses a computer at least once a month.²⁷ According to another survey, some 30 percent of Romanians spend 4+ hours online per day (the EU average is 17 percent).

26. Study IMAS/AMP, p. 7.

27. GfK, press release on the conclusions of GfK Romania, “Roper Reports 2010,” 26 August 2010, available (in Romanian) at <http://www.webpr.ro/stiri-media-7731577-webrelease-aproape-doua-treimi-dintre-utilizatorii-internet-folosec-mesageria-instant.htm> (accessed 3 September 2010).

Figure 7.

Major uses of the internet in Romania, 2009



Source: Initiative Media, *Media Fact Book 2010*, Initiative Media, Bucharest, p. 6.

1.2.2 Availability of a Diverse Range of News Sources

The television, print and online sectors have developed substantially over the last decade. Content has diversified thanks to the convergence of the media into five types:

- generalist upscale (good-quality newspapers, all-news television, good-quality news websites)
- generalist mass market (mainstream, commercial television stations, tabloid newspapers, eye-catching websites such as *stirileprotv.ro*)
- media focussing on women (television stations such as *Acasă TV* or *Euforia*, glossy magazines, some internet websites)
- business-oriented outlets (*Money Channel*, business daily newspapers and weeklies, websites such as *Wall-Street.ro* or *Money.ro*)
- sport (television stations, websites such as *GSP.ro* or *Sport.ro*, dailies such as *Pro Sport* and *Gazeta Sporturilor*).

The diversification of the media market was profit-driven, based on expected sales from advertising, particularly between 2001 and 2004 when the government spent public money on mainstream media, both print and television.²⁸

Television remains dominant in overall media consumption. Television viewing has increased slightly in recent years, but at the same time investment in good-quality news and debate programs has decreased. Generalist channels continue to focus on entertainment. These stations focus on less well educated audiences while niche stations cater increasingly to younger, more educated audiences.²⁹ Since 2005, an increasing

28. Open Society Institute, *Television across Europe: Regulation, Policy and Independence*, Budapest, 2005, p. 1,256 (hereafter, OSI, *Television across Europe*). Available at http://www.media-desk.ro/files/Televiziunea%20in%20Europa_reglementari%20politici%20publice%20si%20independenata%20volum%203%20Romania_en.pdf (accessed 20 September 2010).

29. *Media Fact Book 2010*, p. 15.

number of niche television stations have appeared, covering news (mostly political), sport and women's issues. Some of the audience has moved from the mainstream channels Pro TV and Antena1 to these new channels, and some advertising spending has followed.

The circulation of good-quality newspapers fell significantly in 2009, while tabloids managed to control 50 percent of the total sold circulation of dailies. The print media sector has seen the most dramatic changes during the digitization process. Solid brands that are expected to survive include sports newspapers, women's magazines, and established titles with loyal readers. Overall, however, the print media audience is not expected to increase (or even to stay at current levels) unless they expand their presence online.³⁰

Radio has been rather inert from the content viewpoint. The most popular, and growing, format is the Contemporary Hit Radio concept, based on a popular morning show. Talk radio and news radio formats have not grown in popularity since 2005. Radio is expected to continue to be diverse in terms of audience structure. The digitization of radio broadcasting may well increase radio consumption, but the process of digitization has been postponed. (See *section 7.1.1.*)

Internet publishing has grown, sometimes even faster than the advertising industry's ability to keep up with its effective use.³¹ It has undergone a clear transition in the past five years, with some pioneering websites such as HotNews.ro or EvZ.ro beginning to monetize on their web traffic, attracting healthy advertising revenues and with major media owners starting to invest significant amounts in websites such as Realitatea.net, Stirileprotv.ro or Antena3.ro.

1.3 News Providers

1.3.1 Leading Sources of News

1.3.1.1 Television

There are hundreds of investors in the audiovisual field, but the market continues to be controlled by four large commercial players and the public service broadcasters.³² In the broadcast industry, the stations Pro TV and Antena1 have been competing fiercely for over a decade in the generalist sector, but also as news providers, with Pro TV maintaining its leading position. Competition in the news market increased with the launch of the all-news station Realitatea TV in 2001 by Silviu Prigoană (now an independent MP), and sold in 2004 to businessman Sorin Ovidiu Vintu; and of Antena3 in 2005, part of the group controlled by the founder of the Conservative Party (PC), Dan Voiculescu, and his family. The public service broadcaster, the Romanian Company for Television (SRTV) has not launched any all-news channels except TVR Info, which focuses on practical information such as traffic and weather information. It consists mainly of text and

30. *Media Fact Book 2010*, p. 15.

31. *Media Fact Book 2010*, p. 15.

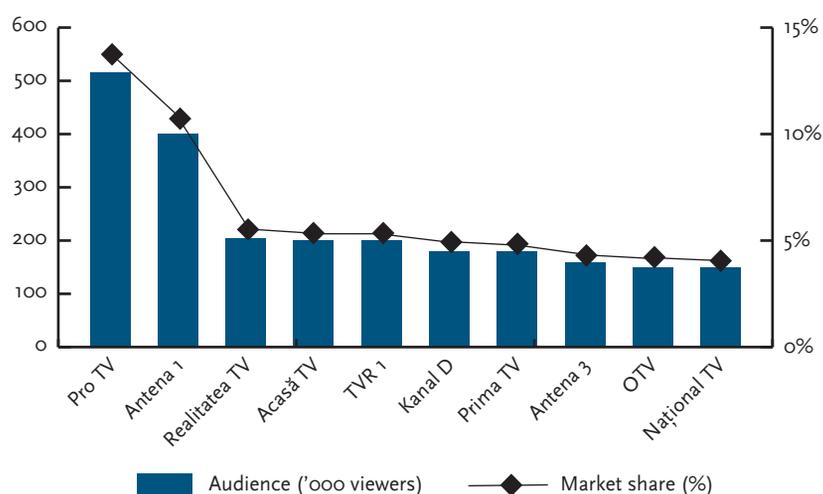
32. OSI, *Television across Europe*, p. 369.

still images and has a minuscule audience share. Apart from its first two channels and TVR Info, SRTV runs the culture channel TVR Cultural, with an audience share that hardly registers above zero; TVR3, which rebroadcasts productions of SRTV's local and regional studios; and TVR HD (high-definition). Cable and DTK operators are obliged through existing must-carry rules to include all six channels in their television packages. (See *section 5.3.1.*)

In the past, the public service channel TVR1 had an advantage over commercial competitors in its nationwide analog terrestrial coverage. Pro TV and Antena1 maintained their lead for almost a decade in urban areas. In 2009, TVR1 slid to fifth position by audience share after Acasă TV (also part of the Pro TV group). The leading two players are generalist stations, broadcasting news journals and bulletins, but little content consisting of talk-shows on current affairs. In the past five years, TVR1 lost most audience, not only because of technical reasons (as other competitors started to reach a similar nationwide footprint), but also as a result of excessive politicization, which drove away audiences. However, recent changes in management are expected to regain audience trust, particularly at a time when private television stations focus solely on trivialization and are exposed to pressure from the owners.³³

Figure 8.

Largest television channels in terms of audience share, nationwide, age 4+, whole day, average 2009



Source: GfK, data supplied by the National Audiovisual Council (*Consiliul Național al Audiovizualului*, CNA).

1.3.1.2 Radio

In the radio market, at the nationwide level, a few groups dominate. The public service Romanian company for Radio-broadcasting (*Societatea Română de Radiodifuziune*, SRR) has remained the main player, especially due to its technical coverage. The first channel of the public service radio station România Actualități has

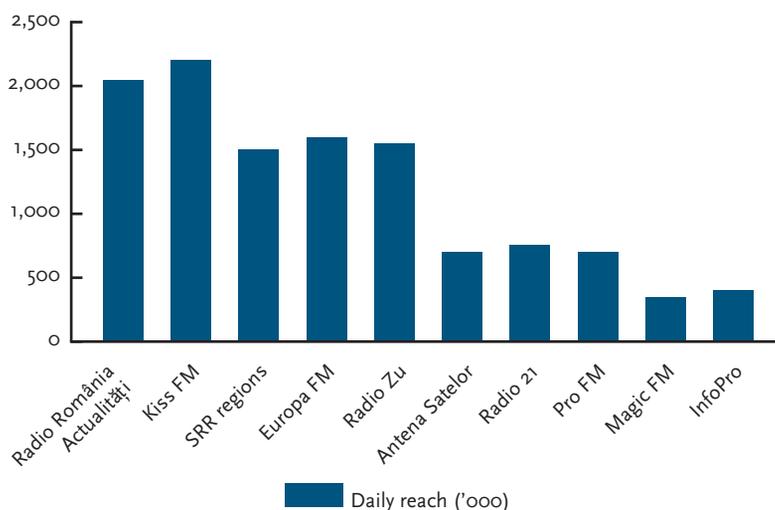
33. In October 2010, transcripts of talks between Realitatea TV's owner, Sorin Ovidiu Vintu, and the managers and editors of Realitatea TV revealed the pressures by the station's owner on the station's editorial management regarding the station's content. The transcripts were part of a public court file and were published by Mediafax news agency on 18 October 2010.

a 15.1 percent market share while its regional stations have a combined market share of 11.3 percent. The networks owned by the German group ProSiebenSat.1, Kiss FM and Magic FM, achieve market shares of 14.1 percent and 2.3 percent, respectively. The stations owned by the French company Lagardère have a comparable position in the market: Europa FM has an 11.3 percent market share and Radio 21, which specializes in flash-news programs, has 4.2 percent of the radio audience. Europa FM used to be the leader in terms of talk-shows on current affairs, but it has significantly reduced this type of output during the last three years. It remains, however, a main news provider.

In terms of audience, the networks with generalist format such as România Actualități or Europa FM have maintained their ratings. România Actualități has become more balanced and objective over the past five years while Europa FM has cut down on serious talk-shows on current affairs. In the segment of adult Contemporary Hit Radio, focussed on popular music from global music rankings, Radio Zu (part of Intact Media Group), has registered significant audience growth in the past two years. ProSieben.Sat.1's Kiss FM and Magic FM, focussed on entertainment, have remained stable in terms of audience. The merger of Pro FM and InfoPro in the fall of 2010 is likely to create a major player in the radio market. According to audience data from summer 2010, Radio Kiss FM, Radio România Actualități and Europa FM retained the top three positions among the most-listened stations in urban areas, closely followed by Radio ZU, the station with the most spectacular evolution during the last two years.³⁴

Figure 9.

Largest radio stations by urban audience share, age 11+, whole day, average 2009



Sources: Institute for Marketing and Polls (*Institutul de Marketing și Sondaje*, IMAS) and Mercury Research, data available on the website of ARA, yearly averages calculated by report's authors.

34. Institute for Marketing and Polls (*Institutul de Marketing și Sondaje*, IMAS) and Mercury Research, data available on the website of ARA (www.audiente-radio.ro) (accessed 28 November 2010).

1.3.1.3 Print Media

In the second quarter of 2010, the bestselling newspaper in the country was the tabloid *Click!*, with 207,000 sold copies, followed by another tabloid, *Libertatea*, with 148,000 sold copies, and the serious daily *Adevărul*.

Table 5.

Top-quality dailies in Romania by circulation, average, March 2009–March 2010

	Adevărul	Jurnalul Național	România Liberă	Evenimentul Zilei	Gândul
Sold circulation	121,015	62,000	44,674	31,815	14,206
Readership	638,000	615,000	218,000	449,000	180,000
Multiplication Index	5	10	5	14	13

Note: Multiplication Index is calculated by the report's authors as readership divided by the number of sold copies.

Sources: SNA Focus (13 April 2009–18 April 2010); Romanian Circulation Audit Bureau, *Biroul Român de Audit al Tirajelor* (BRAT) (sold copies, average calculated by the report's authors for the period 1 April 2009–31 March 2010).

The ranking of the bestselling good-quality newspapers is different from the one based on their readership. Although *România Liberă* is the third-largest daily in terms of sales, *Evenimentul Zilei* leads in terms of readership, as measured by SNA Focus. Apart from the sold copies, publishers also distribute some free-of-charge copies, but their number is not significant. Despite these published data, the credibility of the readership data has been challenged by publishers of some local media outlets.³⁵ They say that the sample of respondents used to determine the readership of local publications is “ridiculous.” In towns of 10,000 inhabitants, only one or two questionnaires have been submitted, according to George Lazăr from the daily *Monitorul de Botoșani*, a local newspaper in a small town in north-east Romania. He also hinted at the complexity of the questionnaire and the lack of assistance to respondents in filling the questionnaires out. This creates situations such as the one with the generalist nationwide daily newspaper, *Curierul Național*, whose readership averaged 155,000 a day in 2008 while the circulation was a mere 2,575. This equals 50 readers per copy. Similarly, the generalist daily *Ziua* had an average of 14,000 copies distributed in 2008 but its readership was 121,000. Although not fully reliable, these are the data that the advertising industry has to rely on today.

BRAT measures the circulation of newspapers and the National Readership Study Focus (*Studiul Național de Audiență*, SNA) measures readership. SNA Focus's methodology, however, has been agreed upon by BRAT, whose representatives said that readership is affected by various factors.³⁶ Following the protests of a few members, such as the local newspapers *Monitorul de Botoșani* and the Sibiu-based *Tribuna*, BRAT decided to contract an external auditor to handle members' complaints. SNA Focus was audited by Jean Pascal Robiefroi, an external auditor and former general manager of the CIM, the Joint Industry Committee for audience measurement of all media in Belgium, who confirmed that the measurement was in accordance

35. R. Preda, “Ce măsoară, de fapt, SNA-Focus?” (What does it measure, in fact, SNA-Focus?), *Săptămâna Financiară*, 20 February 2009, available at http://www.sfn.ro/articol_15398/ce_masoara_de_fapt_sna-focus.html (accessed 29 July 2010) (hereafter R. Preda, “Ce măsoară”).

36. R. Preda, “Ce măsoară.”

with international standards. However, Mr. Robiefroi recommended replacing the existing Paper and Pencil Interview with a Computer Assisted Personal Interview.³⁷ After this replacement, in some cases the sales of certain publications dropped significantly while their audience, as measured by SNA, turned out to be even higher than before, which was considered odd in the industry as a publication cannot sell less but be read in hard copy by a larger number of people at the same time, without printing free-of-charge issues. Local or regional media that have their circulations and readership audited prefer to keep their circulation figures confidential. Local newspapers always use SNA figures to justify advertising contracts with public institutions, one of the frequent forms of subsidizing media employed by municipalities without a clear public tender. (See *sections 6.2.1 and 7.3.*)

Formerly owned by the Swiss publisher Ringier, the daily *Evenimentul Zilei* and the weekly *Capital* lost a great portion of their readership in the past five years, while the daily *Adevărul* has become over the period a leader in the print media market in the serious segment. In the tabloid segment, Ringier's daily *Libertatea* lost its leading position to the daily *Click!*. While in 2006 it had a solid position in both the good-quality and tabloid media segments, Ringier today has almost completely withdrawn from the daily newspaper market. It has retained only the tabloid *Libertatea*.

1.3.1.4 News Websites

Overall, the internet has had a positive influence in terms of the availability of relevant, unbiased information. Most of the largest traditional media outlets have launched online editions over the past five years. However, some independent news websites such as HotNews.ro have emerged and built a solid online presence on the internet over this period.³⁸

1.3.2 Television News Programs

Television has been the most important news source for Romanians for the last 20 years.³⁹ Trust in television as an information medium declined in 2008 and 2009, an intense electoral period, with local elections in spring 2008, parliamentary elections in autumn 2008, European Parliament elections in June 2009 and two rounds of presidential elections in November and December 2010. Trust in television declined from 70 percent in June 2008 to 61 percent in November 2009, following the first round of presidential elections. The excessive politicization of speech and the involvement of the large media groups in the presidential campaign might have led to a fall in trust in those media channels. In the EU, trust in the media averaged 49 percent in November 2009, according to a Eurobarometer survey.⁴⁰

37. F. Scânteie, "SNA Focus trece la nivelul următor" (SNA Focus passes at the next level), *IAB website*, 21 June 2010, available at <http://www.iaa.ro/Articole/Stiri/Sna-focus-trece-la-nivelul-urmator-cu-ajutorul-unei-metode-de-cercetare-computerizate/3585.html> (accessed 4 December 2010).

38. Independent websites are defined in this report as those that are not part of an established media group.

39. "Bărbații români se informează de la televizor și din reclame" (Romanian males are getting themselves informed from television and advertising), *Wall-street.ro*, 10 October 2008, available at <http://www.wall-street.ro/articol/Marketing-PR/50240/Barbatii-romani-se-informeaza-de-la-televizor-si-din-reclame.html> (accessed 6 August 2010).

40. Eurobarometru 72, "Opinia publică în Uniunea Europeană, toamna 2009" (Public opinion in the EU, autumn 2009), available at http://ec.europa.eu/public_opinion/archives/eb/eb72/eb72_ro_ro_nat.pdf (accessed 6 August 2010), p. 14.

The biggest change in the hierarchy of news in Romania over the past five years has been the decline in the ratings of the newscasts aired by TVR1, the flagship public service channel. The average nationwide ratings of TVR1's primetime newscast at 19:00 fell from 7.9 percent in 2005 to 2.2 percent in 2010. In contrast, the all-news channels Realitatea TV and Antena3 have gradually increased their ratings and market shares. Realitatea TV boosted its rating from an average of 0.6 percent in 2006 to 2.1 percent in 2009. However, in recent years, these all-news channels have increasingly become platforms of opinionated reports, at the expense of factual news stories.⁴¹ The sole mainstream television station that attracted more viewers over the period 2005–2010 was Pro TV.

1.3.3 Impact of Digital Media on Good-quality News

Mainstream traditional media have started to feel the impact of digitization. All-news television stations that interrupt their programs for breaking news are gaining ground against the traditional generalist stations. This content first makes it to the websites or appears on the all-news channels, and only then slowly makes its way to the daily newspapers.

The internet has had a major effect on how traditional media treat news coverage. Some broadcasters that would not cover certain issues because they were not allowed to do so by their owners now have to jump at any story that is broken on the internet.⁴² The emergence of independent news websites and journalistic blogs is considered by various observers as the biggest gain brought by digitization and the internet to the news media.⁴³

1.4 Assessments

There is a broad offering of news in Romania despite the fact that a limited number of players, four private and one public, control the market. The impression of diversity is given, among other things, by the emergence of all-news television channels in ether or on the internet. In reality, many of these media outlets are in major financial trouble. The business-focused Money Channel, part of the Realitatea Media group, is facing serious financial difficulties and is expected to be significantly restructured. In fact, after the arrest of the owner of Realitatea Media group, Mr. Vîntu, in September 2010, the entire holding is expected to experience considerable troubles in the months ahead.

The internet remains one of the most promising opportunities for news delivery. While print media are seeing their circulations drop, websites have been drawing increasingly healthy audiences. A spate of serious news websites, including many covering business issues, has emerged in the past few years. Most of them aggregate news pieces, while only a few have original content. But despite this apparent richness of news, there is

41. Dana Deac, director of TVR1, in a written answer to a questionnaire of the report's authors, Bucharest, 22 June 2010. (hereafter Deac, Questionnaire)

42. G. Trandafir, member of CNA, in a written answer to a questionnaire of the report's authors, Bucharest, 23 June 2010.

43. This refers to the financial independence of the websites.

still great room for growth for quality news outlets, publishing original stories. Media that can claim high credibility and solid original factual reporting are still scarce.

The media agenda is dominated by what has become known as “herd journalism.” A topic broached by a few influential media outlets, usually all-news television stations, independent news websites, and sometimes even blogs, is rapidly imported into the media agenda, and is broadly covered by them without checking the authenticity of the imported content. It often happens that such topics come from obscure newspapers in various corners of the country. What follows is a flood of talk-shows about that topic, which rely on opinion rather than anything else. Apart from audience hunting, the media are obsessed with building influence, which is increasingly done by setting the public agenda. None of the five major media groups in Romania has ever emphasized the importance of balanced news reporting. Pro TV, the leading station in terms of ratings, fluctuates between sensationalism, trivialization, and serious reporting in its primetime newscast, but has hardly covered any relevant topic in depth in its recent history.

The internet has offered media consumers an immense opportunity for interaction between the public and content producers, and for contributing to published content. Prior to the ascent of the internet, interactivity was restricted mainly to sending letters to the editor or calling radio and television shows.⁴⁴ This is one of the main factors behind the rise of the internet. Digital media at the same time has opened the doors to a new form of pressure that readers can put on news producers through their comments or blog posts. Moreover, readers can check sources used in articles more easily. A few major media groups such as Adevărul Group, Pro TV, Realitatea Media, and Intact Media Group, are committed to investing massively in high-quality news websites.

However, overall, television has changed little under the pressure of digitization. Entertainment programs still score high ratings, ahead of news content. On Pro TV, newscasts are still the second-most watched type of program, but only after entertainment.

44. Study IMAS/AMP, p. 28.

2. Digital Media and Public or State-Administered Broadcasters

2.1 Public Service and State Institutions

2.1.1 Overview of Public Service Media; News and Current Affairs Output

Two news agencies receive state subsidies and two national broadcasters are financed through the compulsory television and radio fee paid by the population and businesses, in addition to a combined form of public subsidy for the payment of the radio transmission services provided by the state-owned SNR Radiocom (*Societatea Națională de Radiocomunicații*, National Company for Radio Communications) and advertising. Restrictions on advertising are imposed through the Law on the SRR and the SRTV.

Agerpres, the stated-funded news agency set up in 1889, is an autonomous public institution under parliamentary control. It is governed by Law 19/2003 with regard to the organization and functioning of the National Press Agency.⁴⁵ It has remained the official national state-owned newswire, with a special focus on releasing official positions, documents, and statements of public institutions. Its budget (€4.6 million in 2009) was three times higher than the turnover of the privately run Newsin, the second-largest newswire in Romania in terms of number of clients, and was similar to the budget of the biggest newswire in Romania, the privately owned Mediafax.⁴⁶

Set up in 1991, Mediafax managed in a short period to beat Agepress in numbers of clients. In 1995, Mediafax was taken over by businessman Adrian Sârbu, currently the CEO of the US broadcast group Central European Media Enterprises (CME). It used to have a near monopoly in the newswire segment. In recent years it has been faced with fresh competition from NewsIn, a newswire launched in 2006 as part of a media group owned at the time by Mr. Vîntu, and now by his children. During 2010, NewsIn, along with

45. Law 19/2003 with regard to the organization and functioning of the National Press Agency Agerpres, *Monitorul Oficial* 34, 22 January 2003, amended through Law 96/2010 which modifies Law 19/2003, *Monitorul Oficial* 350, 27 May 2010.

46. Source: Ministry of Finance.

the rest of Vintu's media business, faced serious financial difficulties and its future is uncertain. If it folds, Mediafax will have a monopoly position in the newswire market.

Confronted with competition posed by internet-based news websites, Agerpres plans to make the transition "from source to resource." To achieve this, Agerpres should improve its credibility and the professional reputation of its journalists, said Magda Bunea, the Marketing Director of Agerpres, during a public debate.⁴⁷ It does not appear to have done so, however. In June 2010, Mădălina Bărbulescu, Agerpres's editor-in-chief, published an interview copied from another source with Mădălina Manole, a Romanian music star who had committed suicide. The article claimed that it was "the singer's last interview, conducted the day before her death." The interview was, in fact, a collage of clips from Manole's previous interviews and even from her own blog. A site specializing in media criticism, *Paginademededia.ro*, revealed the fraud. An internal investigation followed at Agerpres and Ms. Bărbulescu was suspended only for a few months by the Agerpress Ethics Commission. Nevertheless, she remained the editor-in-chief.⁴⁸

Agerpres is the only public service institution with a board chair appointed directly by Parliament, at the proposal of the prime minister. (In the case of SRR and SRTV, the chair is appointed by vote of board members, who are appointed by Parliament and the president.) Agerpres ranks among those newswires with the most boring, sterile content for media outlets. Its strengths lie rather in the quantity of its news items and in the size of its archives: with a daily flow of 500 news items per day, it has built an archive of over 10 million news items and 8 million photos; it is one of the largest media databases in Romania.⁴⁹ Journalists do not praise Agerpress for good-quality and relevant news. Media outlets usually use it when they want low-cost photos or need to access its archives.

With a different status, as it is not financed direct from the public budget, RADOR (formerly *Agenția Radio Orient*, East Radio Agency) was set up in June 1921 as a company under the control of the Ministry of Foreign Affairs. It was reorganized in 1990 as part of the public service radio broadcaster SRR, which finances it. RADOR is a news agency whose main activity is monitoring 50 radio and television stations, as well as over 150 Romanian publications and 400 foreign publications.

Both Agerpres and RADOR have their own websites where visitors can access part of their content free of charge; however, most of the rest of their content is available only to subscribers. Their websites do not aim to compete in the online media market, but are rather concocted for marketing purposes.

47. Mediafax, press release, "Ziua agențiilor de presă 2009 a pus în discuție dezvoltarea agențiilor în contextul crizei" (The day of the news agencies 2009 launched the debate on the development of news agencies during the crisis), Bucharest, 17 June 2009.

48. P. Obae, "Autoarea falsului interviu cu Mădălina Manole și-a pierdut funcția, dar a rămas jurnalist la Agerpres" (The author of the faked interview with Mădălina Manole lost her editor-in-chief position, but remained a journalist with Agerpres), *Paginademededia.ro*, available at <http://www.paginademededia.ro/2010/07/autoarea-falsului-interviu-cu-madalina-manole-si-a-pierdut-functia-dar-a-ramas-ziarista-la-agerpres/> (accessed 29 August 2010).

49. Agerpres, press release on 120 years of history of Agerpres, 27 March 2009.

A news agency with a special statute is Basilica, founded in 2009 by the Romanian Orthodox Church (*Biserica Ortodoxă Română*, BOR). In 2009 it published on its website 4,151 pieces of news in Romanian, 143 news reports in English, 129 press releases, and other types of information. Its website had over 35 million visits during 2009, according to Basilica's own statistics. The BOR received from the state budget some €10 million in 2010. It also collects money from parishioners and runs its own, rather small, businesses. The church holds 36 broadcast licenses (34 for analog terrestrial broadcasting and two for satellite) and a media outlet, consisting of the television network Trinitas, with a footprint of 80 percent, the radio station Trinitas also with a good footprint and a DVD production centre. The funding of this media venture comes from what churches across the country collect from parishioners and donors.⁵⁰

SRTV, when it was run by a former Social-Democrat Party (*Partidul Social Democrat*, PSD) member Alexandru Sassu, lost its reputation as a top-quality and independent news provider due to the politicization he imposed on it. By contrast, SRR's head, Maria Țoghină, was congratulated for her work at SRR's helm. Her predecessor, Dragoș Șeuleanu, also close to PSD circles, had his mandate terminated several years ago through the rejection of SRR's yearly report in Parliament.⁵¹ For SRR under Ms Țoghină, boosting its audience, particularly youths, has remained a key objective. SRR has tried to reduce its costs by cutting salaries. However, it still uses a high number of external contributors.

2.1.2 Digitization and Services

Both public service broadcasters have websites. On its website, Tvr.ro, the television broadcaster TVR features video productions aired on its channels, but also publishes news items produced for the website.⁵² SRR's website is built both as a corporation website (Srr.ro), where the yearly activity report is published and as a news site (Radioromania.ro), the latter with no audited traffic. In 2004, SRR converted its third radio channel, whose history dates back to 1973, into an exclusively online broadcaster, radio3net.ro Florian Pitiș, as there was no frequency available. Radio3net.ro was founded by the late Florian Pitiș, a radio producer and singer. In 2008, SRR launched another exclusively internet-based radio, Kids Radio, which broadcasts non-stop both spoken programs and music, without announcers. However, none of these projects is popular, and their traffic is not audited.

2.1.3 Government Support

When the Ministry of Communications (at the time the Ministry of Communications and Information Society) was run by PSD leader Dan Nica, SRTV together with the transmission company SNR Radiocom received state subsidies to run the pilot project of the digitization of transmissions.

50. "Romanian Patriarchy," press release published by Agerpres, 11 August 2010.

51. The Law on SRR and SRTV tasks Parliament to supervise the activities of the public service broadcasters. If Parliament does not approve the way broadcasters are run during a certain year, it can reject the annual report. If they do that twice, they can terminate the mandates of the broadcasters' councils of administration.

52. Interview in writing with Irina Gheorghiu, New Media Director of SRTV, answers to a questionnaire of the report's authors, Bucharest, 22 June 2010.

In 2002, the Ministry of Communications launched an experimental digital television project worth €700,000; this was a joint project of the ministry, SNR Radiocom and SRTV. In January 2002, they launched a communications center in the village of Cheia, with the capacity to transmit digitally three television programs and occasionally special events such as sports championships. The first test period was completed in late 2005. It was followed by further test periods.⁵³

In 2004, SNR Radiocom launched a pilot project aimed at experimenting with digital transmission in Digital Video Broadcasting-Terrestrial (DVB-T). The channels of the Romanian public service broadcasters are transmitted through the SNR Radiocom infrastructure along with the main commercial television stations, which are:

- in Bucharest, TVR1, TVR2, TVR High Definition (channel 54), TVR3, TVR Cultural, Antena 1, Antena 3, Realitatea TV, and Național TV (channel 59);
- in Sibiu, TVR1, TVR2, TVR High Definition (channel 54), TVR3, TVR Cultural, Antena 1, Antena 3, Realitatea TV, and Național TV (channel 47).⁵⁴

Three channels of the public broadcaster SRR and a few commercial networks, including the radio stations Radio Romantic and Pro FM, became available via T-DAB.

Despite the inadequate regulatory framework, the Ministry of Communications granted a technical license to SNR Radiocom for digital broadcasting. The decision was made towards the end of the period of the PSD Cabinet (2001–2004). SRTV has also applied for another broadcast license with the regulator, the National Audiovisual Council (*Consiliul Național al Audiovizualului*, CNA), a move criticized by private players who said that the state-owned television exerted pressure on the regulator to get hold of a cluster of frequencies that were meant for private broadcasters. The CNA turned down SRTV's request. The CNA then challenged the legality of awarding a technical license to SNR-Radiocom, which is a technical state authority that cannot hold licenses. Finally, in December 2005 four major private television stations were given digital terrestrial licenses: Pro TV, Antena 1, Prima TV, and Realitatea TV.

The investment required for a terrestrial digital network is enormous for Romanian media players. At the first stage, television broadcasters invested in the digitization of their studios. Antena1, the second-largest television channel in terms of audience, announced in summer 2005 an investment of €10 million into digital technology, including HDTV production equipment.⁵⁵

Although the government led by Prime Minister Emil Boc has announced that there are no public resources to digitize the public service media, spending on this is increasing.

53. I. Comănescu and M. Preoteasa, *DTV between Myth and Reality in Romania*, archives of the report's authors, 2006, Tirana (hereafter Comănescu and Preoteasa, *DTV between Myth and Reality*).

54. SNR Radiocom's website, "Services", available at <http://www.radiocom.ro/business/servicii> (accessed 4 December 2010).

55. Comănescu and Preoteasa, *DTV between Myth and Reality*.

Overall, the public service media are driving broadcast digitization. However, this process turns out to provide yet another opportunity for the public service broadcasters to make fresh investments in a non-transparent way. Their annual reports are presented to Parliament and published on their websites, but still there is little public awareness and debate of the activities that these reports reveal. Other than that, there is no debate on major digitization-related investments in public service media. There is no information available, for example, on the number of users of SRTV's high-definition channel. SRTV received €40 million in 2009 from the license fee paid by households. In the digital environment, SRTV is better positioned than the commercial stations. In the digital market, all broadcasters will have to pay transmission fees to multiplex operators. SRTV has subsidies from the state budget to cover these fees.

2.1.4 Public Service Media and Digital Switch-over

Compared with SRR, SRTV has lost a great deal of audience over the last decade. The most significant difference between the two broadcasters is their technical coverage. SRTV, which used to have the great advantage of nationwide terrestrial coverage via SNR Radiocom's relays, has gradually been losing its audience as cable and, more recently, DTH penetration has grown, delivering a significant number of commercial channels to more households. (See *section 1.1.2*.)

The public service radio did not suffer the same fate. Radio Romania Actualități (RRA), SRR's flagship channel, has 99 percent technical reach, followed by the commercial stations Pro FM/Info Pro, which have recently merged to build up a reach of around 75 percent, according to Costi Mocanu, general director of Pro TV, the license holder of Pro FM and Info Pro radio networks.⁵⁶ Listeners who are over 40 years of age and live in rural areas form the bulk of SRR's audience, or, more precisely, the audience of its main channel RRA or its regional stations. (See *section 1.3.1*.)

2.2 Public Service Provision

2.2.1 Perception of Public Service Media

In 2004, SRR and SRTV were the subject of a broad public debate about the role of the public service media that included politicians, media non-governmental organizations (NGOs) and the broadcasters' trade unions. The initiative was taken under pressure from civil society actors, especially from the Center for Independent Journalism (*Centrul pentru Jurnalism Independent*, CJI), the Convention of Media Organizations, and Active Watch Media Monitoring Agency (*Active Watch Agenția de Monitorizare a Presei*, AMP) at a time when pressure from the governing PSD party was being felt in the television industry.⁵⁷ The same year, the PSD lost the elections and the new ruling coalition, the DA Alliance, encompassing the National Liberal Party

56. "Pro FM devine radioul comercial numărul 1 ca acoperire tehnică din România" (Pro FM becomes the no. 1 commercial radio in terms of technical reach in Romania), *Gândul.ro*, available at <http://www.gandul.info/magazin/profm-devine-radioul-comercial-numarul-1-ca-acoperire-din-romania-7124970> (accessed 10 September 2010).

57. Manuela Preoteasa, "Romania", in *Television across Europe: regulation, policy and independence*, Open Society Institute, Budapest, 2005, p. 1254.

(*Partidul Național Liberal*, PNL) and the Democratic Party (*Partidul Democrat*, PD), initiated a bill aimed at reforming SRTV and SRR.

A group of media NGOs became involved in the consultation and proposed a set of principles as the basis for reform. A draft law containing most of these principles was presented to the special parliamentary commission on media in 2006.⁵⁸ The government suddenly changed its position, however, and did not support the bill, which was shelved during the mandate of the DA alliance. The proposal was rejected by the Senate on 5 May 2008.

The 2008 elections gave a fragile majority to the newly formed Democratic Liberal Party (*Partidul Democrat Liberal*, PDL), composed of the PD and a wing of the former Liberal Party. MP Raluca Turcan, the sponsor of the first bill, tried repeatedly to reintroduce the law on to the parliamentary agenda. However, following negotiations between the political parties, the bill was modified in such a way that forced the civil society actors involved in the process to oppose the project. Media NGOs argued that no reform was possible without three key legal provisions: the use of competence criteria instead of political affiliations in the appointment procedure of the members of the Council of Administration (CA), the broadcasters' governing body; the separation of the position of the board chair from the position of the CEO of public service broadcasters, currently occupied by the same person; and the elimination of a legal provision which allows council members to be fired if Parliament rejects the broadcaster's annual reports.⁵⁹

These three issues were related, as MPs appoint the members of the CA as well as the chair and the CEO. The rest of the management positions are filled through public contests. All political parties were accused by media NGOs of merely simulating interest in reforming the public broadcasters while, in actual fact, they only wanted to place their own people at the helm of the two institutions. The Senate, the upper chamber of Parliament, eventually rejected the bill.⁶⁰

On 30 March 2010, Parliament rejected SRTV's annual report which, under the law, led to the dismissal of all SRTV CA members, although they remained in their posts for two more months, as permitted by the law.⁶¹ Although the law requires the appointment of new CA members within 60 days, Parliament delayed the appointment as it was debating Ms. Turcan's bill.

The same happened with SRR. Its 2008 annual report was accepted by Parliament, but the mandate of the SRR CA members, which expired on 27 June 2009, was repeatedly extended by Parliament, first by six

58. "Propunere legislativă pentru modificarea și completarea Legii nr.41/1994, republicată, privind organizarea și funcționarea Societății Române de Radiodifuziune și Societății Române de Televiziune" (Law proposal amending the Law 41-1994 with regard to SRR and SRTV), registered with the Senate under the number L341/11.04.2006.

59. Law on SRR and SRTV 41/1994, republished (Legea Societății Române de Radiodifuziune și a Societății Române de Televiziune), *Monitorul Oficial* 153, 18 June 1994, art. 18(3) and 46(7), respectively.

60. C. Ionescu, "Raluca Turcan: Votul de respingere a legii pentru depolitizarea SRR-SRTV a fost previzibil. Organizații de media: Cinci ani aruncați la gunoi" (Raluca Turcan: the rejection vote for the SRR-SRTV depoliticization was predictable. Media NGOs: five years thrown into the recycle bin), HotNews.ro, 16 June 2010, available at http://economie.hotnews.ro/stiri-media_publicitate-7438337-raluca-turcan-votul-respingere-legii-pentru-depolitizarea-srr-srtv-fost-previzibil-organizatii-media-cinci-ani-aruncati-gunoi.htm (accessed 29 July 2010).

61. Law 41/1994, art. 46(7) and art. 26(4), respectively.

months, then twice for a period of another three months. In total, the temporary mandates of the SRR CA members were extended for 12 months, although the law states that the extension of the SRR CA mandate cannot exceed six months.⁶² New appointments were delayed until Parliament made a decision on the reform bill. The delays were needed because the newly-proposed bill would have introduced significant changes in the appointment procedure.

After rejecting the bill on 16 June 2010, Parliament appointed new members of the SRTV CA. Alexandru Lăzescu, with impressive experience in media and journalism studies, well-known in the media industry for his professionalism and balance, was accepted by Parliament as chair of the SRTV CA. At the same time, a representative of the Hungarian minority political party, the Democratic Union of Hungarians in Romania (*Uniunea Democrată a Maghiarilor din România*, UDMR), András István Demeter, was appointed to the same position at SRR. His predecessor, Ms. Țoghină, became a member of the SRR CA, a move praised by NGOs as it ensured management continuity. (Traditionally, when new people have been appointed to lead the public service broadcasters, the entire management has been changed along with its strategies.)

2.2.2 Public Service Provision in Commercial Media

Broadcasting activities in Romania, both those of the public service and the commercial outlets, are regulated by the Law on Audiovisual 504/2002 (hereafter Audiovisual Law), which is enforced through decisions of the regulatory body, the CNA.⁶³ Most of these decisions are gathered in a consolidated CNA Decision no. 187/2006 (hereafter the Audiovisual Code).⁶⁴

According to the Audiovisual Law, all audiovisual media service providers must ensure objective information by presenting facts and events accurately. They must also foster free formation of opinions.⁶⁵ Apart from the obligations (1) to provide balanced news, (2) to reflect all sides, and (3) to protect minors, all of which apply to all broadcasters, commercial broadcast media do not have public service obligations.

2.3 Assessments

Interactivity in the public service media has so far remained minimal, except for the possibility for users to comment on SRTV's website during sports events. This has done nothing to stem SRTV's and SRR's loss of younger audiences. SRR turned its youth-targeted radio channel into an internet-only operation, although its high listenership at the time—compared with its other channels, such as the classical music station, Radio Muzical—did not justify this decision.

62. Law 41/1994, art. 21(4).

63. *Legea Audiovizualului* (Audiovisual Law) 504/2002 (hereafter Audiovisual Law 504/2002) *Monitorul Oficial* 534, 22 July 2002, available at http://www.cdep.ro/pls/legis/legis_pck.htp_act_text?id=3698 (accessed 13 September 2010).

64. CNA Decision 187/2006 (Decizia 187/2006 privind codul de reglementare a conținutului audiovizual), *Monitorul Oficial* 338, 14 April 2006.

65. Audiovisual Law, 504/2002, art. 3(2).

The existing public service provisions on political independence failed once again in 2010 to be aligned with EU provisions on barring political interference in the management of the public service broadcasters or news agencies. Media critics also emphasize the lack of transparency of public service media funding. There is a need for a law that would ensure the involvement of the public in determining how SRTV, SRR, and Agerpres spend their public funding.

The existing public service provisions ensure the independence of the public media outlets only formally. The same could be said about their mission to educate and inform people in a balanced manner. This comes from the rigidity characterizing the structures of the public service institutions.

3. Digital Media and Society

3.1 User-Generated Content (UGC)

3.1.1 UGC Overview

There is no neutral and credible measurement tool for measuring UGC in Romania due to the lack of official traffic data for various platforms, especially global social networks. However, Google AdPlanner, a traffic monitoring service, is a useful measurement tool. Data from both Google AdPlanner and the Internet Audience and Traffic Study (*Studiul pentru Audiență și Trafic pe Internet*, SATI), the internet industry's official measurement service, offer the most accurate available method of measuring UGC in Romania. Both Google AdPlanner and SATI can be used to a certain extent to assess the impact of UGC.

The most popular forms of UGC appear to be comments on popular news websites and on independent forums, followed by blogs. Only a few wikis, such as ro.Wikipedia.org, Enciclopediaromaniei.ro, or MediaPedia.ro, exist in Romania. Video sharing sites, such as Trilulilu.ro, Video.Neogen.ro, or 220.ro, are, as elsewhere, popular, but they are a form of entertainment with little relevance for the democratic function of the news media.

Comments on websites sometimes exceed 100 per article in number, but the quality of debate is low. Andrei Pleșu, a well-known philosopher and founder of Romania's most influential intellectual weekly, *Dilema*, has repeatedly criticized the quality of comments on online articles. As he has written:

Many of the commentators are either prone to an excessively good perception of themselves, or obsessed with bloodthirsty resentments. Those loathing [president] Băsescu write about him even if the article they “comment” on is about peaches. Those who, *mutatis mutandis*, loathe me seem to wait feverishly for the weekly opportunity to practice their hatred and fine humour against my noxious defects. Others fight among themselves; others show off their cultural baggage and subtlety although they embarrassingly lack both. Most of them actually do nothing but beat the air, begging a bit of attention, a bit of prestige, a bit of public recognition. The Roman forum was built by draining a swamp. Unfortunately, in Romania, the swamp is still there.⁶⁶

66. A. Pleșu, “What is a forum?,” *Adevărul*, 16 March 2010, available at http://www.adevarul.ro/andrei_plesu_-_opinii/Ce_este_un_forum_7_226247377.html (accessed 16 July 2010).

In recent years, some news websites as well as blogs started to moderate comments. Some websites are trying to motivate the readers to be more creative and disciplined. The news website HotNews.ro, the oldest independent website, started in 2008 to organize events with readers who were offered the opportunity to meet and converse with Romanian personalities, including politicians, experts in various areas such as communications, advertising, economy, and human resources, as well as famous journalists.⁶⁷

Comments on websites are also marred by posts of paid representatives of political parties who use nicknames and pretend to be independent. There have been reports in the media about groups coordinated by political consultancy companies to do such work on the internet.⁶⁸

Local classic news websites, both those belonging to big media groups and those which are independent, have a strong UGC component. Facilities such as user comments, forums, posts of videos or photos by users are present on the most popular news websites. Realitatea.net, the website of the all-news television station Realitatea TV with 1.1 million unique visitors per month, the independent news website HotNews.ro with 840,000 unique visitors per month, or Adevarul.ro, the website of the daily newspaper *Adevărul*, with 840,000 unique visitors per month, all include such features. Nevertheless, classic news websites have much lower audiences than global websites such as Yahoo! or Facebook.⁶⁹

As a general rule, all news websites offer free access to content. There were some websites that experimented with a paid content model, but they quickly abandoned it. At the beginning of June 2010, the management of *Adevărul*, however, announced its intention to introduce fees for accessing the content on its websites.

According to Google AdPlanner, the 10 largest independent websites in terms of users have a combined traffic of 4.7 million unique visitors per month (47.8 percent geographical reach and 250 million page views). By comparison, the 10 largest websites owned by the established media companies have a traffic of 3.4 million unique visitors (35.2 percent geographical reach and 159 million page views), according to the same source. However, they are all dwarfed by the global giants.

The largest independent news website is HotNews.ro with 1.3 million unique visitors per month in June 2010, according to SATI. Its figures are usually higher than Google AdPlanner estimates. The media-operated websites with the highest traffic are Libertatea.ro, the website of the tabloid daily *Libertatea*, with 1.68 million unique visitors, and Realitatea.net, with 1.66 million unique visitors, run by the all-news television station Realitatea TV, part of the Romanian-owned Realitatea-Çavencu group. However, none of the top 10 independent UGC websites or the media-embedded UGC websites equals Yahoo!'s traffic of 6.8 million unique visitors, 69 percent geographical reach, and 800 million page views.

67. One of the co-authors of this report, Manuela Preoteasa, is a shareholder in HotNews.ro. Another co-author, Iulian Comănescu, has hosted some online meetings for HotNews.

68. V. Ursulean, "Autodenunț: Două săptămâni i-am hăituit pe Internet pe adversarii lui Crin Antonescu" (Self-denunciation: I have been hunting for two weeks for Crin Antonescu's opponents), *România liberă*, 18 November 2008, available at <http://www.romanalibera.ro/exclusiv-rl/investigatii/autodenunt-doua-saptamani-i-am-haituit-pe-Internet-pe-adversarii-lui-crin-antonescu-170269.html> (accessed 12 July 2010).

69. According to www.google.com/adplanner (accessed 29 May 2010).

Global UGC sites such as Facebook, Hi5, and Blogspot are very popular among Romanians, ranking among the top five most visited websites. One local video sharing site, Trilulilu.ro, also has high popularity, boasting 1.6 million unique visitors a month.

Table 6.

Most popular websites in Romania, by unique visitors, July 2010

Website	Audience reach (%)	Unique visitors (million)	Page views (million)
yahoo.com	68.6	6.7	800
facebook.com	32.2	3.2	800
blogspot.com	29.3	2.9	41
hi5.com	26.1	2.6	1,100
wordpress.com	22.1	2.2	23
softpedia.com	20.1	2.0	19
microsoft.com	16.4	1.6	19
triluliu.ro	16.6	1.6	45
ejobs.ro	11.1	1.1	34
Bigpoint.com	11.2	1.1	18

Source: Google AdPlanner (<http://www.google.com/adplanner>).

SATI audits credit Romanian websites with much higher traffic than Google AdPlanner does. This cannot be judged, as Google AdPlanner does not disclose its measurement methodology. The only global website included in SATI's measurement is hi5.com. The opportunity to post comments on articles and forums is offered by practically all websites with high traffic.

Table 7.

Most popular websites in Romania, by unique visitors, June 2010

Website	Category	Unique visitors (million)	Page views (million)
hi5.com	Social network (global)	4.17	1,910
triluliu.ro	Video-sharing	2.83	70
forum.softpedia.com	IT forum	2.61	18
libertatea.ro	Tabloid, classic newspaper	1.68	44
realitatea.net	News TV station	1.65	30
cancan.ro	Tabloid, classic newspaper	1.63	41
bizoo.ro	Portal	1.58	18
Gsp.ro	Sports, newspaper	1.48	38
ejobs.ro	Job search site	1.45	37
stirileprotv.ro	News, TV station	1.40	17

Source: SATI, 2010.

It is not feasible to put together a list of the top 10 biggest UGC independent or established media websites, because only one popular website meets all the criteria of a Web 2.0 UGC website, and that is Trilulilu.ro, an independent video sharing service credited by SATI with 2.83 million unique visitors in July 2010. The rest of the most popular websites that offer interactivity are either Web 1.0 forums or specialized communities such as the job search website Ejobs.ro. TPU.ro, a social network launched by F5 Webcorp, had 2.13 million unique visitors in July 2010. Another local social network, Neogen.ro, had 965,000 unique visitors in the same month. The number of visitors of such websites is much lower than that of the websites run by traditional media structures. On websites such as Neogen.ro and TPU.ro, user comments frequently lack relevance or even meaning, and thus cannot be considered to be a strong UGC element.

3.1.2 Social Networks

Data on social network users (except those of Facebook) are not publicly available. Facebook attracted 1.6 million active users at the beginning of September 2010.⁷⁰

3.1.3 News in Social Media

There is little serious political news consumption on the more popular social networks. Nor is there any evidence of political activity on them. There are examples of politicians using this platform for a short period of time and then quickly abandoning it. For example, the president of Romania has a personal account on Facebook with 560 friends. The account was started during the electoral campaign in the autumn of 2009. It was apparently abandoned soon after the elections.

Since 2006, the use of blogs has been a popular trend. Zelist.ro, a blog aggregator similar to Technorati.org, was recording roughly 19,500 blogs updated at least once during the past 30 days, at the end of June 2010. Topics on blogs have sometimes been taken over by the traditional media. They can, however, be either a source of valid information or a source of political deception. Statistics on blogs are scarce. Based on GoogleAdPlanner, we estimate there are between 90 and 200 blogs with more than 10,000 unique visitors a month.

The blogosphere can be roughly divided into specialist blogs (i.e. niche or industry websites maintained by experts in various fields ranging from technology, to cooking, to movies, to photography) and freestyle blogs, which are usually independent blogs maintained by young authors, some of them using pseudonyms, and most of them without any prior experience in journalism or communications. Popular Romanian blogs include at least three prevalently political blogs (Voxpublica.Realitatea.net, Ciutacu.ro, Inpolitics.ro), three mass-media and advertising blogs (Iqads.ro, Paginademedias.ro, Reportervirtual.ro), and other blogs that are harder to categorize, covering lifestyle, gossip, etc. Google AdPlanner indicated in July 2010 a reach of 16.6 percent for the total of internet users, for 88 blogs and small sites that have been identified by the authors of this study. They had at that time a total of 1.6 million unique visitors and 23 million page views. By comparison, the top 250 sites, according to Google AdPlanner, have a reach of 93.1 percent, 9.1 million unique visitors, and 4.4 billion page views.

70. The data can be obtained by creating an advertising instrument on Facebook.

Table 8.

Most popular blogs in Romania by number of unique visitors, July 2010

Blog/micro-site	Unique visitors	Page views
codrosu.ro	320,000	910,000
mircea-badea.ro	120,000	1,500,000
zoso.ro	110,000	2,400,000
Urbaniulian.ro	93,000	320,000
cocalari.com	93,000	2,400,000
monden.info	93,000	570,000
Metropotam.ro	92,000	350,000
iqads.ro	77,000	620,000
voxpública.realitatea.net	77,000	510,000
gospodini.blogspot.com	70,000	430,000

Source: Google Ad Planner (blogs were gathered from Zelist.ro, Trafic.ro, SATI.ro, and other partial sources), July 2010.

Eight of the 10 most popular blogs in table 8 can be considered as independent, although some of their owners are or have been affiliated with established media companies or political parties, as is the case with Mircea-badea.ro, Zoso.ro, and Urbaniulian.ro. Monden.info, for example, is owned by one of the managers from the internet company run by the CEO of CME, Adrian Sârbu. The blogs IQAds.ro and Voxpublica.Realitatea.net belong to F5 Webcorp, a company owned by Mr. Vîntu.

Blogs covering politics and serious issues are rare. Moreover, some of those few are in various ways linked to a variety of political groups or dominant media tycoons. There are examples of legitimate news stories that were broken by blogs, however. A report of a car accident involving the minister of transportation was published first on the independent blog Gramo.ro in December 2007.⁷¹ Such cases are very rare, however.

In other cases, blogs have been used to trigger dubious political scandals in the traditional media. In December 2008, a video which was advertised as depicting a Social Democrat female politician having sex with an unknown man in a car was posted on a blog belonging to Iosif Buble, a reporter with Antena3 television station.⁷² Although the woman in the clip was not clearly identifiable, she had to withdraw her candidacy for a seat in the European Parliament following the scandal that erupted.

71. "Ministrul transporturilor are probleme cu ninsoarea (sau cu alcoolul?)" (The Ministry of Transport has problems with the snow (or with the alcohol?), 16 December 2007, Gramo.ro, available at <http://gramo.ro/2007/12/16/ministrul-transporturilor-are-probleme-cu-ninsoarea-sau-cu-alcoolul/> (accessed 20 July, 2010).

72. "Iată filmulețul—cine o fi?" (Here is the movie—who might be?), Blog pe surse, published with the warning "Strong sexual content images!," 18 September 2010, available (in Romanian) at <http://ioskap.blogspot.com/2008/09/iata-filmuletul-cine-o-fi.html> (accessed 20 July 2010). The politician, Ana Birchall, confirmed on her blog that she sued the blogger Buble; see <http://www.anabirchall.ro/precizare-cu-privire-la-actiunea-de-chemare-in-justitie-a-d-lui-iosif-buble/12> April 2010 (accessed 23 August 2010).

3.2 Digital Activism

3.2.1 Digital Platforms and Civil Society Activism

Digital platforms are used for political and social activism, both by specialized organizations and by individuals. The internet has been used in election campaigns and also to achieve certain other goals.

Political activism outside the political parties is exemplified by the Spunesitu.ro (Youtoosay.ro) website that was launched in August–September 2009, two months before the presidential elections on 22 November 2009. Built as a social platform aimed at collecting criticism from internet users to find solutions to various problems, the website was supported in the beginning by the former president of Romania, Emil Constantinescu. Dragoș Stanca, the manager of F5, an internet company owned by Mr. Vîntu's group, published on his blog the allegations that the website Spunesitu.ro was supporting the candidate of the PNL, Crin Antonescu.⁷³ The next day, Mr. Constantinescu admitted his support for Mr. Antonescu.⁷⁴ According to Mr. Stanca, the website was financed by Dinu Patriciu, a Romanian media tycoon and a member of the PNL.

Cases of digital activism

During the 2009 electoral campaign, several outwardly independent websites were launched whose content was critical and sometimes defamatory of some of the candidates, including Mirceageoana.tv, Traianbasescu.org, and Crinantonescu.org.⁷⁵ They were discontinued soon after the elections. No affiliation of any of these websites to any political party has ever been proven, but speculations about their sponsors abounded in the public space. Collective platforms such as the global social network Facebook, Petitiionline.ro (Online petitions), Onlinepetition.com, and others have been used in the past few years by independent institutional or non-institutional groups to back various political causes. For example, the Group for Social Dialogue (*Grupul pentru Dialog Social*, GDS), a prestigious organization of intellectuals, launched an appeal to politicians on Onlinepetition.com aimed at supporting the president's political initiatives.⁷⁶ The appeal had more than 5,700 signatories.

In March 2009, the Soros Foundation Romania launched a project called "The Blog as an Advocacy Tool for Civil Society." Five experienced bloggers were selected to train five NGOs to use blogs and the internet in general as an advocacy tool.⁷⁷ One of the five organizations, the IHTIS Association, whose mission is to advocate for the rights of the disabled, applied the knowledge acquired in this course on its website, www.asociatia-ihtis.ro, and later launched a viral video that became relatively

73. D. Stanca, "Jamasking.ro: what, in fact, does the site Youtoosay.ro want" (Intrebsieu.ro: Ce vrea, de fapt, site-ul Spunesitu.ro?), Dstanca.ro, 6 September 2009, available at <http://www.dstanca.ro/2009/intrebsieu-ro-ce-vrea-de-fapt-site-ul-spunesitu-ro.html> (accessed 30 July 2010).

74. "Emil Constantinescu gathers on a social community site Crin Antonescu's fans" (Emil Constantinescu îi adună pe un site de socializare partizanii lui Crin Antonescu), Realitatea.net, 7 September 2009, available at http://www.realitatea.net/emil-constantinescu-aduna-pe-un-site-de-socializare-partizanii-lui-crin-antonescu_608847.html (accessed 30 July 2010).

75. Mircea Geoană (PSD), Traian Băsescu (supported by the PDL) and Crin Antonescu (PNL) were all running in the presidential elections in 2009.

76. "Apel către clasa politică" (Call to the political class), available at <http://www.petitiononline.com/gds/petition.html> (accessed 30 July 2010).

77. One of them is Iulian Comănescu, one of the co-authors of this report.

successful in terms of reach, with roughly 19,000 views in September 2010. The video viral became known abroad thanks to Beth Kanter's blog at Beth.Typepad.org.⁷⁸ Numerous campaigns for blood donations, fundraising efforts for expensive surgeries for low-income people, and other efforts have mushroomed on the Romanian internet. One successful case is that of Alina Gache, an assistant at BRAT, who was diagnosed with liver cancer. Two blogs raised €40,000 for the expensive surgery she underwent in June 2009 in Vienna.⁷⁹

3.2.2 The Importance of Digital Mobilizations

While some online initiatives yield tangible results, they seldom reach a nationwide audience. Various support or fundraising campaigns reach their goals from time to time, but the numbers of direct participants are usually measured only in thousands. Only a few of these initiatives have been taken over by the traditional media. In addition to being somehow unnoticeable to the mass of online users, such digital campaigns usually have a near-zero penetration rate with unconnected Romania.

3.3 Assessments

The blogosphere and UGC on Web 2.0 platforms seldom generate new, original information in Romania. However, a significant number of bloggers have reached a certain audience by contextualizing and criticizing the content of the traditional media. Some of the blogs, maintained by journalists or former journalists, give audiences a quick glimpse into the newsrooms of the mainstream television stations or newspapers.

With the exception of political action, which usually is ignited and supported by existing political parties and groups, digital mobilization and advocacy are in some cases successful, but are only seldom disseminated further by the traditional broadcast media or addressed by government authorities. Most successful digital initiatives are personal actions whereby individuals, usually credible bloggers, launch calls to action and sometimes are successful in igniting a viral evolution.

Politicians still prefer traditional media to the internet for two reasons: first, several television stations and newspapers have proven to be open to manipulation; and, second, Web 2.0 users are reluctant voters. The young generation is, generally, not interested in politicians or politics, and, in turn, politicians do not invest in this social layer. The high number of Facebook users, for example, indicates a certain youth migration away from disappointing politics to this social networking space. Romanian political parties have nothing much to offer to relatively young (18–40), urban users of the internet.

78. The English version of the viral can be seen at <http://www.youtube.com/watch?v=CqFWv46G0As> (accessed 8 September 2010). Kanter is a famous Web 2.0 activist in the United States.

79. I. Comănescu, "S-o ajutăm pe Alina Gache" (Let us help Alina Gache), [Comanescu.ro](http://comanescu.ro), 5 June 2009, available at <http://www.comanescu.ro/s-o-ajutam-pe-alina-gache.html> (accessed 30 July 2010); Dstanca.ro, "Alina are 39 de ani. Viața ei costă 39 de mii de euro" (Alina is 39. Her life costs €39,000), available (in Romanian) at <http://www.dstanca.ro/2009/viata-alinei-costa-39000-de-euro.html> (accessed 30 July 2010).

4. Digital Media and Journalism

4.1 Impact on Journalists and Newsrooms

4.1.1 Journalists

As elsewhere, the news market is characterized by an overwhelming amount of content. Under pressure from the internet and mobile communications, journalists are turning from “information hunter-gatherers” into “content farmers.”⁸⁰ Reporters have been increasingly acquiring their information via email, Really Simple Syndication (RSS) feeds, blogs, corporate and political news releases, and mobile conversations in the past five years. The editorial acumen shows more in selecting among multiple sources than in digging for information. The communication initiative belongs increasingly to politicians and corporate entities and less to journalists and editors, who have difficulties in sifting the information valuable to readers from the mass of information bombarding them every day from all directions.

In this new context, journalistic work involves less legwork. Reporters spend most of their work hours now in the newsroom in front of their laptops, with one or two television sets buzzing news in the background. Claudiu Lucaci, a journalist with SRTV, describes the impact of digitization on journalists’ behavior as the privileging of speed over thorough fact-checking. The decision to broadcast a report is often based on the first available source. This has, he argues, weakened the capacity of the media to think critically.⁸¹

First-hand sources appear first on the faster media, such as all-news television stations (Realitatea TV and Antena3) and the independent news websites such as HotNews.ro, and only later in daily newspapers. This changes the classic communication pattern for the media, which has been based on a sole source and a unique receiver; now, the information travels through a series of intermediaries, with the primary receiver becoming

80. I. Comănescu, *Cum să devii un Nimeni—mecanismele notorietății, branduri personale și piața media din România* (How to become a nobody—the mechanism of notoriety, personal brands and media market in Romania), *Humanitas*, 2009, pp. 157–161 (hereafter Comănescu, *Cum să devii un Nimeni*).

81. Interview in writing with Claudiu Lucaci, moderator and producer of the debate program “Tema zilei” (Today’s topic) on public service station TVR, in a reply to an OSI questionnaire, Bucharest, July 2010.

also a source who passes the information to another receiver who in turn becomes a source, and so on. The bipolar model is transformed into a chain of communications.⁸²

The political and democratic relevance of news is decreasing in such a landscape. Most media outlets just churn out material from press conferences and press releases. Only rarely do they enrich these materials with other sources prior to publication. Somehow stories come to newspapers and television instead of journalists going after them. With corporations and politicians monopolizing the communications sphere, the public interest is less well served and investigative journalism is becoming an expensive, sometimes inconvenient activity.

From the organizational point of view, newsroom convergence commenced after 2005 when most of the owners of the major traditional media groups started investing in online operations. Most of the print, television, and radio outlets already had decent websites in 2005–2006. Soon after, the capacity aspect of this issue started to be taken into account and newsroom convergence became a major topic. In 2007–2008, daily newspapers such as *Gazeta Sporturilor* and *Evenimentul Zilei* were analyzing organizational changes and the investments needed to adapt to the new model of content production and packaging. *Gazeta Sporturilor* said that it would invest €400,000 in this process and *Evenimentul Zilei* some €100,000.⁸³ By 2010, most traditional media newsrooms had a specialized online team. Job descriptions vary from one company to another, as does the size of the department (ranging from 2 to 10 employees).

4.1.2 Ethics

A popular online feature since 2006, blogs have brought a fresh approach to current affairs. Many distinguished bloggers, young online enthusiasts with no previous public communication experience, have become quite successful in terms of web traffic and web links to their blogs, but have remained largely unaware of the classic journalistic codes of ethics. Journalists and former journalists are usually more strict in terms of conduct and tend to apply the journalistic rules in their output even when blogging independently. However, in some cases journalists have given up some of their balance and their fact-checking habits in their blog posts (see *section 3.3.3*). Such stories are usually covered by broadcast media, which sometimes happen to be the broadcasters that employ the blogger who originated the story. It is because of such incidents that several initiatives aimed at introducing self-regulation have appeared.

In November 2006, the participants in an informal bloggers' club, Netoo, proposed to adopt a concise code of conduct inspired by journalistic codes of ethics.⁸⁴ Their initiative was seriously criticized by other bloggers as a censorship attempt, and it failed. In September 2007, the CJI launched a project called "Law and order ... on the internet" that consisted of a series of meetings with internet users aimed at explaining the rights and

82. Comănescu, *Cum să devii un Nimeni*, pp. 149–157.

83. R. Ivan, "Convergența print-online, la start" (The start of print-online convergence), *Business Standard*, 15 January 2008, available at http://old.standard.money.ro/articol_25524/convergenta_print_online_la_start.html, (accessed 30 July 2010).

84. "Codul bunelor practici Netiquette sau Codul bunelor practici" (Netiquette or Good Practices Code), Netoo, 9 November 2006, available at <http://netoo.wordpress.com/2006/11/09/netiquette-sau-codul-bunelor-practici/> (accessed 20 July 2010).

responsibilities they have on the internet. The website Netiquette.ro was launched with the aim of becoming a debate platform, but no generally accepted code of conduct emerged out of this initiative.

Theft accusations

Accusations of data theft have appeared at least twice. In June 2007, the publisher Adevărul Holding accused another publisher, Ringier, of stealing the laid-out pages of its tabloid newspaper *Click!*, from the printing plant File Transfer Protocol (FTP) online account. According to Adevărul Holding, someone using an IP address belonging to Ringier in Romania downloaded hundreds of pages in .pdf (Portable Document Format, PDF) format every night for several months. Ringier runs *Click!*'s main competitor in Romania, the daily tabloid *Libertatea*. Most of *Click!*'s journalists came from *Libertatea*.⁸⁵ In a separate case, another journalist turned blogger, Tiberiu Lovin, published in August 2009 a personal email from Ms. Țoghină, president and CEO of the Romanian public radio SRR.⁸⁶ Mr. Lovin was put under investigation by the Direction for Organized Crime and Terrorism Investigation (*Direcția de Investigare a Infrațiunilor de Criminalitate Organizată și Terorism*, DIICOT), following a complaint from SRR's president. The email contained some personal discussions of SRR's president, with no implications for his work.

4.2 Investigative Journalism

4.2.1 Opportunities

The abundance of documents and information resources on the internet is obviously useful to investigative journalists. Databases, background information, and other such information resources are valuable assets for almost every media. Journalists use both free and paid databases. Financial information about companies is available free of charge to a certain extent on the website of the Ministry of Finance (mfinante.ro). It can be complemented with paid information from the Romanian Trade Registry website (Recom.ro).

4.2.2 Threats

The wealth of background information on the internet comes at a price. "Google journalism" has become a deprecatory term applied to journalists who offer others' investigative work, found on the internet, as their own original research. Additionally, mistakes appear more often in the stories researched through the internet than in those produced using classic research methods, such as face-to-face interviews, press conferences, and other types of direct access to sources. While journalists could be deceived relatively easily by disinformation posted on the internet, no systematic attempts to achieve this have been identified so far.

85. "Adevărul Holding acuză Ringier" (Adevărul Holding accuses Ringier), letter from Adevărul Holding, *Adevărul*, 4 June 2007, available at http://www.adevarul.ro/actualitate/eveniment/Adevarul-Holding-acuza-Ringier_0_40196344.html (accessed 20 July 2010).

86. "Mesaj intern de la SRR" (Internal email from SRR), 28 August 2009, Reportervirtual.ro, available at <http://www.reportervirtual.ro/2009/08/mesaj-intern-de-la-srr.html> (accessed 20 July 2010).

4.2.3 New Platforms

With the notable exception of investigations by news websites such as HotNews.ro, original investigative journalism is not prominent on the internet. It does exist to some degree, however. An example of solid investigative work published exclusively online is a story by HotNews.ro that appeared shortly before the European Parliament elections on the plans to propel the daughter of the country's president, Elena Băsescu, to the European Parliament.

Bloggers seldom have the expertise, and almost never the means, to carry out solidly documented investigative journalism. Sometimes Romanian blogs feed journalists with scoops, but their role is restricted to that. For example, the news of a car accident caused by the Minister of Transportation, Leonard Orban, in December 2007, was first broken by a blogger and then investigated by the traditional media.⁸⁷

4.2.4 Dissemination and Impact

The internet is very helpful for disseminating investigative journalism and journalistic stories in general. A simple search on Google of a headline from one of the Romanian newspapers produces results on dozens of websites. Much of the content from the established media is taken over by numerous online aggregators, many of them with a significant audience. By contrast, difficult topics are rarely covered on television except on lengthy talk-shows where they are discussed by moderators, their guests, and even reporters.

Journalists working for the public service broadcaster TVR are not provided with any legal assistance in cases of lawsuits in response to their investigations; rather, they have to cover their own legal expenses.⁸⁸ Dana Deac, the director of TVR's first channel has said:

News is being turned into fiction, and the news channels into channels broadcasting opinions. I believe that the owners of commercial television networks hold the moral copyright to a new scale of values. Ethical and social fairness have been replaced by a journalistic ethical standard according to which everything is allowed. The news producers exploit our curiosity, the will to participate in all scandals; they exploit our fears and maybe the kind of masochism that exists in the collective subconscious.⁸⁹

87. A. Novac, "Accidental lui Orban, dezvăluit prima dată de blogul Gramo" (Orban's accident, revealed for the first time on Gramo's blog), HotNews.ro, 18 December 2007, available at <http://www.hotnews.ro/stiri-2108524-accidental-lui-orban-dezvaluit-prima-data-blogul-gramo.htm> (accessed 20 July 2010).

88. Sources from SRTv who wanted to remain anonymous, interviewed by the authors of this report.

89. Deac, Questionnaire.

4.3 Social and Cultural Diversity

4.3.1 Sensitive Issues

The Roma minority issue is certainly the most sensitive problem related to cultural diversity. Representing roughly 2.4 percent of the population, according to official statistics, but in reality accounting for as much as 10 percent of the population,⁹⁰ the Roma are seen by the general public for the most part as socially disruptive and difficult to integrate. This perception has led to numerous racist outbursts on the internet, mainly in the unregulated amateur content production area. Forums and conversations below stories published by news websites also bristle with racist, violent remarks.

The protection of minorities' culture and language, the use of politically correct language, and non-discrimination in programming, and related responsibilities, all fall within the remit of the CNA, pursuant to the 2002 Audiovisual Law.⁹¹ According to this law, both public and private broadcasters are obliged to offer programs in minority languages in areas where such minorities represent over 20 percent of the population.

4.3.2 Coverage of Sensitive Issues

The coverage of sensitive issues in the traditional media has been relatively more balanced in recent years. However, the media still tend to take an overly negative and even racist stance in their coverage.⁹²

4.3.3 Space for Public Expression

The Romanian blogger VisUrat.ro a.k.a. Sebastian Bârgău was questioned by the National Anti-discrimination Council (*Consiliul Național pentru Combaterea Discriminării*, CNCD), following a post on his blog in November 2007 about the crimes committed in Italy by Romanian citizens of Roma ethnic origin.⁹³ Mr. Bârgău urged the Roma to go to the Italian Embassy in Romania and set themselves on fire: "all together, and call your relatives too."

The issue of hate speech on the internet made its way on to the public agenda in November 2006. At a meeting of state authorities, internet service providers (ISPs), and various representative voices of the Romanian internet, organized by ActiveWatch, one of the most influential mass-media NGOs in Romania, participants discussed the necessity of adopting legislation against hate speech and discrimination. However, the state authorities did not take legal steps to combat discrimination despite the commitment of various ISPs to prevent such speech through moderation of online posts.⁹⁴ Three years later, in September 2009, an

90. European Roma Rights Centre.

91. Audiovisual Law 504/2002, available at http://www.cdep.ro/pls/legis/legis_pck.htm_act_text?id=3698 (accessed 13 September 2010).

92. "Multiculturalismul eşuat: discriminarea romilor în mass media" (Failed multiculturalism: the discrimination of Roma in mass-media), available at http://www.observatorcultural.ro/Multiculturalismul-esuat-discriminarea-romilor-in-mass-media*articleID_20212-articles_details.html (accessed 13 September 2010).

93. "Italy accuses" (Italia acuză), Visurat.ro, 14 November 2007, available at <http://www.visurat.ro/2007/11/14/italia-acuza/> (accessed 20 July 2010).

94. AMP, "Report on the main discussions and conclusions of the roundtable *The freedom of speech vs. Racism in the online space*," Comanescu.ro, 17 November 2006, available (in Romanian) at <http://www.comanescu.ro/anti-discriminare-pe-net.html> (accessed 20 July 2010).

anti-discrimination campaign focussing on Roma issues run by the government, called Stop the Prejudices about the Roma (*Stop Prejudecăților despre Etnia Romă*, SPER), proposed a specialized code of ethics and a system of motivational rewards. Only a few blogs adopted it.

Notwithstanding these challenges, there are examples of websites that support the Roma minority. These include Divers.ro and Sper.org.ro.

For other minorities, the internet provides a place to meet and a space to express themselves. The lesbian, gay, bisexual and transgender (LGBT) community has several popular portals and forums, including Gayone.ro, Gayonline.ro, and Zonagay.info. Several members of these minority groups maintain blogs, such as Gayinromania.blogspot.com or Gay-romania.blogspot.com. By comparison, there are no traditional media outlets focussed on this community, which is rarely covered in the traditional media.

The internet is also a friendly medium for religious minorities. Roman Catholics can access websites about their community through such sites as Catholica.ro and Pastoratie.ro, while Greek Catholics have Greco-Catolica.org and Greco-Catolic.ro. Protestant churches have websites such as Lutheran.ro or Adventist.ro, while Muslims have Islamulazi.ro and Islam.ro.

Hungarians, the largest ethnic minority (comprising 6.6 percent of the population), have a significant profile on the internet.

4.4 Political Diversity

4.4.1 Elections and Political Coverage

Digitization has coincided with *de facto* relaxation of the rules for election coverage and election campaigns on the Romanian internet, rules which have been applied to the traditional media and political party campaigning. In June 2008, Pro Democrația, a prominent NGO that works on election monitoring, called for more regulation of electoral campaigning on the internet. In particular, it wanted the mandatory 48-hour pre-election silence to be extended to the internet, and for electoral campaign expenses on the internet to be disclosed.⁹⁵

During the parliamentary elections on 15 June 2008, at least two blogs posted partial exit polls before voting had ended, despite the explicit ban of such practices on any platform, in the Electoral Law (67/2004 revised). During the presidential elections on 6 December 2009, at least one blog published similar results under similar circumstances.⁹⁶

95. M. Dumitru, "The Influence of the Internet on Romanian Politics," draft PhD Thesis, the University of Bucharest, p. 139 (unpublished) (hereafter Dumitru, "The Influence of the Internet").

96. "Primele cifre de exit poll" (The first exit poll results), Sutu.ro, 6 December 2009, posted at 11.00 a.m. on the election day, 10 hours before the closure of the vote, available in Romanian at <http://sutu.ro/angoasa-politica/primele-cifre-de-exit-poll/> (accessed 14 August 2010).

Another breach of the Electoral Law on the internet involved the incumbent president, Traian Băsescu, who gave an interview to a website on the Saturday before polling day despite the ban on any sort of campaigning in the 48 hours preceding an election.⁹⁷

4.4.2 Digital Political Communications

Other than the examples presented in section 4.4.1, the internet allows politicians to communicate proactively via Web 2.0 platforms. Blogs and social networks such as Facebook and Twitter were used frequently by younger, less known candidates in the 2008 and 2009 elections. In November 2009, the busiest month in Romanian politics recently because of the presidential election campaign, 408 blogs were identified as written by politicians, of which 151 belonged to PSD-PC members, 129 to PDL members, and 99 to members of the PNL.⁹⁸

A major trend in the new political communication scene is that politicians abandon their blogs after the elections. Only about 25 percent of the 408 blogs were still regularly updated in February 2010.

The fact that young politicians find the internet particularly congenial is also apparent in their use of social networks. Remus Cernea, who contested the presidential elections in 2009 for the Ecologist Party and had no chance of winning, gathered 3,540 friends on Facebook. In contrast, Mr. Băsescu, Mircea Geoană, and Mr. Antonescu, the three main candidates for presidency in those same elections, had only between 1,500 and 2,000 friends each on Facebook.⁹⁹

Other than these examples, the internet has not been favored for political communication. All major studies concerning the profile of the majority of voters have found that those who vote are usually older people with lower incomes, living in small towns or poor, rural areas. Internet users, particularly Web 2.0 savvies, have an entirely different profile.

4.5 Assessments

In addition to providing rich and well-organized background information, digitization has transformed journalists' work in terms of their access to new sources of information. It had a negative impact on the quality of reporting. Journalists seldom go for the news: they prefer to have the information coming to them through emails, RSS feeds, press agency software, mobile phones, all-news television stations, and so forth. The selection of relevant information has become more valued than in-depth investigations.

97. "Exclusiv: Traian Băsescu i-a oferit un interviu lui Andrei Gheorghe, pentru presa.nu" (Exclusive: Traian Băsescu gave an interview to Andrei Gheorghe for [the website] presa.nu), 22 November 2009, available at <http://presa.nu/politica-interna/exclusiv-traian-basescu-i-a-oferit-un-interviu-lui-andrei-gheorghe-pentru-presa.nu-53.html> (accessed 14 August 2010).

98. Dumitru, "The Influence of the Internet," p. 167.

99. M. Dumitru, "Campaniile online ale principalilor candidați" (The online campaigns of the main candidates), Presa.nu, 17 November 2009, available (in Romanian) at <http://presa.nu/politica-interna/campaniile-online-ale-principalilor-candidati-41.html> (accessed 14 August 2010).

The internet is both a suitable environment for various types of niche content, and also a place where racist ideology or other non-democratic ideologies can flourish. The .ro internet provides a place where the gay community can interact but at the same time an echo-chamber for racist opinion about Roma. Political diversity, election coverage, and other similar issues can benefit from digitization. Some of the almost 20,000 active Romanian blogs can be considered as “natural antibodies of democracy,”¹⁰⁰ able to promptly react to the decisions and positions of political actors. However, the internet can also be used as a means of deception for political propaganda, and this has happened during recent elections. Untrue stories about politicians were spread on the internet, presented as scoops, which led media outlets to pick them up.

100. I. Comănescu, *Cum să devii un Nimeni*, pp. 146–149.

5. Digital Media and Technology

5.1 Spectrum

5.1.1 Spectrum Allocation Policy

At the time of Romania's accession to the EU in 2007, the Audiovisual Law was considered generally in line with EU requirements, but additional changes to accommodate digital switch-over in broadcasting were needed. As a result, the Law has been amended five times since 2007, with a total of eight major amendments. In mid-2006, a working group including representatives of CNA, the General Inspectorate of Communications and Information Technology (*Inspectoratul pentru Comunicații și Tehnologia Informației*, IGCTI, which later became ANCOM), broadcasters, and a few media NGOs drafted a bill to modify the Audiovisual Law in anticipation of digitization. In spring 2007, the bill was passed by the Chamber of Deputies, the lower house of Parliament, but in autumn 2007, it was rejected by the Senate, apparently because the amendments did not include the provisions on the procedure for appointing the members of the regulator.

In December 2007, the EU adopted the Audiovisual Media Services Directive,¹⁰¹ which needed to be integrated into the national legislation of EU member states within two years. In January 2008, the CNA and the Romanian Association for Audiovisual Communications (*Asociația Română de Comunicații Audiovizuale*, ARCA), the broadcast industry's main body, started a new process of drafting a set of amendments to the Audiovisual Law to comply with that Directive. The CNA launched public debates on the bill. It then sent the bill to the Ministry of Culture, which adopted it with some changes and opened further public consultations in spring 2008. In October 2008, the Ministry of Culture updated the bill, taking into account the suggestions of the Ministry of Justice and those of the Competition Council (*Consiliul Concurenței*), the country's antitrust watchdog.

Ioana Avădani, the director of the CJI, who closely monitors the legal process on digitization, had been stressing even since 2006 that time was short and that regulation on digitization needed to be adopted. Although a series of legal provisions were adopted, the implementation has been delayed indefinitely.

101. Directive 2007/65/EC of the European Parliament and of the Council amending Council Directive 89/552/EEC on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the pursuit of television broadcasting activities, *Official Journal of the European Union*, L332/27, 18 December 2007.

The newly adopted regulations, entitled the Government Emergency Ordinance 181/2008, as approved by Law 333/2009,¹⁰² introduced a number of provisions in line with the EC Directive, including a legal framework for the digitization of broadcasting, a definition of on-demand audiovisual services as non-linear audiovisual media services, and recognition of two types of broadcasting licenses: a technical authorization for using the spectrum granted by ANCOM, and an audiovisual license for content distribution issued by the CNA.¹⁰³

Digital radio switch-over has been mentioned as an issue that the government needs to look into through the Convergence Program, a policy document which must be agreed with the European Commission. No public debate on this issue has been started to date, however. Rather, the focus of regulation on digitization has been limited to television.¹⁰⁴

Four years after the first regulatory initiatives on digitization, the switch-over process has not really started, though some progress has been made at the regulatory level, as just shown. At the end of year 2009 the Government adopted a strategy on digitization,¹⁰⁵ which initially set 1 January 2012 as the switch-off date. This deadline was later extended to 17 June 2015 as the switch-off date for 90 percent of households and established a technical framework for this process. According to the strategy, ANCOM needed to grant licenses for the first two digital multiplexes before the end of 2010.

ANCOM started the tender to select the multiplex operators in mid-2010 and, following some delays, the operators of the multiplexes were to be announced in two rounds, the first on 18 October 2010 and the second on 28 October 2010. The tenders were eventually canceled. Seven companies bought the tender documentation: RCS&RDS, Romtelecom, TDF (Telediffusion de France), SNR Radiocom, Media Sat, Osterreichische Rundfunksender (ORS), and General Satellite Sofia. According to Government Decision No. 464/2010, multiplex operators must pay a fee of between €1 million and €2.5 million for operating a multiplex, depending on the number of subsidized television sets.¹⁰⁶

On 27 August 2010, the government postponed analog switch-off by three years to 17 June 2015, as noted above. The government justified this decision by asserting that Romania's socio-economic situation makes switch-over particularly difficult. The government argued that the EU's 2012 deadline for the switch-off is not mandatory. Romania's only international obligation is related to the final act of the Regional Radio-

102. Emergency Government Ordinance no. 181/2008, *Monitorul Oficial* 809, 3 December 2008, as approved through Law 333/2009, *Monitorul Oficial* 790, 19 November 2009. Law 504/2002 had been previously amended through Law 364/2007, *Monitorul Oficial* 898, 28 December 2007, Law 116/2008, *Monitorul Oficial* 384, 21 May 2008.

103. Audiovisual Law 504/2002.

104. Government Convergence Program 2009–2012, available at http://discutii.mfinante.ro/static/10/Mfp/pdc/Programconvergenta_ro.pdf (accessed 3 September 2010).

105. Government Decision no. 1213/2009 on the strategy for the transition from analog to digital TV, *Monitorul Oficial* 721, 26 October 2009, as modified through Decision no. 464/2010, *Monitorul Oficial* 357, 31 May 2010.

106. Justification Note of the Government Decision no. 464/2010, available at <http://www.gov.ro/upload/articles/109288/nf-hg-464-2010.pdf> (accessed 31 August 2010).

Communications Conference in Geneva in 2006, which set 17 June 2015 as the shut-down date for analog terrestrial broadcasting in Europe. The real explanation for this postponement is that the government wants to leave this complicated process for the next government to deal with, or it has yielded to pressure from the analog cable operators that see the digital terrestrial platforms as a new source of competition.

The allocation of the digital dividend is going to be decided after actual implementation of the switch-over process. Based on existing European and national legislation, a tender process will most likely be used to determine who will be awarded spectrum.¹⁰⁷

5.1.2 Transparency

Given these developments, it is too early to say whether the allocation of spectrum is likely to favor any entity during the licensing process or whether this has been done in a transparent, impartial way.

5.1.3 Competition for Spectrum

As the spectrum allocation process for digital terrestrial television is only beginning, it is too early to assess whether broadcast and multiplex operators have tried, or will try, to reduce spectrum availability for their rivals. According to CNA chair Răsvan Popescu, the holders of analog broadcast licenses need to analyze the current costs of the analog transmission of their programs and to compare them with the fees they are going to pay to multiplex operators. Alin Petran, director of Realitatea TV broadcast network, admitted that the media group he works with has not been prepared to bid for a space on digital multiplexes as it seems extraordinarily expensive.¹⁰⁸ According to Laurențiu Stan, technical manager with Antena1 television, broadcasters are interested in building their own digital terrestrial broadcast networks, but the investment required is extremely high.¹⁰⁹

5.2 Digital Gatekeeping

5.2.1 Technical Standards

No broad public debate on technical standards in digital broadcasting has been held or initiated by the state authorities.

107. Cătălin Marinescu, chair of ANCOM, interview, August 2010 (hereafter, Marinescu, interview).

108. A. Vasilache, "Austriecii de la ORS iau in calcul investiții de pînă la 200 milioane euro pentru a emite televiziune digitală terestră în România" (The Austrians from ORS look at investments of €200 million in digital terrestrial television in Romania), HotNews.ro, 7 December 2009, available at <http://economie.hotnews.ro/stiri-telecom-6691080-austriecii-ors-iau-calcul-investitii-pana-200-milioane-euro-pentru-emite-televiziune-digitala-terestra-romania.htm> (accessed 6 December 2010).

109. A. Văduva, "Românii amână digitalizarea TV" (Romanians postpone TV digitization), *Jurnalul Național*, 11 March 2008, available at <http://www.jurnalul.ro/stire-arte/romanii-amana-digitalizarea-tv-119215.html> (accessed 3 September 2010).

The Government Strategy of 30 August 2010¹¹⁰ refers to the norms endorsed by the ITU (International Telecommunication Union) and the European Union, stating that Digital Video Broadcasting–Terrestrial (DVB-T) and Digital Video Broadcasting–Handheld (DVB-H) standards should be implemented. A total of six digital multiplexes are planned to operate in the standard DVB-T.¹¹¹ Terrestrial digital transmission, according to the same strategy, should use the standard Moving Picture Experts Group (MPEG)2 or MPEG4, which is the same used for the digital transmission via satellite (DVB-S) and also through cable networks.¹¹² In the first two tenders to select digital multiplex operators, which in the end were canceled, ANCOM required as part of the tender conditions proposals of channels based on the DVB-T and MPEG4 standards, following consultations with broadcasters.

5.2.2 Gatekeepers

Because digitization has not begun, there are no operational gatekeepers (such as multiplex operators) in the digital broadcasting chain. The majority of people do not have any idea about this whole process. The government did not release any new schedule of plans for licensing digital multiplexes.

5.2.3 Transmission Networks

Dominated by a few players, the signal distribution market has not seemed to react to the EU technical recommendations on digital broadcasting. This is because they have sufficient benefits from the current status quo, where signal operators receive fees from broadcasters, which in turn receive payments from cable companies. This system of fee and payments does not work in a transparent way. (See *section 5.3.1*.) The state-owned SNR Radiocom is the country's sole transmission company.

5.3 Telecommunications

5.3.1 Telecoms and News

Cable operators are the main news carriers in Romania, ahead of analog terrestrial broadcasting, which has steadily decreased, and DTH, whose take-up has been increasing. One way or another, Romanians have technical access to news content. The news offer, however, is limited to about seven main generalist television channels (TVR1, TVR2, Pro TV, Antena1, Prima TV, B1TV, and Național TV), and two all-news channels (Realitatea TV and Antena3). Niche news channels offering good-quality news and solid reporting are still missing in a landscape dominated by infotainment, populism, manipulation, and self-censorship.¹¹³

110. ANCOM, "Strategie [...] privind tranziția de la televiziunea analogică terestră la cea digitală terestră [...]" (Strategy concerning the digital switch-over", 9 October 2009 (hereafter, ANCOM, Strategy), p. 1, available at http://www.anrcti.ro/Portals/57ad7180-c5e7-49f5-b282-c6475cdb7ee7/STRATEGIE_H%20G%20_%201213_2009_FORMA%20CONSOLIDATA_30%2008%202010.pdf (accessed 4 December 2010).

111. ANCOM, Strategy, p. 7.

112. ANCOM, Strategy, p. 5.

113. Comment during informal roundtable discussing the Romania Mapping Digital Media report, Bucharest, 27 October 2010.

According to the must-carry rule, all cable and DTH operators must include the channels of the public service SRTV aired in Romania (TVR1, TVR2, TVR3, TV Romania Cultural, TVR Info and SRTV's regional channels,¹¹⁴ and a set of channels run by the largest (by audience) private broadcasters. The operators are not allowed to demand any fees under the must-carry rule. The channels aired by cable and DTH providers according to the must-carry rule should not exceed 25 percent of the total number of channels distributed by a cable or DTH operator.¹¹⁵ In May 2010, the private broadcasters carried mandatorily by cable and DTH operators were the generalist stations Pro TV, Antena 1, Kanal D, Prima TV and Național TV, the all-news channels Realitatea TV, N24 Plus and Antena 3, the tabloid channel OTV, and the music channels Taraf TV, Favorit TV, and Kiss TV.¹¹⁶ Cable and DTH operators are also obliged by the law to include at least two regional and two local channels (chosen, again, by audience share) in the packages that they sell in the regions, where such channels exist.¹¹⁷

The must-carry regulations have stirred a heated debate in the media sector. Cable and DTH operators have been lobbying for these obligations to be reduced, while broadcasters have fought to maintain them. George Chiriță, executive director of ARCA, argues that because access to free-to-air television is now so low due to the limited technical reach, must-carry obligations should be guaranteed by law.¹¹⁸ On the other hand, critics of the must-carry regulations say that they are a venue for dissemination of low-brow channels. One such example is Taraf TV, a channel airing exclusively *manele*, a genre of music created by and for uneducated people. The songs have overly simplistic or childish lyrics, grammatically incorrect, encouraging demeaning behavior toward other people. In 2010, the CNA initiated a bill to redefine the must-carry package of TV stations.

CNA chair Răsvan Popescu argues that must-carry rules should be enforced because without such rules, local municipalities and mayors can dictate which channels cable and DTH providers should transmit. In many towns, there is only one cable or DTH provider.¹¹⁹

One major problem with the telecoms market is the full confidentiality of the fees paid by cable operators to broadcasters. The lack of transparency over funding in the media industry is seriously detrimental to understanding the degree of market concentration. Not yet a player in the news market, the dominant fixed-line operator Romtelecom, formerly the monopolist state telecoms company, became a television player in August 2010 through the launch of the sports channel Dolce Sport. This brings fresh competition to the channel Digi Sport, owned by the cable and telecoms operator RCS & RDS, which is tipped to receive a

114. TVR3 and TVR Info have low audience. The Chamber of Deputy passed on 6 November 2010 a bill to close these channels down. The Senate, the upper chamber of Parliament, is to vote on this bill in the upcoming months.

115. Audiovisual Law 504/2002, art 82 (1).

116. CNA website, *Topul stațiilor TV în vederea aplicării principiului must-carry* (Ranking of TV channels to which the must-carry rule applies), 12 May 2010, available at <http://www.cna.ro/Topul-sta-iilor-TV.html> (accessed 4 December 2010).

117. Audiovisual Law 504/2002, art 82 (2).

118. George Chiriță, consultations with industry and NGOs, held by the Committee for Culture, Arts, Mass Information Means of the Chamber of Deputies, Parliament House (hereafter, NGO 2010 consultations), Bucharest, 24 November 2010.

119. Răsvan Popescu, chairman of the CNA, NGO 2010 consultations.

license to launch the generalist station 10TV and the all-news station Digi News. 10TV is reportedly hiring well-known journalists from competing television stations.¹²⁰ Cristina Trepcea, a member of the CNA, has said that cable operators are “a state within a state,” controlling local markets almost without competition.¹²¹

In September 2010, Romtelecom requested three new broadcast licenses from the CNA: a second license for a sports channel and two for movie channels. There are no legal provisions against cross-ownership in the media. (See *section 6.1.1.*)

5.3.2 Pressure of Telecoms on News Providers

If a resident in Bucharest’s Militari district wants to watch JimJam, a cartoon channel broadcasting educational movies for children (mostly BBC productions), they have to either move house or install a DTH dish. This is an illustrative example of the lack of options Romanian viewers have over platforms. In some areas, viewers have the rare option to switch to Romtelecom’s cable services.

Strictly speaking, all large cable companies carry the main existing news television channels. However, experience has shown that newcomers in the news segment are not able to strike a deal with cable providers to enter their platforms, mainly because cable operators are favoring their existing clients. Existing broadcasters therefore have more chances to convince cable operators to put their new channels on cable packages.

According to the public records of the Competition Council, there is neither a dominant position nor a monopoly in the telecoms and cable market. In reality, viewers are offered only the choice of a single cable provider, as these operators have divided up their areas. Digitization of broadcasting is expected to break the oligopolistic (if not monopolistic) behavior of cable operators as it offers the technical capacity for new entrants. However, fears that new oligopolies may get hold of this new market are high. (See *section 6.1.4.*)

5.4 Assessments

The major broadcasters in the market today were awarded their licenses by the CNA during the first decade of the post-communist period, mostly in the early 1990s. At that time, the CNA was a highly politicized institution. Accusations of blatant bias in awarding broadcast licenses were constant for that period. As no private television network was awarded a nationwide license to operate terrestrially, broadcasters had to apply for many local licenses with the aim of linking these stations into a nationwide network. This is the case for all major nationwide players, Pro TV and all its daughter channels, Antena1, Realitatea TV, B1 TV, etc.). Moreover, cable penetration was low in the early 1990s. This led to a situation where for many years only the public service broadcaster SRTV enjoyed a nationwide footprint. At the same time, for years governments have not allowed unused frequencies to be made available in their attempt to restrict new entrants, possibly

120. Mediafax, 16 November 2010.

121. Cristina Trepcea, member of the CNA, NGO 2010 consultations.

dissenting voices, in the market. When they did start to grant these licenses, it was too late: the market was already split between a few major groups.

The government digitization strategy highlights the major role that public debates should have during the switch-over process. According to this strategy, any tender during the digitization process must be preceded by a public campaign aimed at explaining to the public what switch-over entails. However, no such campaign was organized before the launch of the tender to select the first two multiplex operators in July 2010, and the government did not consider this failure as a reason for postponing the switch-off date.

When the regulation was being drafted, the CNA had consultations with the media industry and several media NGOs. However, there are still issues that need to be publicly discussed, including, among others, tender procedures, guarantees on the functionality of the technical infrastructure for digital broadcasting, and the cost of building this infrastructure. On its website, ANCOM has opened for public consultation the documents concerning regulatory issues in the digital transition process, such as the procedures for granting licenses to digital multiplexes.¹²² Popescu, chair of the CNA, claims that Parliament is responsible for supporting the CNA and ANCOM in organizing public debates. There are no other viewpoints or clarity on which would be the right institution to take the lead.

122. Marinescu, interview.

6. Digital Business

6.1 Ownership

6.1.1 Legal Developments in Media Ownership

The authorities in charge of media policy coordination are the Ministry of Culture and National Heritage (*Ministerul Culturii și Patrimoniului Național*), which initiates and implements the policies adopted by the government or Parliament, and the CNA, which is the secondary regulator for the broadcast sector. The CNA issues decisions and norms and monitors compliance with legal provisions in broadcasting. The main law governing ownership in broadcasting is the 2002 Audiovisual Law. The anti-concentration provisions affecting the print media and the internet can be found in the Competition Law.¹²³

Concentration of ownership in broadcasting is measured by the broadcasters' audience shares. Law 333 amending the 2002 Audiovisual Law relaxed various limitations on ownership concentration that had been imposed on broadcast license holders.¹²⁴ In the past, a majority shareholder in one media outlet could acquire no more than 20 percent in another media outlet. This encouraged some media companies to hide their ownership structures in their attempt to bypass these limitations. For example, they transferred their stakes to other people or to offshore companies while in reality these other parties were affiliated with them. For example, Realitatea Media Group, which runs the all-news television station Realitatea, is owned by a Cyprus-registered company, but the real owner is not known.¹²⁵ Mr. Vîntu admitted in 2006 that he had controlled Realitatea TV station for two years.

Currently, according to the Audiovisual Law, in light of continuing digitization, the dominant position has been redefined as follows: an entity, individual or company shall be deemed to hold a dominant position in shaping public opinion if its average share of the media market exceeds 30 percent.¹²⁶ The CNA must notify

123. Competition Law 21/1996, *Monitorul Oficial* 88, 30 April 1996.

124. Law 333/1990 amending the Audiovisual Law, *Monitorul Oficial* 790, 19 November 2009.

125. Information from the CNA.

126. Audiovisual Law 504/2002, art. 44 (1–6).

the Competition Council and possibly other competent authorities with regard to the abuse of a dominant position or in the case of economic concentrations. The law defines market shares as national and local, separately for television and radio. The particular market share is calculated by adding up all the stakes a certain player has in the licensed outlets in the media market where it operates. Stakes that are over 20 percent are counted.¹²⁷ These provisions cover only content producers that hold broadcast licenses. There are no anti-concentration provisions with respect to signal transmitters other than those in the Competition Law.

There is no nationwide license for commercial television; all major stations operate by accumulating local licenses. In the commercial radio sector, only Europa FM and Info Pro hold nationwide licenses.

Overall, the regulatory framework for media ownership is still rudimentary. It contains no reference to cross-ownership concentration. That means that a signal transmitter or telecoms operator, for example, would be able to hold an audiovisual license and become a broadcaster. This would be problematic if it led to a situation where signal transmitters transmitted signals from competing broadcasters. Similar conflicts of interest could appear in cases of cross-ownership between media buyers and broadcasters. Such precedents already exist in Romania. There are cases of cable operators, which are signal transmitters, receiving broadcast licenses on local markets, or of advertising companies owning publications, usually targeting niche audiences. For example, RCS-RDS, the leading carrier, has this year launched the sports channels Digi Sport and Digi Sport+ and even has plans to launch a mainstream television station and an all-news television.¹²⁸ Romtelecom launched Dolce Sport in September 2010.

6.1.2 New Entrants in the News Market

Since 2004, when the PSD lost power to the reformist DA alliance and Mr. Băsescu became president of Romania for the first time, the media market has undergone a process of accelerated concentration, mainly as a result of heavy investments by the two major Romanian tycoons, Mr. Vîntu and Mr. Patriciu. However, media ownership began to fragment again in 2009. Mr. Vîntu closed down or gave away to his managers some of his media assets, and the Păunescu brothers acquired the high-quality daily paper *Evenimentul Zilei* and the business weekly *Capital* from Ringier Romania.

127. Audiovisual Law 504/2002, art. 44(3).

128. Costin Ionescu, "Analiză: Planurile RCS&RDS de a deschide o televiziune de știri și una generalistă în contextual pieței TV" (Analysis: The plans of RCS&RDS to launch a news TV station and a generalist TV station in the context of the TV market), HotNews.ro, 12 November 2010, available at http://economie.hotnews.ro/stiri-media_publicitate-8028318-analiza-planurile-rcs-rds-deschide-televiziune-stiri-una-generalista-contextul-pietei.htm (accessed 14 November 2010).

The “Big Five” on the Romanian media market

The media market has been divided among five large players, with operations in most of the media segments. There are several other major players in specialized media segments. The “Big 5” owners are as follows.

- Central European Media Enterprises (CME), a U.S. media conglomerate co-owned by the US billionaire Ronald S. Lauder and the U.S. media company Time-Warner. CME owns Pro TV, which has been the leader of the television market in Romania in terms of audience for more than a decade. Today, CME owns the full stake in the local company Pro TV, which holds licenses for the television channels Pro TV, Acasă TV, Pro Cinema, Sport.ro, MTV Romania, and Pro TV International. In addition it owns, through Media Pro International, the licenses for the pop music radio channel Pro FM and the nationwide infotainment radio channel Info Pro. Through Media Pro Entertainment, which was set up on 1 January 2010 by merging some of its own companies in Romania, CME owns Romanian cinema multiplexes with a total of 16 cinema screens. CME also owns a DVD and Blu-Ray distribution business covering Romania and Hungary.¹²⁹ CME CEO Mr. Sârbu, who sold his stake in Pro TV two years ago, now only owns some print media, internet operations, and the news agency Mediafax, which were all consolidated in summer 2010 into the Mediafax Group.¹³⁰ Pressed by declining revenues during the economic crisis, CME sold 31 percent of its shares for US\$241.5 million to Time-Warner in May 2009.¹³¹
- Intact Media Group, comprising Antena1, Antena2, Antena3, Euforia Lifestyle TV, the sports channel GSP TV and Antena International, is majority-owned by the Voiculescu family. Dan Voiculescu is a Romanian politician and businessman who also founded the daily newspaper *Jurnalul Național* and the business weekly *Săptămâna Financiară*. Voiculescu has traditionally been a partner of the PSD. After a short-lived alliance with the liberal democrat DA alliance, Mr. Voiculescu turned against them and against President Băsescu.

129. CME, “Quarterly Report for the Quarterly Period Ended 30 June 2010”, as filed with the SEC, 28 July 2010, p. 11, available at <http://www.sec.gov/Archives/edgar/data/925645/000114036110030517/form10-q.htm> (accessed 30 September 2010).

130. S. Mistreanu, “S-a înființat Mediafax Group, compania umbrelă a Publimedia, Mediafax și Apropo Media” (Mediafax Group was set up, an umbrella company of Publimedia, Mediafax and Apropo Media,” Wall-Street.ro, 3 August 2010, available at <http://www.wall-street.ro/articol/Marketing-PR/90313/S-a-infintat-Mediafax-Group-compania-umbrela-a-Publimedia-Mediafax-si-Apropo-Media.html> (accessed 17 August 2010).

131. I. Comănescu, “Time Warner a dat banii la CME, Adrian Sârbu se comsolidează în fruntea grupului prin voturile lui Ronald Lauder” (Time-Warner paid for CME shares, Adrian Sârbu consolidates his top management position through Ronald Lauder’s votes,” 18 May 2009, available at <http://www.comanescu.ro/time-warner-a-dat-banii-la-cme-adrian-sarbu-se-consolideaza-in-fruntea-grupului-prin-voturile-lui-ronald-lauder.html> (accessed 17 August 2010).

- Realitatea-Cașavencu is allegedly owned by the children of the controversial Mr. Vîntu. (See section 6.1.1.) After a series of investments in and then exits from the media in the 1990s, Vîntu re-entered the media market in mid-2004. He took over the all-news Realitatea TV in 2004 and in May 2006 the Academia Cașavencu group,¹³² which owned among others the popular satirical magazine *Academia Cașavencu* and the daily newspaper *Cotidianul*. At its peak, Realitatea-Cașavencu owned some 20 outlets across all the media market segments. However, the group was the most affected by the economic crisis, prompting its management to cut costs in most outlets during 2009. At least one of its outlets has, in the meantime, filed for insolvency.
- Adevărul Holding is controlled by Dinu Patriciu, who entered the media in 2005 by investing in various cultural magazines, including *Dilema*. Possibly the richest Romanian, Patriciu took over the daily newspaper *Adevărul* in June 2006. He re-launched *Aveea* as a tabloid under the title *Click!* in March 2007. Both *Adevărul* and *Click!* have impressive sold circulations. *Click!* is the bestselling daily, with an average daily circulation of over 252,000 sold copies (March 2010).¹³³ This circulation was achieved through aggressive marketing. After the takeover of various print publications, Adevărul Holding started developing or revamping its internet operations.
- Ringier Romania, a Swiss media group, has expanded since 1998–1999 in several major print media segments. It owns the tabloid daily *Libertatea*, the monthly women’s glossy magazine *Unica*, the television guide *TV mania*, and the mass women’s magazine *Lumea femeilor*. In 2010 the group sold the top-quality daily newspaper *Evenimentul Zilei* and the weekly *Capital*. Ringier traditionally focusses on print media, with a strong emphasis on profit.

In addition to these large media groups, a number of niche publishers operate successfully. Both Sanoma Romania and Edipresse, a joint venture of Edipresse and Axel Springer, successfully publish more than a dozen magazine titles each. German ProSiebenSat.1 runs two television stations, Prima TV and Kiss TV, and two radio stations, Kiss FM and Magic FM. Dan Adamescu, an entrepreneur who has invested in many other sectors, bought 100 percent of the daily newspaper *România liberă* in August 2010. The French company Lagardère owns the sole private nationwide radio network in Romania, Europa FM.

Some independent digital players, such as HotNews.ro, Netbridge, and Internet Corp, hold significant shares of the internet market even though the established publications have been steadily expanding their online presence since 2004–2005. According to the National Registry of Commerce, HotNews.ro is co-owned by a group of individuals, including journalists. In November 2009, the investment fund 3TS Cisco Growth took over 25 percent of Internet Corp, which runs several independent websites such as Wall-street.ro and Kudika.

132. “Realitatea-Cașavencu,” MediaPedia.ro, available at http://mediapedia.ro/wiki/index.php/Grupul_Realitatea-Ca%C5%A3avencu (accessed 17 August 2010), hereafter “Realitatea-Cașavencu,” MediaPedia.ro.

133. BRAT, data available at <http://brat.ro/index.php?page=publications&id=713&index=0> (accessed 17 August 2010).

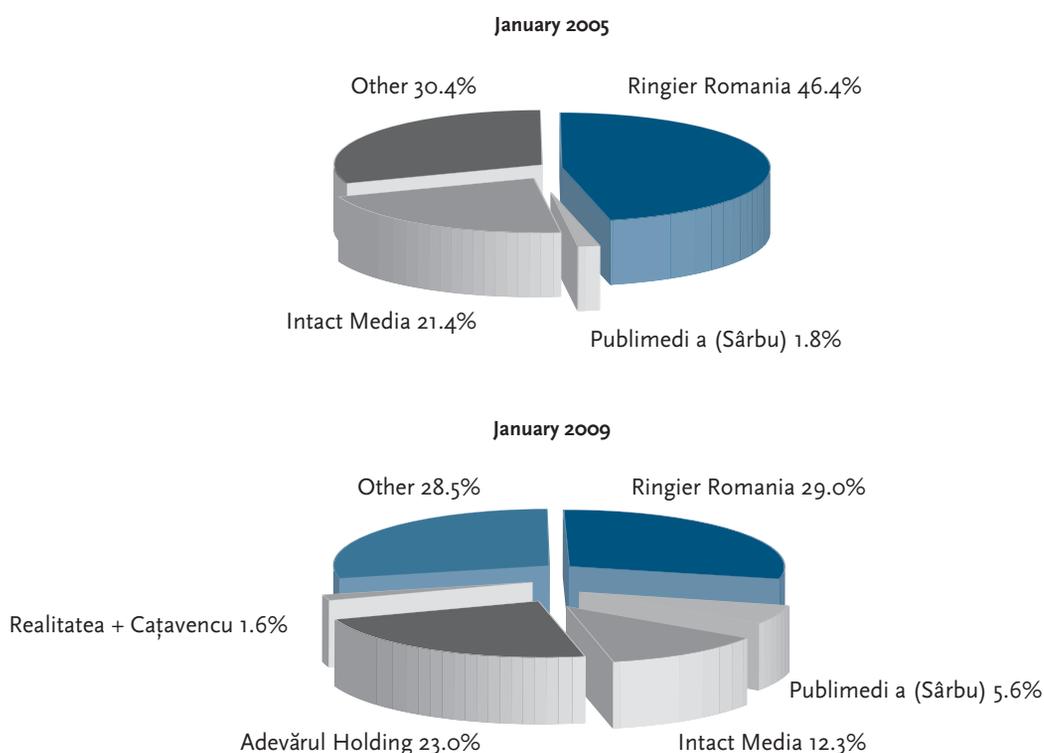
ro. Internet Corp's founders Liviu Dumitraşcu, Daniel Tătaru, and Mihai Seceleanu kept the rest of the shares. Broadhurst Investments, registered in Cyprus and represented by Andrei Siminel, owns Netbridge, which operates the news websites ziare.com and Bloomberg.ro, as well as the internet traffic monitor Trafic.ro.

6.1.3 Ownership Consolidation

Since 2005, the most influential investors in the media market have been the controversial businessmen Patriciu and Vîntu. Although their involvement has had a negative impact on media pluralism and diversity, some positive impact should also be noted in terms of group synergies, long-term business plans, and so on. By all measurements, among the 11 titles audited in Romania by BRAT in 2005, only six were owned by one of the Big Five owners. In January 2009, 10 out of 17 audited titles were property of one of the Big Five (see section 6.1.2).

Figure 10.

Market shares of the main print media owners by distributed circulation



Source: BRAT data.

Vîntu's Realitatea-Caşavencu and Patriciu's Adevarul Holding were not present in the market in 2005. At the time, Sârbu's Publimedia controlled only the business daily, *Ziarul Financiar*. In 2009, Sârbu bought *Pro Sport* from Ringier. In 2010, Vîntu's group owned the dailies *Business Standard* and *Cotidianul*, Patriciu took over the daily *Adevarul*, and re-launched *Averea* as *Click!*. The new investors appear to have taken some of the shares of Ringier Romania and Intact Media Group.

The same trend can be noticed in television and the internet. Most of the traditional media owned by large groups started their own internet operations in the early 2000s. Their online presence has increased since 2005. GSP.ro, the website of the bestselling sports daily *Gazeta Sporturilor*, invested not only in its website, but also in 2006 in various spinoff websites that serve various communities of fans, such as Dinamovisti.ro, Stelisti.ro, and Violamania.ro.¹³⁴ In September 2008, Pro TV launched Stirileprotv.ro, a news website independent of the television mother website protv.ro.¹³⁵ On 1 September 2008, Realitatea-Cașavencu announced an intention to set up a new company in charge of the group's online business.¹³⁶ In November 2009, Adevarul.ro was also revamped substantially.¹³⁷ The list of online launches and re-launches is too long to warrant inclusion here.

The evolution of the television market is characterized by both ownership concentration and audience fragmentation. CME, Intact Media Group and Realitatea-Cașavencu have been active since 2005 in launching new stations. Antena1, Intact Media Group's flagship television station, was followed by new stations such as the all-news Antena3 station in the summer of 2005, the women-oriented Euforia Lifestyle TV in 2006, and the talk-show station Antena2 in 2007. CME took over MTV Romania and re-launched TV Sport as Sport.ro in 2007. Realitatea-Cașavencu launched the business Money Channel in May 2006,¹³⁸ and purchased a 49 percent share in the women-focused channel Romantica in 2007.

In the second half of 2009, however, the economic crisis began to take its toll on some media businesses. The most affected has been Realitatea-Cașavencu, which has reported financial losses every year since 2006. While the first years of losses can be regarded as part of a normal investment strategy, what happened to Realitatea-Cașavencu after 2008 cannot be considered as startup problems or anything similar. Family Vîntu's media group started to shed some of its assets, such as the participation in Romantica TV in July 2009,¹³⁹ the *Cotidianul* daily newspaper, which stopped its print edition on 1 January 2010,¹⁴⁰ and other niche publications for children, fishermen, and women. At the end of October 2010, Realitatea-Cașavencu signed a management contract with Sebastian Ghiță, a Romanian businessman with a fortune to the tune of €200 million–€300 million, owner of the IT firm Asesoft.¹⁴¹ The deal was looked upon with suspicion by some

134. Interview with Gusti Roman, "Mai avem în plan trei site-uri anul ăsta" (We plan to launch three more websites this year), 1 September 2006, available at <http://www.comanescu.ro/ymterviu-003-gusti-roman-mai-avem-in-plan-trei-site-uri-anul-asta.html> (accessed 2 August 2010).

135. Acasatv.ro, "Un an de recorduri pentru www.stirileprotv.ro, liderul site-urilor de știri!" (A record year for www.stirileprotv.ro, the leading news website!), 15 September 2009, available at <http://www.acasatv.ro/vedete/un-an-de-recorduri-pentru-www-stirileprotv-ro-liderul-site-urilor-de-stiri.html> (accessed August 2010).

136. "Realitatea-Cașavencu," MediaPedia.ro.

137. "Adevarul.ro nou beta" (New Adevarul.ro/beta), Comanescu.ro, 22 November 2009, available at <http://www.comanescu.ro/adevarul-ro-nou-beta.html> (accessed 2 August 2010).

138. I. Toma, "Money Channel deschide televiziunea de business" (Money Channel launches business television), AdPlayers.ro, available at <http://www.adplayers.ro/articol/-11/The-Money-Channel-deschide-televiziunea-de-business-636.html> (accessed 2 August 2010).

139. "Realitatea TV renunță la postul Romantica" (Realitatea TV gives up Romantica), Mediafax.ro, 8 July 2009, available at <http://www.mediafax.ro/cultura-media/realitatea-catavencu-renunta-la-postul-romantica-4625169> (accessed 2 August 2010).

140. "Ziarul Cotidianul se închide. Nistorescu și-a anunțat demisia" (*Cotidianul* closes, Nistorescu resigned), Capital.ro, 21 December 2009, available at <http://www.capital.ro/articol/ziarul-cotidianul-se-inchide-nistorescu-si-a-anuntat-demisia-129645.html> (accessed 2 August 2010).

141. Mediafax.ro, "Sebastian Ghiță: Asesoft va prelua 80% din profitul Realitatea Media" (Sebastian Ghiță: Asesoft will pull in 80 percent of Realitatea Media profit), Mediafax, 25 October 2010, available at <http://www.mediafax.ro/cultura-media/sebastian-ghita-asesoft-va-prelua-80-din-profitul-realitatea-media-7555764> (accessed 14 November 2010).

commentators because Mr. Ghiță is to receive 80 percent of the profit of Realitatea Media over the next five years in exchange for an investment of €75 million. Asesoft pledged to make into the group. Realitatea Media has not shown a profit since its takeover by the Vîntu family.

In February 2010, Ringier sold the daily newspaper *Evenimentul Zilei* and the weekly *Capital* to the Păunescu brothers, who already owned several media outlets, including the B1 television station and the daily paper *Curierul național*.¹⁴²

The crisis has prompted CME, over the past two years, to lay off 300 of its employees (representing 10 percent of the total group staff), of which most were journalists with CME's local newspapers and Pro TV's local stations.¹⁴³

Studies in 2008 indicated a tendency of growing concentration of media ownership in Romania.¹⁴⁴ All-news television channels, sometimes in partnership with other newspapers and websites belonging to the same group, have an increasingly large influence in the public space, not necessarily through their economic power, but rather by monopolizing the public agenda. They sometimes launch irrelevant topics, a means perceived by some media analysts as a tool of manipulation. One example is what has become known as the Elodia saga, a story launched by OTV, a niche television station geared on gossips and cheap sensationalism. Elodia Ghinescu, a former lawyer, disappeared in irregular circumstances. Police searched for her without any success for years. Top-quality media followed suit and reported on this case using the endless so-called investigative series launched by OTV.

The concentration of media ownership is linked to the broad use of the media as a tool for political influence. President Bănescu has asserted on several occasions that the major media moguls shape the coverage by their outlets in order to obtain economic benefits. As a result, since summer 2009 the coverage of many major television stations became clearly biased against him. A report released in 2009 by Oxford Analytica, a private analysis company founded in 1975, described meetings between the PSD candidate for the presidency in the 2009 elections, Mr. Geoană, and Mr. Vîntu, as well as connections between the Conservative Party, founded by Mr. Voiculescu, owner of the Intact group, and PSD.¹⁴⁵

142. "Ringier România vinde cotidianul *Evenimentul Zilei* și *Capital* lui Bobby Păunescu" (Ringier Romania sells the daily *Evenimentul Zilei* and [the weekly] *Capital* to Bobby Păunescu), HotNews.ro, 11 February 2010, available at http://economic.hotnews.ro/stiri-media_publicitate-6901661-update-ringier-romania-vinde-cotidianul-evenimentul-zilei-capital-lui-bobby-paunescu-schimbari-conducerea-ringier-restructurari-diva-inchide-paunescu-vom-grupa-toate-actiunile-media-intr-grup-avem-vede.htm (accessed 2 August 2010).

143. "2009, un an crunt pentru media românească" (2009, a terrible year for the Romanian media), Adevarul.ro, 3 January 2010, available at http://www.adevarul.ro/financiar/media/2009-un_an_crunt_pentru_media_romaneasca_0_182982012.html (accessed 2 August 2010).

144. OSI, Television across Europe, p. 369.

145. "Raportul Oxford Analytica: Presa, câinele de pază al mogulilor" (Oxford Analytica: the press, the moguls' watchdog), Revista22.ro, 5 September 2009, available at <http://www.revista22.ro/raportul-oxford-analytica-presa-ciinele-de-paza-al-mogulilor-trustul-l-6521.html> (accessed 2 August 2010).

Realitatea TV vs Băsescu

The following is an illustration of Vîntu's Realitatea TV's bias against Mr. Băsescu. In the weeks before the run-off between Mr. Geoană and Mr. Băsescu for the presidency, Realitatea TV broadcast a controversial video clip first uploaded online by a low-circulation newspaper from the Realitatea group, *Gardianul*, which offered no proof of the authenticity of the footage, the newspaper having claimed that it was sent by a reader. The clip featured Mr. Băsescu, then president of the country, apparently hitting a child during a public meeting a few years earlier. A week later, specialists in video recording asserted that the footage was doctored. In the meantime, the clip was broadcast repeatedly by almost all television stations during the election campaign.

The clip was shown first on the evening of 26 November 2009 during a primetime talk-show on Realitatea TV, where Mr. Băsescu was speaking. The clip had been posted online only several minutes before Mr. Băsescu's appearance on the show, and he was taken by surprise.¹⁴⁶ In the following days, the clip was not only rerun several hundreds of times on Realitatea TV, but it was also aired by Realitatea's main competitor Antena3.¹⁴⁷ One night before the story broke, the oil magnate and media tycoon Patriciu had announced that there existed an interesting clip with the president, though this announcement was not paid much attention at the time.

At midnight before the last election debate between the two presidential candidates, the PSD's candidate Mr. Geoană paid a visit to Mr. Vîntu at his residence. The meeting was photographed by local paparazzi and the pictures were published on the internet, including on the website belonging to Vîntu's group, *Catavencu.ro*.

In general, and as this illustration indicates, it can be said that the existence of an alternative source of information such as the internet was used in the heated 2009 electoral campaign as a double-edged sword.

6.1.4 Telecoms Business and the Media

The telecoms industry's involvement in the media has emerged at several levels. The most important aspect of this relationship appears in the process of digital terrestrial switch-over. (See *section 5.1.1*.)

Cable and DTH providers became involved in the media through DTH. In the analog market, before the December 2004 launch of Digi TV, the first DTH platform in Romania (an operation of RCS&RDS), the offers of the main cable companies were complementary, each covering a specific geographic area. RCS&RDS

146. "Traseul media al pumnului lui Băsescu" (The media itinerary of Băsescu's fist), *Presa.nu*, 27 November 2009, available (in Romanian) at <http://presa.nu/politica-interna/traseul-media-al-pumnului-lui-basescu-68.html> (accessed 2 August 2010).

147. "Filmul în care Băsescu pare a lovi un copil—asul din mânecă sau trucaj?" (The film in which Băsescu seems to hit a child, the ace from the sleeve or gerrymandering?), *2 Romanianlibera.ro*, 6 November 2010, available at <http://www.romanialibera.ro/actualitate/eveniment/filmul-in-care-basescu-pare-a-lovi-un-copil-asul-din-maneca-sau-trucaj-vezi-video-171189.html> (accessed 2 August 2010).

and its main competitor UPC acted as if they had a non-competition agreement. With the launch of the Dolce DTH platform in November 2006 by the incumbent telecoms operator Romtelecom, competition increased significantly. Romtelecom clearly targeted the area that UPC and RCS&RDS had carved up. In this context, offering dedicated content appeared a natural way to gain clients. The three DTH players on the market today offer either sport or movie dedicated channels.

Cable and DTH providers appear to be the future gatekeepers in terms of content, especially on niche segments. The concept of a 24-hour schedule does not seem to make much sense in a market where non-linear behavior is growing in importance.

6.1.5 Transparency of Media Ownership

Company law contains provisions on transparency of ownership.¹⁴⁸ Information about the owners of any company in Romania can be obtained from the Trade Registry, for a fee of about €10 per query. When companies are based or registered in offshore countries, the identity of the actual owners cannot be discovered through these legal provisions. However, such cases have become increasingly rare in recent years. Previously, there were many cases of politicians investing in media outlets through non-transparent entities based abroad, or through proxies.

Print media do not publish their ownership structures on their websites or in their publications. However, the ownership of most of these entities has become common knowledge. As far as broadcasting is concerned, civil society organizations have put pressure on large broadcasters to reveal the real owners who were hiding behind ownership structures registered in tax havens where ownership confidentiality was guaranteed. The Audiovisual Law obliges broadcasters to report regularly to the CNA on their ownership structures. The law obliges broadcasters to disclose publicly information about their legal representatives, shareholders, management, those responsible for editorial content, and companies that provide online services such as e-mail, websites and so forth.¹⁴⁹

Media ownership has become more transparent over the past five years. Information on broadcasters' owners is regularly updated on the CNA's website.¹⁵⁰ Only nominal shares are allowed in broadcasting media companies in Romania, which means that owners are not allowed to use proxies to own shares in other broadcast companies. The use of any proxies who are not owners of a company in the application for a broadcast license is forbidden by law.¹⁵¹ Broadcasters are legally obliged to report to the CNA any change in their ownership.¹⁵²

148. Law 31/1990 on trading companies, as republished, *Monitorul Oficial* 33, 29 January 1998.

149. Audiovisual Law 544/2002, art. 48.

150. CNA website, *Situații privind licențele* (Reports on licenses), available at <http://www.cna.ro/Situa-ii-privind-licen-ele.html> (accessed 4 December 2010).

151. CNA, "Media Shareholders," available at <http://www.cna.ro/IMG/pdf/actionari21102010.pdf> (accessed 16 November 2010) (hereafter CNA, "Media Shareholders").

152. CNA, "Media Shareholders."

Following an OSI report on television in Romania, published in 2005, which called for more transparency in the broadcast media,¹⁵³ the CNA demanded that broadcasting groups reveal information about their real owners; this was in part due to pressure on the CNA by media NGOs. As a result, Mr. Vintu admitted in a February 2006 interview to his own station, Realitatea TV, that he had purchased the station one year and eight months previously. Officially, Realitatea TV is owned by a Cyprus-registered company. This information was submitted to the CNA. Mr. Voiculescu acknowledged that he had transferred his stake in the Cyprus-based company owning the Intact group to his children.

But although transparency of media ownership has increased significantly, the sources of media funding are still opaque in most outlets—except for those owned by international companies that release regular financial reports.

6.2 Media Funding

6.2.1 Public and Private Funding

The total advertising spend fell by approximately 37 percent in net value in 2009 as against 2008. All media have been impacted by the economic crisis; however, the print media were the most affected, seeing in 2009 a decline in ad sales of 55 percent year-on-year. Television increased its share of the total ad spend by 3 percent in 2009 compared with 2008, due to deflated prices and more available capacity.

Table 9.
Total net advertising expenditure in Romania (€ million), 2005–2010

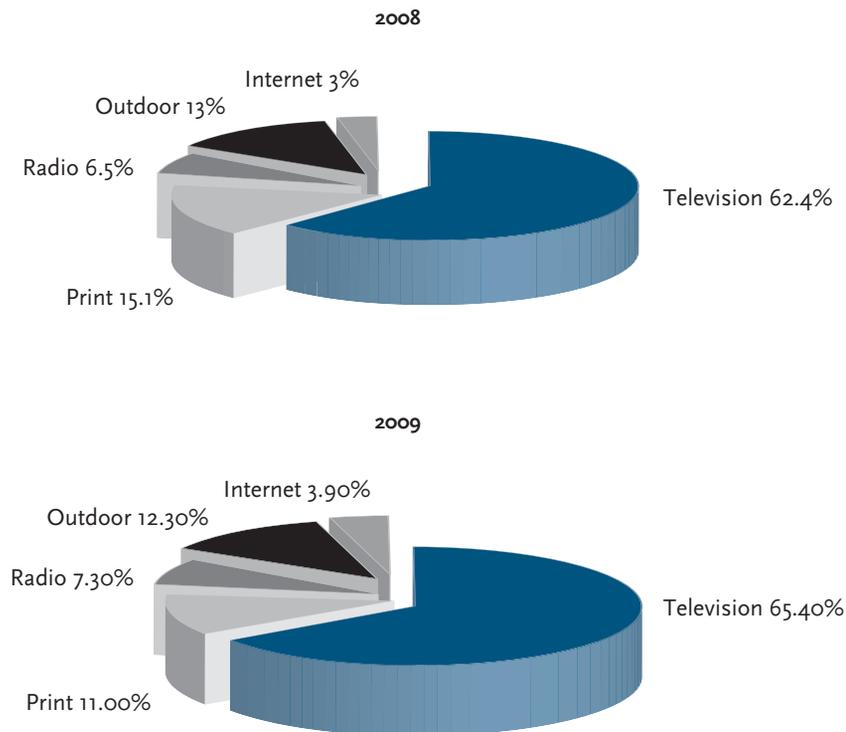
Year	TV	Print	Radio	OOH (out-of-home advertising)	Internet, Cinema	Total
2005	159	66	17	31	4	277
2006	229	71	23	40	6	369
2007	306	79	30	58	9	482
2008	337	82	35	70	16	540
2009	222	37	25	42	13	339
2010f	209	27	23	35	14	308

Note: f: forecast.

Source: Initiative Media, *Media Fact Book 2010*.

153. M. Preoteasa, “Romania”, in OSI, *Television across Europe*.

Figure 11.
Share of ad spend by type of media



Source: Initiative Media, *Media Fact Book 2010*.

Many companies suffered losses during the crisis. ProSiebenSat1 estimated a fall of 12.1 percent in revenues in the first half of 2010 compared with the same period in the previous year. For some players in the market, 2009 was particularly bad. Realitatea TV incurred losses of €39 million. In fact, Agence France Presse (AFP) asked the courts to declare Realitatea Media bankrupt because of the station's debts to the agency. At the same time, the group started to shut down most of its print operations, including the dailies *Cotidianul*, *Gardianul*, and *Ziua*. Overall, the print media faced the blackest year in their history in 2009, according to media critics. The total turnover of the publishing industry fell significantly in 2009. Much of the industry losses were triggered by the closure of Rodipet, the former quasi-monopolist print media distributor.

The Adevărul media group had the highest losses in 2009. Media Promovalores, which publishes the tabloid daily Click!, had a loss of €19 million. Adevărul Holding, publisher of the daily *Adevărul*, posted a similar loss.¹⁵⁴ The overall net advertising spend in the online segment in 2009 was €15.33 million, down 10 percent on the previous year. The good news for the internet industry, on the other hand, was that its advertising spending in total still represented a growth of 53 percent over 2007.¹⁵⁵

154. Ministry of Finance, as cited by P. Obae, "Cel mai negru an al presei scrise: 50 milioane de euro pierdere în 2009" (The blackest year of the print media: €50 million loss in 2009), *Paginademedi.ro* in cooperation with *tolo.ro*, available at <http://www.paginademedi.ro/2010/07/cel-mai-negru-an-al-presei-scrise-50-de-milioane-de-euro-pierdere-in-2009> (accessed 3 September 2010).

155. IAB Romania, PricewaterhouseCoopers Romania, *Romanian Online Advertising Study*, Bucharest, 28 April 2010.

As far as public funding is concerned, SRTV registered mounting losses of about €19 million in H1 2010, up from a loss of €11.33 million in the same period in 2009. The last time SRTV had a positive financial result was in 2005 when it had a gross profit of some €9 million. That was under Valentin Nicolau's management, when SRTV was accused of political bias, avoiding hard political topics, and inclining towards tabloidization. Most of SRTV's income comes from license fees paid by television households. The share of advertising revenues in SRTV's total budget has steadily declined in recent years to 6.2 percent in 2009, down from 14.3 percent in 2008. The loss incurred by the public service broadcaster during 2006–2009 was triggered by swelling expenses incurred by desperate efforts to score high ratings. Despite this, the public television's audience share diminished. Much of the spending was on rights to sports competitions and purchasing programs, not for output that served the public interest or other political values.

Table 10.
Financial situation of SRTV (€ million), 2005–2009

	2005	2006	2007	2008	2009
Income	123.49	143.26	156.46	154.12	135.08
Expenditures	114.58	148.13	165.29	168.74	146.41
Profit/loss	8.91	-4.86	-8.82	-14.62	-11.33

Source: SRTV.

In terms of expenditures, the highest costs incurred by SRTV are for transmission services by SNR Radiocom. They are fully subsidized by the state. Salaries account for a third of the entire SRTV budget income, representing SRTV's main expenditure. Excepting the costs for the SNR Radiocom services, salaries represent, in reality, over half of the station's budget (57.1 percent in 2009).

Table 11.
SRTV income, breakdown by source, 2005–2009

	2005	2006	2007	2008	2009
Income (€ million)	121.4	142.4	155.7	153.6	134.5
License fee (% of total)	68.1	60.0	56.6	53.9	56.5
Advertising (% of total)	11.1	15.0	14.1	14.3	6.2
State subsidy (% of total)	19.2	23.0	27.7	27.7	30.9

Source: SRTV.

SRR receives state subsidies that accounted for 47 percent out of its total income of €94.7 million in 2009, according to the Finance Ministry. Advertising represented 1.3 percent of SRR's total revenue. RSR finished 2009 in the black with a profit of €110,000.

The transparency of media funding, although it is guaranteed by the constitution, has not yet been achieved.¹⁵⁶ In 2006, various NGOs pressured the liberal-democrat government of Călin Popescu-Tăriceanu to change the public procurement law in a move to ensure that public authorities grant advertising contracts over €2,000 only through public tenders.¹⁵⁷ In the meantime, the ceiling for public tenders on advertising contracts was moved to €15,000 from €2,000.¹⁵⁸ Moreover, Order 183/2006 of the National Authority for Regulation of Public Procurement (*Autoritatea Națională de Reglementare a Achizițiilor Publice*, ANRMAP), which covered, among other things, the procedure for awarding state advertising contracts, was canceled on 2 July 2010. A new methodology for public procurements is believed to be imminent at this time of writing (December 2010). Some media NGOs, based on information about planned changes transpired in the public space, fear that ANRMAP will drop its strict criteria for awarding state advertising contracts. The public access to information on such advertising such contracts is ensured through a legal provision requiring the contracting entity to archive all the information on how the contract is fulfilled.¹⁵⁹ In 2008, Mr. Tăriceanu approved fresh provisions enabling the CNA to check the sources of broadcasters' funding.¹⁶⁰ The provision was never implemented, and Parliament binned it in November 2009.¹⁶¹ Interest in this issue has meanwhile waned.

With the media facing financial difficulties, the content has deteriorated in quality. All outlets are trying to cut spending on high-quality programs. As a result, one of the new trends in television is the emergence of inexpensive talk-shows with violent overtones. Mihai Coman, dean of the Faculty of Journalism and Communication Sciences, wrote that freedom of expression was often used as an alibi for non-professionalism. Journalists frequently use the freedom of expression argument to legitimize some of their acts or to defend themselves against propping up political power, or to justify illegal or unethical behavior.¹⁶²

Commercial broadcasters argue that they have to air what the audience wants, which serves as an excuse for this kind of cheap approach to programming. However, broadcasters in Romania have almost never really offered high-quality programs. The audience has to choose from what is available.¹⁶³

156. Constitution of Romania, art. 30(50): "The authorities can require by law the mass media to make public their sources of funding."

157. Emergency Ordinance 34/2006 on the public procurement procedures, *Monitorul Oficial* 418, 15 May 2006, art. 58(1). The Ordinance was approved by a few acts, the latest the Emergency Ordinance 76/2010.

158. Emergency Government Ordinance 76/2010 on amending Ordinance 34/2006, *Monitorul Oficial* 453, 2 July 2010.

159. Emergency Ordinance 34/2006, as amended through Emergency Government Ordinance 76/2010, art. 58.

160. Emergency Government Ordinance 181/2008 on amending the Audiovisual Law, *Monitorul Oficial* 809, 3 December 2008, art. 8(g), which modified art. 10 of the Audiovisual Law.

161. Law 333/2009.

162. M. Coman, "Press Freedom and Media Pluralism in Romania: Facts, Myth and Paradoxes," p. 190, available at www.intellectbooks.co.uk/File...id.../9781841502434.177.pdf (accessed 3 September 2010).

163. T. Tiță, former journalist with Realitatea TV, in a written answer to an OSI questionnaire, 1 July 2010.

State contracts

The lack of provisions ensuring transparency of media funding makes it difficult to monitor funding by state institutions at a local level. Yet some improper funding of the media has sometimes been exposed. For example, the former Minister of Youth and Sports, Monica Iacob-Ridzi, awarded around €630,000 for a celebration of Youth Day in the village 2 Mai on the Black Sea coast. Part of this money was spent on television advertising for this event. Following an investigative report in the sports daily *Gazeta Sporturilor*, the CNA concluded that the respective commercials were illegally advertising certain politicians, including Ms. Iacob-Ridzi and the president's daughter Elena Băsescu. The anti-corruption watchdog DNA launched a criminal investigation into Iacob-Ridzi's activities as a minister, which is ongoing.

In another case, the Realitatea Media group was awarded an advertising contract worth some €230,000 by the Ministry of Tourism headed by Elena Udrea to promote tourism. The ministry stated that they eventually did not pay Realitatea Media any money, as Realitatea TV did not fulfill the terms of the contract.¹⁶⁴ The situation raised some concerns over the real purpose of the spending, which might have been to improve the image of the Ministry of Tourism rather than spur interest in Romania as a tourism destination.

A third case relates to the first majority owner of a television license in Romania. Dan Diaconescu, who controls OTV and DDTV, was indicted for blackmail in two separate cases. In the first, he was charged with blackmailing a politician by broadcasting negative opinions on his activities and threatening that he would continue doing so until the politician paid what Mr. Diaconescu was demanding. In the second, Mr. Diaconescu was investigated for allegedly blackmailing a Romanian brewery. Apparently, he asked for money in exchange for halting a negative campaign against one of the brewery's products.¹⁶⁵ These cases illustrate the widespread nature of questionable funding behind media outlets.

6.2.2 Other Sources of Funding

There are no other major sources of private funding in the media.

164. A. Biro, "Soarta ciudată a unui contract de 230.000 de euro: Elena Udrea nu plătește, Realitatea Media renunță la Bani" (The strange fate of a €230,000 contract: Elena Udrea does not pay, Realitatea Media gives up the money), available at <http://www.hotnews.ro/stiri-esential-7150453-soarta-ciudata-unui-contract-200-000-euro-ministerul-elenei-udrea-nu-plateste-realitatea-renunta-bani.htm> and http://economie.hotnews.ro/stiri-media_publicitate-7155003-ministerul-turismului-despre-realitatea-all-inclusive-televiziunea-incalcat-contractul-mod-culpabil-repetat.htm (accessed 3 September 2010).

165. "Dan Diaconescu accused of demanding 25 million Euro bribe from Ursus," *Bucharest Herald*, 26 August 2010, available at <http://www.bucharestherald.com/dailyevents/41-dailyevents/14903--dan-diaconescu-accused-of-demanding-25-million-euro-bribe-from-ursus> (accessed 2 September 2010).

6.3 Media Business Models

6.3.1 Changes in Media Business Models

Most media groups in Romania have been searching intensively for a sustainable business model that integrates new content with television and film production. CME expressed its commitment to integrating traditional media operations with its online business.¹⁶⁶ Moreover, it plans to diversify its internet business by using its large viewership. The company plans to move much of its content online through multiple distribution means such as video on demand, simulcast, and catch-up television.¹⁶⁷

Although it does not break down investment in new media in its annual report, ProSiebensat.1, the holder of the Prima TV license, plans to adopt a multi-channel strategy. By launching new stations, the German group wants to target new audiences to broaden its platform for its advertising clients.¹⁶⁸ CME expects a shift in advertising spending from print and other traditional media to new media and broadcast operations.¹⁶⁹

The business model which most large players agree could be central to future media markets involves integration of content, brand strength, and a strong sales team. The internet is seen largely as a free-of-charge medium. But the content on new mobile platforms is credited with high potential for good economic results. In the mainstream media, particularly in television, journalistic standards have declined so badly that television is hardly considered journalism. The internet and various digital broadcast platforms are expected to deliver higher quality, more interactive content in line with ethical norms (this latter referring not only to journalism ethics, but also to business ethics, privacy, and respect for copyright).

6.4 Assessments

Out of the five largest media groups, CME/Pro TV and Intact Media Group/Jurnalul Național have consolidated their positions not only in television but also in radio and print. CME and Antena1 hold oligopolistic positions in terms of nationwide audiences. There is no other commercial television network close to their market power. The third generalist commercial player in terms of nationwide audiences, Kanal D, owned by the Turkish group Dogan, is far behind. The all-news television market is populated mainly by Realitatea TV and Antena3 channels.

166. CME, "Quarterly Report for the Quarterly Period Ended 31 March 2010," as filed with the SEC, 5 May 2010, p. 8, available at <http://www.sec.gov/Archives/edgar/data/925645/000114036110018963/form10q.htm> (accessed 30 August 2010) (hereafter CME, Quarterly Report Period Ended 31 March 2010).

167. CME, Quarterly Report Period Ended 31 March 2010., p. 41.

168. ProSiebenSat1, "Quarterly Report for the Quarterly Period Ended 31 March 2010," available at http://en.prosiebensat1.com/imperia/md/content/investor_relations/2010/Q1/e_Q1_2010.pdf (accessed 4 December 2010) (accessed 20 August 2010).

169. CME, Quarterly Report Period Ended 31 March 2010, p. 41.

Digitization has diluted the oligopolistic control over news that was built up by the main television stations in Romania. Although concentration of ownership in the media has continued in recent years, the impact of this concentration on the independence of the media has been reduced by the rise of internet media.

With the notable exception of CME, most players in the media market are controlled by controversial businessmen who wear two hats: one of a businessman and the other of a politician. They include Mr. Voiculescu, who was investigated for his cooperation with the former communist political police, the Securitate. Mr. Vîntu and Mr. Patriciu were investigated for financial fraud. On 9 September 2010, Mr. Vîntu became the first media owner to be arrested in one such case. The all-news channels Realitatea TV and Antena1 defended him and accused the justice system of proceeding illegally. Bloggers and journalists criticized the stations for manipulation.¹⁷⁰ Mr. Vîntu had undergone several investigations for fraud in the past, and was once convicted in communist times; more recently, despite his involvement in one of the biggest financial scams in Romania in the early 2000s, he was not convicted, as most lawsuits took longer than allowed by law and were therefore dismissed.¹⁷¹ The charges against him reached the court in November 2010. Mr. Diaconescu, founder of the populist station OTV, has also come under investigation, in his case for allegations of blackmailing a politician and a company.

Particularly as a result of the economic crisis which has hit Romania badly, sustainable news outlets are rare. It is still an open question whether credible, fair, and balanced reporting is a means for media to attract audiences. Recent years have shown that good-quality news is not popular with either advertisers or audiences. Five years ago, the high social-demographic profile of readers of serious publications like the business weekly *Capital* was sought after by advertisers. Today, as Google and Facebook offer customized advertising, the media landscape has been badly shaken. Interactivity is seen as a must for media to survive. However, all publishers in the digitized business environment fear competition from Google and Facebook. In a concentrated media market like Romania's, playing alone is the major fear although, paradoxically, internet readers highly appreciate independent news websites. As early as 2006, the first independent news website hotnews.ro reached over 1 million users.¹⁷² Meanwhile, the number of internet news pages has significantly increased, but this has not had a direct effect on news quality.

170. D. Tăpălagă, "Vîntule, dormi liniștit! Aproape toată presa lucrează pentru tine" (Vîntule, sleep in peace! Almost all the media work for you), HotNews.ro, 9 September 2010, available at <http://www.hotnews.ro/stiri-opinii-7775056-vantule-dormi-linistit-aproape-toata-presa-lucreaza-pentru-tine.htm> (accessed 9 September 2010).

171. "Vîntu, martor in dosarul FNI" (Vîntu, witness in the FNI lawsuit), *Gândul*, 6 February 2008, available at <http://www.gandul.info/romania/vantu-martor-in-dosarul-fni-2366458> (accessed 9 December 2010).

172. C. Paul-Bădescu "Presa scrisă nu va dispărea, dar își va pierde ponderea" (The printed press will not vanish, but it will lose its influence), *Dilema veche* (129), 13 July 2006, available at <http://www.dilemaveche.ro/sectiune/mass-comedia/articol/presa-scrisa-nu-va-disparea-dar-isi-va-pierde-ponderea-interiu-cu-ioan-margarit-edi> (accessed 5 December 2010).

7. Policies, Laws, and Regulators

7.1 Policies and Laws

7.1.1 Digital Switch-over of Terrestrial Transmission

7.1.1.1 Access and Affordability

What was supposed to be a major event in the IT sector in 2010 turned into a big disappointment, with the postponement of the award of the licenses for the first two digital multiplexes. The government justified its decision by claiming that it needed more time for preparation. ANCOM's chair, Cătălin Marinescu, stated that Romania had failed in its attempt to begin developing a new mobile broadband communications system and attracting investment in this field.¹⁷³ The trade unions in SNR Radiocom, the authority technically tasked with supervising spectrum allocation, fear that if at least one license for multiplex operators is not granted, the company would face substantial financial difficulties and could risk going bankrupt. The Ministry of Communications and Information Society (*Ministerul Comunicațiilor și Societății Informaționale*, MCSI) and SNR representatives refused to comment on the unions' statements.¹⁷⁴

The companies that paid for the tender documentation will have their money returned, the government has indicated. Marinescu has said that the regulator should look into the legal consequences of the postponement.

The postponement of terrestrial digital switch-over, which delays the release of spectrum, is also expected to trigger delays in the launch of broadband services.¹⁷⁵ The European Commission, in its 15th report evaluating

173. A. Vasilache, "Acordarea primelor două multiplexe de televiziune digitală terestră din România a fost anulată. Președintele ANCOM: Romania pierde startul unor noi servicii de comunicații mobile de bandă largă" (The award of the two licences for digital multiplexes has been cancelled. The ANCOM chair: Romania fails its start to develop new services of mobile broadband communications), HotNews.ro, 31 August 2010, available at <http://economie.hotnews.ro/stiri-telecom-7744205-acordarea-primelor-doua-multiplexe-televiziune-digitala-terestra-din-romania-fost-anulata-presedintele-ancom-romania-pierde-startul-unor-noi-servicii-comunicatii-mobile-banda-larga.htm> (hereafter Vasilache, "Acordarea."), accessed 5 December 2010.

174. A. Vasilache, "SNR vrea sa ia un credit de pînă la 5 milioane de euro pentru achiziția primelor două licențe de televiziune digitală terestră" (SNR intends to contract a loan worth up to €5 million for acquiring the first two terrestrial digital licences, HotNews.ro, 21 July 2010, available (in Romanian) at <http://economie.hotnews.ro/stiri-telecom-7606398-snr-vrea-credit-pana-5-milioane-euro-pentru-achizitia-primelor-doua-licente-televiziune-digitala-terestra-din-romania.htm> (accessed 3 September 2010).

175. A. Vasilache, "Acordarea."

the IT&C markets, praised the Romanian government's adoption of a broadband strategy for 2009–2015 as the first step towards a comprehensive approach to the development of broadband. However, it noted that the working group tasked with establishing concrete measures to implement the ambitious targets—such as 100 percent broadband coverage by 2015—is not yet operational.¹⁷⁶

Among Romania's 7.5 million television households, only 450,000 can tune into terrestrial analog television.¹⁷⁷ Some concerns have been raised in past years about access to news, but the number of households that only can access terrestrial analog television is very likely to decrease by 17 June 2015, the deadline for completion of digital switch-over. Since analog shutdown has been postponed from 1 January 2012 to three years later, concerns about access and affordability requirements are seen by media observers as premature.

7.1.1.2 Subsidies for Equipment

Some subsidies were provided for the purchase of set-top boxes, according to the strategy up to August 2010.

The terms of reference for the first two multiplexes in Romania set out the financial obligations that must be assumed by the operator, aimed at subsidizing the purchase of set-top boxes by those who cannot afford them. In a draft regulatory decision, ANCOM has proposed to reduce the license fee for multiplex operators that give away between 10,000 and 60,000 set-top boxes. The Ministry of Finance has not yet endorsed this proposal.¹⁷⁸ No other details have been nailed down. As the whole process has been further delayed, it is difficult to predict whether less well-off citizens will get financial help to purchase digital equipment.

7.1.1.3 Legal Provisions on Public Interest

In the legislation on digitization, some guarantees regarding fair access to information, public interest, and other such matters have been adopted. They include the imposition of conditions regarding territorial and population coverage during the licensing process, as well as free-to-air, transparent, and non-discriminatory broadcast of nationwide public television stations.¹⁷⁹

The pre-existing provisions on public interest will also apply in the digitized television environment. The Audiovisual Law contains provisions aimed at events of major importance for the public such as sports contests or cultural events. Such events may be aired exclusively only if this does not deprive a significant part of the Romanian public of the possibility of watching them live on free-to-air television. The list of such events is drawn up through a Government Decision following the CNA's proposal and has to be communicated

176. EC, 15th Progress Report, p. 341.

177. *Ziarul financiar*, "Guvernul anunță oficial că amână cu trei ani trecerea la televiziunea digitală" (The government officially announces that it delays the transition to digital television by three years), 30 August 2010, available (in Romanian) at <http://www.zf.ro/business-hi-tech/guvernul-anunta-oficial-ca-amana-cu-trei-ani-trecerea-la-televiziunea-digitala-7060450> (accessed 13 September 2010).

178. Marinescu, interview.

179. "Hotărârea guvernamentală (HG) 464" (Government Decision), 12 May 2010, available at <http://www.legestart.ro/Hotararea-464-2010-acordarea-licentelor-utilizare-frecventelor-radio-sistem-digital-terestru-televiziune-modificarea-Strategiei-tranzitia-televiziunea-analogica-terestra-%28MzU0NDM3%29.htm> (accessed 13 September 2010). The act is modified in other respects by HG 833/11 August 2010.

to the European Commission. Any changes should follow the same procedure. The government decision also includes a definition of “significant part of the Romanian public” in terms of percentage of population. Details on the mode of transmission, either live or recorded, are included in the same decision.¹⁸⁰

The Audiovisual Law also states that contractual provisions, regardless of the parties involved, that infringe, in the audiovisual field, the public right to receive information in the public interest are null. A few other provisions of the Audiovisual Law refer to public interest. For example, the law states that the regulator as a warrantor of public interest has to revise annually the national strategy on audiovisual services.¹⁸¹

7.1.1.4 Public Consultation

Public debate on digitization has taken place, at least formally, but only among the management and representatives of the players in the television market. A meeting of representatives of broadcasters and the authorities took place in February 2009, following a project for television digitization proposed by the MCTI. The only representative from civil society present was the CJII.¹⁸² This situation led to the de facto situation whereby multiplexes would be divided up among the main players in the market, which would perpetuate the status quo in the industry, with substantial negative consequences for pluralism and diversity.

7.1.2 The Internet

7.1.2.1 Regulation of News on the Internet

The regulation of internet content is not welcomed by the media industry or by media NGOs. They have argued that improving the quality of content on the internet should be the exclusive province of self-regulation. In August 2010, the PSD MP Olguța Vasilescu expressed her intention to introduce a bill that would ban offensive language on forums and media websites. She asserted that she had found on the internet threats from various readers, including threats to her own children, and much abusive language.¹⁸³ In an open letter to Vasilescu, the international freedom of expression NGO, Reporters Without Frontiers (*Reporters sans frontières*, RSF), voiced concern that such a law would endanger freedom of speech and the freedom of websites and web forums to self-regulate.¹⁸⁴ Other professional organizations and NGOs have also criticized this proposal, and it is unlikely to be adopted.

180. Audiovisual Law 504/2002, arts. 87 and 68, respectively.

181. Audiovisual Law 504/2002, arts. 87 and 68, respectively.

182. Camelia Moga, “Televiziunile private se tem de un potențial monopol în era digitală” (TV stations fear a potential monopoly in the digital age), HotNews.ro, 19 February 2010, available at http://economie.hotnews.ro/stiri-media_publicitate-5433572-televiziunile-private-tem-potential-monopol-era-digitala.htm (accessed 5 December 2010).

183. “Olguța Vasilescu: injurăturile pe internet vor fi interzise prin lege” (Olguța Vasilescu: abusive language over the internet will be forbidden by law), *România liberă*, 10 August 2010, available at <http://www.romanalibera.ro/stiinta-tehnica/internet/olgu-ta-vasilescu-injuraturile-pe-internet-vor-fi-interzise-prin-lege-196139.html> (accessed 3 September 2010).

184. RSF, “Open letter to the MP Olguța Vasilescu,” available at <http://en.rsf.org/romania-open-letter-to-mrs-lia-olgu-18-08-2010,38171.html> (accessed 9 September 2010).

There is no specific law regulating news delivery via the internet or mobile platforms. The only provisions applying to these two platforms are in the Law for Personal Data Processing and Privacy Protection in Electronic Communications (506/2004).¹⁸⁵ The law only covers comments on news stories posted on the internet by users. Some news websites ask users who post comments on the internet to disclose their identities. Though this may be ethical from a journalistic viewpoint, it can be seen as interfering with privacy protection. Any data related to internet users, which is not necessary for invoicing for purchase of services online or similar purposes, has to be erased or users should be allowed to remain anonymous. This applies also to comments posted on online forums.¹⁸⁶

7.1.2.2 Legal Liability for Internet Content

In the case of UGC, legal liability for internet content rests with the author. Most websites in Romania protect themselves from liability by publishing disclaimers that the authors of comments are the only ones responsible for the comments. There were no major cases in court when the author of a certain comment was sued, although verbal attacks and insults are frequent in online comments on platforms that are minimally moderated. Most websites on the Romanian internet do not moderate their reader comments, which lowers the quality of debate (see *section 4.3.3*). There is no other liability for intermediaries or other parties for content on the internet.

7.2 Regulators

7.2.1 Changes in Content Regulation

While print and online are only sanctioned by laws of general application found in the civil and penal codes, broadcast media are regulated by specific laws. Over the past five years, very little has changed in terms of content regulation. A 2008 amendment to the Audiovisual Law introduced, however, some major provisions on advertising following the EU rules in this field, codified in the 2007 EU Audiovisual Media Services Directive.¹⁸⁷ The most important of these changes are the provisions allowing product placement in the broadcast media and those introducing a more relaxed regime for commercials in broadcasting outside the former 12-minute limit.

There were no changes in the regulatory structures for the media. The CNA continues to be the main content regulator for broadcast content in charge of licensing broadcasters and monitoring their activity to ensure compliance with existing legal provisions.

185. "Lege privind prelucrarea datelor cu caracter personal și protecția vieții private în sectorul comunicațiilor electronice" (Law on processing data with personal character and protection of privacy in the electronic communications sector), Legi-internet.ro, available at <http://www.legi-internet.ro/index.php?id=81&type=0> (accessed 11 September 2010).

186. Law 506/2004, art. 5.

187. Law 333/2008, approving OUG 181/2008 for the modification of the Audiovisual Law.

7.2.2 Regulatory Independence

The mandates of six of the 11 CNA members expired in 2006 and Parliament appointed new members. Five of these were nominated jointly by the Senate and the Chamber of Deputies and one was nominated by President. Parliament, however, postponed the appointments, blocking the activity of the CNA for three months. This was the result of certain politicians' attempt to change the appointment procedures for the CNA members by increasing the number of members in a way that "would have jeopardized the independence of the Council," as it would have allowed for selection of additional members based on political affiliations. In the end, Parliament rejected the proposed procedures and appointed the new members.¹⁸⁸

ANCOM's independence is necessary to the balanced and democratic regulation of the market. One of the main recommendations of the Open Society Institute's 2005 report on television in Romania was for the government to ensure the autonomy of ANCOM by changing the procedure for appointing its chair, in order to eliminate the prime minister's decisive influence.¹⁸⁹ Between 2006 and 2008, ANCOM was reorganized three times, as the Tăriceanu government tried to replace the chair. During 2006, Tăriceanu overruled legal provisions by dismissing two chairs of ANCOM: Ion Smeianu, who was replaced by Dan Georgescu, who was in turn replaced by Liviu Nistoran. Both dismissed chairs won lawsuits over their dismissal. In response, Tăriceanu changed the name of the institution and reorganized it, preventing the two dismissed chairs from being reinstated.

Attempts to politicize ANCOM continued. The former IGCTI was dissolved and the management of the frequency spectrum was transferred to the National Authority for Communication and Information Technology (*Autoritatea Națională de Reglementare în Comunicații și Tehnologia Informației*, ANRCTI). The European Commission repeatedly criticized the lack of independence of the telecoms regulatory body. In 2009, Marinescu, chair of the IGCTI until it was dissolved, was appointed to run ANCOM. In its 15th report, released on 25 May 2010, the European Commission criticized the fact that the appointment of the two vice-presidents of ANCOM had been delayed until the end of 2009, and criticized the Senate for delaying the decision to transfer control of ANCOM from the prime minister to Parliament.¹⁹⁰ On the day after the release of that report, on 26 May 2010, the Senate approved an Emergency Ordinance, which later became law, and which, among other things, transferred control over ANCOM to Parliament.¹⁹¹ This change was praised by independent media observers as positive because it gives more independence to the regulator than before, when prime minister controlled it directly.

188. *Television across Europe: regulation, policy and independence*, Open Society Institute, Budapest, 2005, p. 294.

189. *Ibid.*

190. EC, 15th Progress Report, p. 339.

191. M. Stoican and E. Cojocariu, "ANCOM Regulated in Response to I Fringement Proceedings," Legal Observations of the European Audiovisual Observatory, available at <http://merlin.obs.coe.int/iris/2010/7/article31.en.html> (accessed 3 September 2010).

7.2.3 Digital Licensing

The public debate on digitization has involved almost exclusively state authorities and broadcasters. It is unlikely that newcomers will be licensed to air in the digital market. Had digital switch-off taken place in 2012, the structure of the broadcast market would not have changed from the historical analog market in terms of the major players. It might look a bit different if switch-off occurs in 2015, as scheduled, but not much. However, the state authorities and regulators cannot be blamed for any concrete obstructions in starting the digital licensing. Except for the CJI, civil society has shown little interest in the process so far.

7.2.4 Role of Self-regulatory Mechanisms

The main progress in media self-regulation between 2005 and 2010 was the adoption of a consolidated code of ethics for the industry. Two such instruments existed before this moment, one adopted by the Romanian Press Club (*Clubul Român de Presă*, CRP), an organization consisting mainly of media owners, and another by the CJI. In October 2009, NGOs, media trade unions and the CRP agreed on a single code of ethics.¹⁹² Prior to that, the AMP and CJI, the two most influential media NGOs, had commissioned a series of studies and organized several workshops on ways to boost self-regulation in the media industry.¹⁹³ One major conclusion of all these initiatives, shared by various observers, is that such codes are not likely to be wholly and effectively implemented by nationwide and local media, chiefly because of the pressures that the owners put on their journalists. This was confirmed in the last election campaign for the 2009 presidential elections, when the media were blatantly biased and unfair.

7.3 Government Interference

7.3.1 The Market

In the past, state-owned institutions were among the top advertisers in newspapers, which benefited between 2000 and 2004 from multi-million Euro contracts. Television stations during the same period also received such contracts. It was estimated in 2004 that the advertising revenues from such contracts represented some 5 percent of the total turnover of the major television stations. Media experts saw this practice as an instrument to keep these outlets dependent on political and economic interests.¹⁹⁴

This practice had a negative impact on the editorial freedom of media outlets and distorted the print market in the long run. The disguised awarding of large state subsidies to print media through advertising contracts has considerably decreased in recent years. But a new law on public—private partnerships (PPP) passed in

192. “Cod deontologic unic pentru presa românească” (Ethical code for the Romanian Press), Activewatch.ro, 24 October 2009, available at <http://www.activewatch.ro/stiri/FreeEx/Cod-Deontologic-Unic-pentru-presa-romaneasca-125.html> (accessed 12 September 2010).

193. CJI.ro, “Convenția Organizațiilor de Media—Auto-reglementarea în media: Sesiune de lucru II,” 4 May 2009, available at <http://www2.cji.ro/articol.php?article=698> (accessed 12 September 2010).

194. *Television across Europe: regulation, policy and independence*, Open Society Institute, Budapest, 2005, pp. 292 and 1255, available at http://www.media-desk.ro/files/Televiziunea%20in%20Europa_reglementari%20politici%20publice%20si%20independenata%20volum%203%20Romania_en.pdf (accessed 28 August 2010).

2010 is expected to have an adverse impact on the transparency of funding. Law 178/2010 on PPP, which became effective on 4 November 2010, allows for joint ventures between public institutions and private operators, with no public tender involved. The law allows public authorities to negotiate the contractual terms and investment value in various joint projects directly with shortlisted investors.¹⁹⁵ Although the law does not include the purchase and production of broadcast programs, it allows such practices in the print and online segments. There are suspicions in this regard mainly concerning the online segment, as the government approved a strategy in March 2010 to grant €500 million to public services online.¹⁹⁶ This could become a channel to funnel money to media outlets. There are already examples of links between IT firms and the media. For example, a prominent Romanian IT company, Asesoft, which has won orders in recent years from a series of public institutions such as the Ministry of Finance and the Service of Special Telecommunications (*Serviciul de Telecomunicații Speciale, STS*),¹⁹⁷ took over management of the media group Realitatea Media (see section 6.1.3).

Media observers also fear that PPPs will be implemented in the process of allocating digital multiplexes or other areas of digital switch-over, with a negative impact on transparency. The digitization of broadcasting has not yet made inroads into the country's market, which does not mean that manipulation of the market by the government or by other public authorities can be excluded. At the time of writing this report, no such practices have been identified.

7.3.2 The Regulator

As the internet is basically unregulated and digitization of broadcasting has not actually occurred, there are no reports of interference with the digital regulator. However, the way that digital switch-over will be designed is going to be crucial for the plurality of the media landscape. The regulator's behavior will be decisive in shaping the digital media market over coming years. A recent decision by the CNA again shed doubts on its independence and judgement. In October 2010, the regulator decided to extend the broadcast license of the all-news Realitatea TV for another nine years despite proof of blatant editorial interference of its owners.¹⁹⁸

7.3.3 Other Forms of Interference

The published transcripts of conversations between Vîntu and his journalists confirmed that direct pressure from owners on editors-in-chief is routine in Romania. Although this is not directly a form of government pressure, given the level of collusion between media owners and politicians in Romania, pressures and threats from owners often follow the interests of politicians in power.

195. Law 178/2010 on Public Private Partnership (*Legea parteneriatului public privat*), *Monitorul Oficial* 676, 5 October 2010, art. 4(d), art 14(c).

196. Interview with Toma Câmpeanu, head of eRomania project, 2 May 2010.

197. STS is a state military organization, part of the national defense system, in charge of coordinating the special telecoms activities for Romanian state authorities.

198. This proof was presented through transcripts of phone conversations between Realitatea TV's owner, Mr. Vintu, and editors and journalists from the station, published by the Mediafax newswire on its news feed.

7.4 Assessments

The framework of policy, law, and regulation is difficult to evaluate in terms of responsiveness to the challenges of digitization. Public debates on the consequences of digitization have been almost entirely missing. Digitization is currently on hold and no benefits for citizens in terms of access to information have developed as a result of the process. On the other hand, no specific intentions to restrict any civil rights and liberties through this policy have thus far been made apparent.

Most of the progress in the digitization process has occurred in television. Even so, the lack of concrete progress makes any discussion of government interference irrelevant.

Some examples of digital activism were described in section 3.2. The new media, or at least the Web 2.0 sector, appears to be a relatively apolitical environment. Political topics are often generated by political parties on the internet through specialists in public relations and political communication. Comments on articles on online media do not lead to any coherent or qualitative debate. Other than that, the emergence of new media has not led to any increased participation in policymaking or policy debates.

8. Conclusions

8.1 Media Today

8.1.1 Positive Developments

- A basic regulatory framework for the transition to terrestrial digital broadcasting has been adopted. With all its imperfections, this is considered a starting point in a process which has been delayed for years and whose implementation is still delayed. Most of the regulations were inspired by EU legislation. However, their impact on the media industry, and on society in general, has so far proven to be minimal.
- The majority of media outlets have launched online editions in a move to develop synergies within their business lines. Several independent news websites with relevant news content (hard news) have appeared.
- The development of the online news offer, including input from citizens on content in traditional media, has had a positive impact on the diversity of news and opinions. The interactivity offered by the internet has increased the space for public expression.
- The dependence of media on government goodwill has decreased in at least two major ways. The media have stopped relying on disguised state subsidies, paid through ministries or state-owned companies. (Although state advertising it is still an issue, the influence of the state through advertising has receded.) However, forms of pressures on the media coming from powerful mixed political and financial groups have arisen. (See below.)

8.1.2 Negative Developments

- Completion of digital switch-over has been postponed to 2015 after the government admitted its failure to launch the digital transition this year. This came in the middle of the selection of multiplex operators. The process has not been accompanied by any public information campaigns and debates on the risks and benefits of such a process for industry and citizens respectively. As a result, the general public knows almost nothing about digitization in broadcasting.
- The independence of the telecom regulator ANCOM has been challenged, with various political parties struggling to control this body. Moreover, MCSI retains regulatory powers on ownership in the telecoms

market, which has prompted the European Commission to commence infringement procedures against Romania.

- The postponement of switch-over is believed by experts to have a negative impact on the deployment of broadband, as the regulator cannot use the digital dividend for broadband wireless networks until digital licenses are granted. Overall, the delay in switch-over appears to have slowed down broadband expansion.
- The Audiovisual Law still lacks key provisions on transparency of media funding and cross-ownership. Funding in the media lacks transparency. Suspicions of tax evasion by a major media group have been voiced by the tax authorities.
- The Audiovisual Law was amended eight times in the past five years, including through Government Emergency Ordinances, although it is an organic law and should have been amended only by Parliament.
- The law on the reform of the public service broadcasters SRTV and SRR was rejected by Parliament for political reasons, negating five years of intensive efforts by civil society, trade unions and experts.
- Media concentration has remained high. A few groups dominate both television and radio, and have launched print and online outlets, exploiting the lack of any legal constraints on cross-ownership. The tools for measuring concentration are rudimentary, limited to audience share.
- Media outlets have undergone a severe financial downturn because of the economic crisis that led advertising revenue to fall by almost half in 2009. Some outlets closed in 2009 or 2010, while others survived only by scaling back their operations.

Overall, Romanians have shown that they like using digital devices and mobile platforms. However, the real impact of digitization is expected to be seen when terrestrial digital broadcasting takes off. Apart from increased free-of-charge content, the digital switch-over is also going to make a significant part of the spectrum available for use by broadband wireless networks and technological innovation. Internet development is still hampered in Romania by a low broadband penetration rate compared with the EU average. (*See section 1.1.2.*)

On the other hand, mobile and computer technologies have seen rapid growth; Romania is one of the most dynamic markets in Eastern Europe from this point of view. Digitization has so far had a major impact on consumption patterns. Over 83 percent of internet users read news online daily. Although the internet population in Romania is still low (approximately 30 percent of all Romanians, according to estimates by telecoms operators), actual internet use is believed to be much higher than statistics suggest because of the spread of the so-called “block of flats networks.” These are networks set up and shared by internet subscribers that buy a connection from major ISPs and then share it with others. Internet users are: first, middle-income people, mostly working in offices in urban areas, and seen more or less as opinion-makers in their communities; and second, young people who read their first news via the internet or mobile phones, rather than on traditional media.

Internet-based media have also had an impact on the pluralism and diversity of opinions. When a story is censored or presented in an unbalanced way by a traditional media outlet, it will be corrected or criticized on the internet through comments from readers, blogs or other journalists working for internet-based media.

Moreover, internet media and blogs are increasingly launching topics in the mainstream media. Newspapers are a patchwork of recycled news releases and newswire content, processed by editors only to a certain extent. From this point of view, the online media can be seen as more dynamic, helping to mitigate the inertia of the traditional media.

Digitization has thus had a rather positive impact on journalism. On the other hand, the online environment has also favored manipulation, with higher quantities of unchecked information, rumors and unbalanced stories today than a decade ago. However, it is worth mentioning that none of the online websites, except for established online media outlets, claims to do journalism or to produce news.

Concentration of media ownership has increased in parallel with a lack of transparency in the funding behind the media. Examples of media outlets receiving government money for programs aimed at promoting Romania, but which comes with strings attached (e.g. the promotion of various politicians), continue to emerge. However, there is a difference compared with the period 2000–2004, when these practices were widespread. Today, ministries or state-owned institutions are more cautious as they fear investigation by anti-corruption bodies.¹⁹⁹

8.2 Media Tomorrow

A decade ago, most Romanians had access to only one television channel, namely the public service broadcaster. In the best case, some households had access to a second channel, run by the same broadcaster. Ten years later, the government said that it wanted to have an almost fully digitized Romania by 2012. This desire proved unrealistic. Consequently, the government extended the deadline for the analog switch-off to 2015. It is hard to believe that 100 percent of the population will have digital coverage even by that date.

That said, if the price of devices is pushed down, digital broadcasting may turn into reality. Experience from the spread of mobile and IT&C equipment shows that Romanians are quick learners and are ready to adopt new things if the practical use of those things is explained and if their price is affordable. Mobile penetration, for example, exceeded even the most optimistic forecasts from a decade ago. So far, however, no information campaign on digital broadcasting has been launched.

The traditional broadcasters now airing on analog will automatically receive a digital license. They are expected to fight to maintain their dominance also in the digital market. At the same time, dominant cable operators are also expected to fight tooth and nail for their oligopolistic control over the media market. Some believe that the postponement of the digital switch-over was the result of lobbying by these groups. Others say that the government was simply not capable of carrying out this process within that time-frame.

199. Law 178/2010 on Public Private Partnership (*Legea parteneriatului public privat*) is believed to have created legal space for circumventing public procurement procedures by public institutions and state-owned companies. (See section 7.3.1.)

The search for business models for solid journalism outlets continues, but no sustainable model has yet been found. The young history of the internet in Romania has so far shown that news consumers want free-of-charge content. This is the first lesson that media groups which expanded on the internet learned; as a result, payment for content has been abandoned for now, with some exceptions, as a way to monetize the provision of online news content.



9. Recommendations

This report will be discussed with professional media representatives and policy makers, and recommendations will be drafted, published and presented for public debate.

List of Abbreviations, Figures, Tables, Companies

Abbreviations

3G	third generation
ADSL	Asymmetric Digital Subscriber Line
AMP	Active Watch Media Monitoring Agency, <i>Agenția de Monitorizare a Presei</i>
ANCOM	National Authority for Communications of Romania, <i>Autoritatea Națională pentru Administrare și Reglementare în Comunicații</i>
ANOFM	National Agency for Employment, <i>Agenția Națională pentru Ocuparea Forței de Muncă</i>
ANRCTI	National Authority for Communication and Information Technology, <i>Autoritatea Națională de Reglementare în Comunicații și Tehnologia Informației</i>
ANRMAP	National Authority for Regulation of Public Procurement, <i>Autoritatea Națională de Reglementare a Achizițiilor Publice</i>
ARA	Association of Radio Audiences, <i>Asociația pentru Radio Audiență</i>
ARCA	Romanian Association for Audiovisual Communications, <i>Asociația Română de Comunicații Audiovizuale</i>
ARMA	Romanian Association for Audience Measurement, <i>Asociația Română pentru Măsurarea Audiențelor</i>
BNR	National Bank of Romania, <i>Banca Națională a României</i>
BOR	Romanian Orthodox Church, <i>Biserica Ortodoxă Română</i>
BRAT	Romanian Circulation Audit Bureau, <i>Biroul Român de Audit al Tirajelor</i>
CA	Council of Administration
CDMA	Code Division Multiple Access
CJI	Center for Independent Journalism, <i>Centrul pentru Jurnalism Independent</i>
CME	Central European Media Enterprises
CNA	National Audiovisual Council, <i>Consiliul Național al Audiovizualului</i>
CNCD	National Anti-discrimination Council, <i>Consiliul Național pentru Combaterea Discriminării</i>
CNP	National Prognosis Commission, <i>Comisia Națională de Prognoză</i>

CRP	Romanian Press Club, <i>Clubul Român de Presă</i>
DIICOT	Direction for Organized Crime and Terrorism Investigation, <i>Direcția de Investigare a Infracțiunilor de Criminalitate Organizată și Terorism</i>
DTH	Direct-to-Home
DVB-H	Digital Video Broadcasting-Handheld
DVB-T	Digital Video Broadcasting-Terrestrial
EC	European Commission
EU	European Union
FTP	File Transfer Protocol
GDS	Group for Social Dialogue, <i>Grupul pentru Dialog Social</i>
H1, H2 ...	first half financial year, second half, etc.
HDTV	High-Definition TV
IGCTI	General Inspectorate of Communications and Information Technology, <i>Inspectoratul pentru Comunicații și Tehnologia Informației</i>
IMAS	Institute for Marketing and Polls, <i>Institutul de Marketing și Sondaje</i>
IMF	International Monetary Fund
INS	National Statistics Institute, <i>Institutul Național de Statistică</i>
IP	Internet Protocol
IPTV	Internet Protocol Television
ISP	Internet Service Provider
ITU	International Telecommunication Union
LGBT	lesbian, gay, bisexual and transgender
MCSI	Ministry of Communications and Information Society, <i>Ministerul Comunicațiilor și Societății Informaționale</i>
MPEG	Moving Picture Experts Group
MVNO	Mobile Virtual Network Operator
NGO	non-governmental organization
OOH	out-of-home advertising
OTE	Hellenic Telecommunications Organization, <i>Οργανισμός Τηλεπικοινωνιών Ελλάδος</i>
PC	Conservative Party, <i>Partidul Conservator</i>
PD	Democratic Party, <i>Partidul Democrat</i>
PDF	Portable Document Format
PDL	Democratic Liberal Party, <i>Partidul Democrat Liberal</i>
PNL	National Liberal Party, <i>Partidul Național Liberal</i>
PPP	Public Private Partnership
PSD	Social-Democrat Party, <i>Partidul Social Democrat</i>
PVR	Personal Video Recorder
RCS&RDS	Romania Cable Systems & Romania Data Systems
RRA	Radio Romania Actualități
RSF	Reporters Without Frontiers, <i>Reporters sans frontières</i>
RSS	Really Simple Syndication

SATI	Internet Audience and Traffic Study, <i>Studiul pentru Audiență și Trafic pe Internet</i>
SNA Focus	National Readership Study Focus
SNR Radiocom	National Company for Radio Communications, <i>Societatea Națională de Radiocomunicații</i>
SPER	Stop Prejudices about Roma, <i>Stop Prejudecăților despre Etnia Romă</i>
SRR	Romanian Company for Radio-broadcasting, <i>Societatea Română de Radiodifuziune</i>
SRTV	Romanian Company for Television, <i>Societatea Română de Televiziune</i>
STS	Service of Special Telecommunications, <i>Serviciul de Telecomunicații Speciale</i>
T-DAB	Terrestrial Digital Audio Broadcasting
TDF	France Broadcasting, <i>Telediffusion de France</i>
UDMR	Democratic Union of Hungarians in Romania, <i>Uniunea Democrată a Maghiarilor din România</i>
UGC	User-Generated Content
UPC	United Pan-Europe Communication
VAT	Value Added Tax

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Companies

Ë3TS Cisco Growth	Media Sat
Adevărul Group	Mercury Research
Agerpres	Netbridge
Asesoft	Newsin
Axel Springer	Orange
CME	Osterreichische Rundfunksender
Cosmote	OTE
Dogan	ProSiebenSat.1
Edipresse	RCS&RDS
General Satellite Sofia	Realitatea Media-Cațavencu
GfK	Ringier
HotNews.ro	Romtelecom
Initiative Media	Sanoma Romania
Intact Media Group	SNR Radiocom
Internet Corp	TDF
Lagardère	Telemobil
Mediafax	UPC
Media Promovalores	Vodafone

Mapping Digital Media is a project of the **Open Society Media Program** and the **Open Society Information Program**.

Open Society Media Program

The Media Program works globally to support independent and professional media as crucial players for informing citizens and allowing for their democratic participation in debate. The program provides operational and developmental support to independent media outlets and networks around the world, proposes engaging media policies, and engages in efforts towards improving media laws and creating an enabling legal environment for good, brave and enterprising journalism to flourish. In order to promote transparency and accountability, and tackle issues of organized crime and corruption the Program also fosters quality investigative journalism.

Open Society Information Program

The Open Society Information Program works to increase public access to knowledge, facilitate civil society communication, and protect civil liberties and the freedom to communicate in the digital environment. The Program pays particular attention to the information needs of disadvantaged groups and people in less developed parts of the world. The Program also uses new tools and techniques to empower civil society groups in their various international, national, and local efforts to promote open society.

Open Society Foundations

The Open Society Foundations work to build vibrant and tolerant democracies whose governments are accountable to their citizens. Working with local communities in more than 70 countries, the Open Society Foundations support justice and human rights, freedom of expression, and access to public health and education.

For more information:

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