

The Business of Ethics, the Ethics of Business

Romania

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I. Executive Summary

In general, the managers of media outlets seem familiar with ethical and professional values. Unfortunately, few of them have the power or the will to put them in practice. As a result, the Romanian media shows a low level of professionalism, while the public interest is generally disregarded.

There are several causes. The general context of the market is probably one of the most relevant. **Although the Romanian media market gives the impression of a strong diversity** in all its sectors, a closer look will show that most of these outlets barely survive in an overcrowded market and very few of them meet basic professional standards.

The intervention of state authorities has distorted the market, while political and commercial pressures have turned the media into tools for owners to obtain influence and blackmail or attack their business and political adversaries. This situation has forced honest media institutions to adapt to the market and to compromise, sometimes by giving up ethical practices.

One of the biggest difficulties in drafting this report was to find coherent business models at the ten outlets studied. Only a couple of them have models, and there is still a long way to go before they are fully realised. It appears the most common practice is to follow profits and ratings, with little concern for ethical and professional standards.

Most organisations do not have written documents which define their goals or missions and have no internal procedures or mechanisms to enforce professional standards. Their managements rarely follow the traditional corporate model. Management contracts, self-regulatory bodies, internal regulations and codes of conduct are the exception rather than the rule. This situation negatively affects both management and employee journalists, as neither can rely on a set of norms.

Media institutions lack transparency and **show little concern for public accountability**. Only one of the ten organisations discloses its ownership, while sources of income are hidden in all analysed cases. The Constitution has stipulated since 1991 that it is possible to compel the media to disclose their financial resources. However most managers do not understand the relevance of revealing ownership or revenue sources.

The lack of interest in raising professional standards is also reflected in low membership of professional or owners' associations, the natural bodies for debating **ethics and self-regulation**. Stiff competition has hindered cooperation between the largest players and has prevented their identifying and fighting together for their common interests.

The biggest problems are editorial independence and freedom of expression. Four of the outlets which cooperated in this research maintain a clear distinction between business and editorial management. Editorial managers often work without a management contract, using instead regular employment contracts with special provisions. Sometimes, these contracts do not allow the editorial manager independence. This is one reason why some of them admitted making editorial decisions based on business reasons. There are no codes of conduct for publishers or owners.

The same applies to journalists, who, in many cases, have nothing to protect their editorial freedom. Many of them complain about freedom of speech violations. Basic labor rights are rarely respected, legal provisions are not enforced and journalists are treated as disposable assets. Six of the ten media institutions practice and encourage investigative journalism. Unions are virtually nonexistent.

Editorial policy is generally established by the editor, together with the owner. Rarely

do journalists or members of the editorial team have a say in editorial policy. All these causes lead to a low level of professionalism and little concern for ethical standards.

The research brought to light the pressure exerted by advertisers to influence editorial content, a practice which threatens to undermine media credibility altogether. Even more worrying is evidence that some outlets bend to such pressure. Few institutions have provisions in their advertising contracts which protect editorial independence. One of the causes of this situation may be the small size of the advertising market, which does not provide enough resources to sustain all the competing media.

Most institutions do maintain a clear distinction between the editorial and the advertising/commercial departments. The distinction is codified in written regulations, organisational charts or informal rules. There are also rules regarding the relationship between journalists and marketing departments. Generally, journalists are forbidden to involve themselves in commercial or sales activities.

Managers deny that hidden advertising is run, while insiders confirm that the unethical practice is still carried out at most outlets.

Professional training is provided by few of the ten institutions. Most of them focus on technical and commercial issues rather than editorial ones, and this is noticeable in the poor quality of the most influential Romanian media outlets. Few institutions offer ethics training.

There is a clear trend towards market concentration at the moment, as legislation sets limits of concentration only in the audiovisual sector. Media trusts are consolidating and expanding in all sectors, locally and nationally. Three big groups currently dominate the market¹. All of them own daily national and local newspapers, national and local TV and radio stations, weeklies and magazines. The main news provider for all media, the Mediafax agency, is related to one of these groups.

We have also identified a number of bright spots: institutions where business and editorial departments are separated by internal regulations; outlets that put public interest first and publish articles despite outside pressure; working contracts that follow legal provisions; regulations that forbid editorial advertising; and editorial management contracts that stipulate independence.

Still, media outlets should increase their efforts to implement good business practices and to ensure that professional and ethical standards are respected. Romanian media should also display more awareness of the public interest and a higher regard for their readers and audiences.

II. Context

Seen superficially, the Romanian media market gives the impression of strong diversity in all sectors, with over 20 national dailies, hundreds of local dailies and weeklies, over 170 TV stations and almost 400 radio stations.

A closer look reveals that most of these outlets barely survive in an overcrowded market, and very few of them meet basic professional standards. With a population of 22 million people and a per capita GDP of €6,500,² Romania is moving toward EU membership in 2007 and has experienced economic growth during the last five years. After the December 2004 elections, a centrist alliance replaced the Social Democrats (PSD) who governed during the

¹ Note: the term "group" is generically used to define media outlets which have ties through common shareholding, management etc.

² Estimate for 2004, in terms of purchasing power parity.

previous four years and were often accused of trying to control the media.

The advertising market, including outdoor ads, amounted to about €225 million in 2004 (net) and is barely sustainable in the overcrowded market.³ Thus, many of the media outlets are financed from sources other than commercial revenue. Only 19 percent of Romanians read print media, while 77 percent watch TV on a daily basis.⁴

Print runs of the major national dailies do not exceed 250,000 (tabloid *Libertatea*), while generalist newspapers hardly reach 100,000 copies per day.

The Romanian market is currently undergoing a process of restructuring and consolidation, mainly due to the new economic and political situation that developed after the 2004 elections. In past years, the market has been strongly distorted by political influence and other intervention. Politicians and businessmen took control of media outlets in order to gain political and economic influence, a phenomenon described by media NGO's as "Berlusconisation".⁵

Multinational media corporations have also consolidated in recent years, and they dominate most of the markets: print (Ringier), television (CME and SBS Broadcasting) and radio (Lagardere). Three influential businesspeople, one directly involved in politics, control a number of media outlets, which, although not legally organised as their holdings, are closely linked to conglomerates: *Antena 1*, *Jurnalul National*, *Gazeta Sporturilor* (known as Dan Voiculescu's media group); *Pro TV*, *Pro Fm*, *Info Pro* (run by Adrian Sarbu); *Realitatea TV*, *Radio Total*, the dailies *Ziua*, *Gardianul* and *Averea* (controlled by the oil union, which is headed by Liviu Luca).

There are about 20 national dailies on the market. Swiss media group Ringier has almost 30 percent (owner's representative evaluation) of the national print market. Its tabloid, *Libertatea*, is the best-selling nationwide newspaper with over 250,000 copies daily. The other newspaper controlled by Ringier is *Evenimentul Zilei*, a generalist daily which used to be known for its criticism of the establishment. It sells about 80,000 copies daily. Ringier also owns the newspaper *Pro Sport*. *Evenimentul Zilei* (The Event of the Day), originally owned by the German company Gruner & Jahr, was sold to Ringier in October 2003, as were Gruner & Jahr's newspapers in other countries.

Jurnalul National is edited by Editura Intact, part of a larger media group controlled by businessman and Senator Dan Voiculescu, leader of the Conservative Party. The newspaper made editorial changes at the beginning of 2004, putting more emphasis on features and profiles, and its sales jumped from 70,000 copies per day in September 2003 to an average of around 230,000 in March 2005, then fell to 100,000 in June 2005. The Voiculescus also control *Antena 1 TV*, sports newspaper *Gazeta Sporturilor*, the local *Radio Romantic* (the only radio station without advertising), and a number of magazines.

Adevarul is a generalist newspaper which sells around 100,000 copies daily. In March 2005, its editorial management and most of the journalists quit the paper in a dispute with ownership and formed a new daily named *Gandul*, which is competing on the generalist dailies market.

The German group Westdeutsche Allgemeine Zeitung controls 46 percent of the stock of *Romania libera*, a generalist newspaper which has experienced a circulation decline over the past three years, while its majority owner, Dan Adamescu, holds 48 percent. Other important national newspapers include *Cotidianul*, *Ziua* and the business dailies *Bursa* and

³ V. Iorga, "More Money is Invested in Advertising", *Evenimentul Zilei*, 17 June 2005.

⁴ OSI, *Annual opinion poll*, <http://www.fsd.ro/index.php?option=com_content&task=view&id=41&Itemid=1&lang=May 2005>, page 12.

⁵ Media Monitoring Agency, *Press Freedom Report 2003*, Bucharest, March 2004.

Ziarul Financiar.

In recent years, local and regional newspapers have increased their market share, some of them selling from 30,000 copies (daily *Gazeta de Sud* in Craiova) to 80,000 (weekly *Agenda* in Timisoara). Relevant local newspapers sell between 8,000 and 16,000 copies. Although local newspapers enjoy much heavier market saturation than the national dailies, most of them endure harsh economic conditions.

The most important national weeklies are *Academia Catavencu*, which specialises in political satire (circulation about 60,000) and is owned by its journalists and a Romanian businessman (Sorin Marin); and business magazine *Capital* (50,000 copies), owned by Ringier.

Popular TV guide magazines include *TV Mania* and *Pro TV Magazin*. Together they sell about 300,000 copies each week. Several international magazines have a Romanian edition, including *Cosmopolitan*, *Penthouse*, *Elle*, *Burda*, *Playboy*, *Bravo* and *Unica*.

Authorities have granted 258 audiovisual broadcasting licenses, and there are about 170 TV stations in Romania, according to the National Audiovisual Council. The public station is *TVR*, with two national channels (*Romania1* and *TVR2*), plus two satellite channels (*TVR International* and *TVR Cultural*). There are also four regional public TV stations.

The main commercial TV stations are: *Antena1* (Senator Dan Voiculescu), *Pro TV* (CME), *Prima TV* (SBS Broadcasting), *Realitatea TV* (Bluelink Comunicazioni, FSLI Petrom) and *Acasa TV* (CME). *Pro TV* and *Antena1* have the largest audience during prime time, while *Realitatea TV* is a news outlet with a significant audience in urban areas.

In the past two years, niche television stations have mushroomed. Some specialise in news (*N 24*, *Antena3* and *Realitatea TV*). Others have a generalist format (*National TV*) or specialise in music (*Atomic TV*), sports (*TV Sport*, *Telesport*), movies (*Pro Cinema*), documentaries and religious programs (*Senso*). The three largest television stations in the country (*TVR1*, *Pro TV*, *Antena1*) together hold 57 percent of the total urban audience share and take about 85 percent of available ad revenue.

“Most of the 140 local television stations retransmit the programmes of the national channels, airing only a few hours of their own programming, chiefly live talk shows, which are less expensive to produce, and short local news bulletins. In many cases, politicians are behind these channels.”⁶

Over 360 radio stations are active, and 515 licenses have been granted in the radio sector. The Romanian Broadcasting Radio Corporation (*SRR*) is the public radio corporation, broadcasting on four channels: *Radio Romania Actualitati* (news), *Radio Romania Cultural*, *Radio Romania Muzical* and *Radio Romania Tineret* (youth), which is now broadcasting on the Internet. *SRR* has nine regional stations and *Radio Romania International*, which broadcasts internationally in several languages. The main commercial radio stations are *Europa FM*, *Radio Kiss* (formerly *Radio Contact*), *Radio PRO FM*, *Radio 21* and *Radio Star*. *Europa FM* is the only private station with national coverage. It is owned by the French group Lagardere, which also controls 20 percent of *Radio 21*. In general, local radio stations are in the same situation as local TV stations, retransmitting the programmes of the major Bucharest-based stations.

The National Audiovisual Council is the public institution which regulates radio and TV markets. It is responsible for broadcasting licenses and monitors the implementation of its regulations.

⁶ M. Preoteasa, “Romania” in M. Dragomir, D. Reljic, M. Thompson, Q. Reed, D. Danov (eds) *Television across Europe: regulation, policy and independence*, Brussels, Budapest: OSI/EU Monitoring and Advocacy Program, 11 October 2005, p. 1279.

The biggest news agency is *Mediafax*, a private agency which belongs to Mediapro BV, registered in Amsterdam. Mediafax provides over 450 news articles daily to 90 percent of the nation's media outlets. The state-run news agency is *Rompres*, which has lost many clients in recent years.

A strong competitor arose in the media market last year. It is FSLI Petrom, the federation of unions of Petrom SA, the domestic oil company privatised in 2004 to Austrian OMV. The union and the company it owns, Petrom Service, has been involved in several media deals during the past last two years. At the end of May 2004, it got control of voting rights at *Realitatea TV*, *Radio Total FM*, *Alpha TV* (together with a whole network of local stations), and the national dailies *Ziua*,⁷ *Avea* and *Gardianul*, as well as at some local dailies such as *Telegraful de Prahova*.⁸ Still, the main shareholders at *Realitatea TV* and *Radio Total* are offshore companies in Switzerland (Bluelink Comunicazioni) and Cyprus (Comac), respectively,⁹ and their ownership is unknown.

Around 20 percent of Romanians have access to the Internet, and most media outlets have their own websites. The *Evenimentul Zilei* and *Gazeta Sporturilor* online editions are the most frequently visited media sites, according to www.traffic.ro. The biggest portals are *Kappa.ro* (belonging to Astral), *Romania Online* (RCS), *Home.ro*, *Portal.ro* and *Apropo*. Exclusively online publications also reach important audiences: *HotNews.ro* (revistapresei.ro) is among the top Internet sites, while *anchete.ro* and *boomerang.ro* have more of a niche audience.

In recent months there has been a debate about cable distribution in Romania. RCS (Romanian Cable Systems) and Astral, the main distributors, control about half the market. They have been accused of colluding to divide the market and enforcing abusive contract provisions. A third important player is UPC. According to various sources, there are about 3.5 million cable subscribers, or more than 50 percent of the nation's households. In most cities the number of households with cable TV and radio is over 70 percent.

The ten outlets included in this research and the reasons for their selection are as follows:

1. *Mediafax* - the largest national (private) news agency, with no real competitor on the market; 90 percent of the media outlets in the country are its clients;
2. *Pro TV* is the highest ranked television station in terms of audience, in close competition with Antena 1;
3. *Antena 1* - dominates the audience among private TV stations and has the highest ratings in prime time, including the evening news;
4. *Europa FM* - the only private radio with national coverage (60 percent of the territory);
5. *Mix FM* - Bucharest; a local radio station covering Bucharest and broadcasting a very influential radio programme, *Romania la raport*, a talk show on hot political topics hosted

⁷ HotNews.ro, "*Liviu Luca recunoaste ca detine controlul asupra Realitatea TV, Radio Total, Alpha TV, Ziua si a mai multor posturi locale*" (Luca states that his union controls Realitatea TV, Radio Total, Alpha TV and several local outlets), See (only in Romanian) at <http://www.hotnews.ro/articol_7019-Liviu-Luca-recunoaste-ca-detine-controlul-asupra-Realitatea-TV-Radio-Total-Alpha-Tv-Ziua-si-a-mai-multor-posturi-locale.htm> (accessed 30 September 2005).

⁸ E. Parvu, "The oil war takes place on the media market", *Adevarul*, 30 July 2005 and database of the Register of Commerce <<http://recom.onrc.ro>>.

⁹ National Audiovisual Council (CNA), *Proprietarii posturilor radio-TV din Romania* (The owners of the TV and radio stations in Romania), as updated on 16 September 2005, See <http://www.cna.ro/paginaindex/act_site.pdf> (accessed 20 September 2005).

by highly respected journalist Carol Sebastian.¹⁰ It is included also because of its similarities with local radio stations around the country in terms of business structure.

6. *Realitatea TV* - a niche 24-hour news outlet with a significant audience in urban areas;

7. *Academia Catavencu* - one of the most influential weeklies on the market, with a high-profile audience, mostly in higher education. It is a satirical magazine covering politics, investigations, culture, sports and entertainment;

8. *Evenimentul Zilei* - the main national generalist newspaper;

9. *Jurnalul National* - a newspaper with the second-highest circulation, according to the Romanian Audit Bureau of Circulation; it contains mostly towards features, editorials, etc;

10. *Gazeta de Sud* - the highest-circulation local daily in the country.

The management of *Mediafax*, *Pro TV* and *Europa FM* refused to take part in this project. *Europa FM* cited confidentiality imposed by its French partners. Therefore, we gathered the information from journalists who work or worked at these three outlets. For the other outlets, the information was collected through discussions with management representatives and journalists. All journalists demanded that their identities be protected for fear of reprisals from the management or because of confidentiality clauses in their contracts.

III. Competition framework

The media function in an environment where free competition is skewed. The market has been strongly distorted by political influence and the intervention of public institutions. Most local media outlets do not function as profit generators, but as tools of owners who use them to obtain influence, blackmail enemies and attack adversaries.

Being very fragile economically, media institutions are vulnerable to politicians or local authorities who can easily use state institutions for pressure or harassment. A survey by the Media Monitoring Agency shows that 60 of the 100 journalists questioned had been pressured by authorities to stop investigative reporting or to forgo publishing their stories.¹¹

This results in an absence of criticism of the establishment and a less-than-professional media scene. Investigative journalism is virtually nonexistent in Romanian newspapers.

One of the main control mechanisms has been favouritism in ad buying for the government, state companies and other public institutions, and the secrecy that obscures these sales.

Smaller publications and TV stations have been awarded substantially bigger ad contracts than larger institutions seen as critical of authority. Another mechanism which has distorted competition is authorities' tolerance of companies which have accumulated huge debts to the state over the last five years. The regular country report released by the European Commission in November 2005 says:

“Against this background, the state has tolerated the accumulation of significant arrears by a number of the largest media companies, including most major private TV stations. Such a situation may compromise editorial independence and media monitoring studies have observed that the TV news is **notably less critical of the government than the written press.**”¹²

Local politicians have often used public institutions to pressure private advertisers to end their contracts with media outlets they deem critical.

¹⁰ In September 2005 Carol Sebastian became the editor in chief of *Cotidianul*, and Andreea Pora became the new host of the cited radio talk show.

¹¹ Media Monitoring Agency, *Press White Book* (second edition), Bucharest, October 2004.

¹² EU Commission, *2004 Regular Country Report on Romania*, November 2005, Brussels, <http://www.infoeuropa.ro/ieweb/imgupload/RR_RO_2004_EN_FINAL.pdf> (accessed August 2005).

A recent report by the Competition Council states that “one of the visible trends in recent years has been the concentration in the media field.”¹³ The document states that mergers between programme providers should be carefully monitored to prevent the dominance of a few companies. “Vertical” agreements between programme providers and network holders should be thoroughly monitored to prevent a monopoly.

The document also mentions the debt problem and media corruption. “As advertising and sales cannot ensure profitability for many media institutions, they no longer function as business entities, but as instruments of influence for political and economic groups,” it says.¹⁴

As previously stated, in recent months there has been a debate about cable distribution in Romania. The two main distributors, RCS (Romanian Cable Systems) and Astral, control a big part of the market (over 1.5 million subscribers) and are accused of collusion as well as abusive contract provisions. The case is under investigation by the Competition Council following several customer complaints.

Legislation

The audiovisual sector is regulated by Audiovisual Law 504/2002, which includes specific antitrust and anticoncentration provisions. “Current broadcasting legislation aims to limit horizontal media concentration while permitting vertical media concentration, meaning the integration of ownership and capital across various phases in the supply chain for a media product (for example, integration of media companies and their associated production and distribution markets).”¹⁵

Article 44 (1) of the law states that “the concentration of property and the extension of the audience in the audiovisual field are limited to dimensions ensuring economic efficiency, but not generating dominant positions in the forming of public opinion, in order to protect pluralism and cultural diversity.” Under the law, a radio broadcaster holds a dominant position in forming public opinion at national level when its market share exceeds 30 percent of the market of television programmes broadcast nationally.¹⁶ A Romanian or foreign individual may hold a maximum of two audiovisual licenses of the same type within the same administrative unit or territorial area.¹⁷

The law prevents shareholders in a single audiovisual company from holding more than 20 percent of the share capital of other companies. There are no restrictions on foreign ownership. Any citizen or company can hold a broadcasting license.¹⁸

There are no specific regulations for the print media, except for those contained in the Competition Law 21/1996, Art.13, which stipulates:

Economic concentrations are illegal which, having the effect of creating or consolidating a dominant position, lead to or are likely to lead to a significant restriction, prevention or distortion of competition on the Romanian market or on a part of it.

¹³ Competition Council, *The list of the vital sectors of the Romanian economy from the competition point of view* <<http://www.competition.ro/page.php?page=2006>> (accessed June 2005).

¹⁴ Ibid.

¹⁵ M. Preoteasa, *Television across Europe: regulation, policy and independence – Romania*, as cited, p. 1279.

¹⁶ Audiovisual Law no 504/2002, *Official Gazette* 534/22 July 2002, art.43-44, See <<http://www.cna.ro/english/legislation/legea504.html>> (accessed 28 August).

¹⁷ Ibid., art. 43-44.

¹⁸ Ibid., art.44-49.

IV. Ownership and its impact on media professionalism and independence

Hidden ownership is one of the biggest problems faced by the Romanian media. Media outlets generally do not disclose their ownership unless specifically required by law. There seems a long road ahead before owners and managers understand that the media is a business of public interest and accountability to the public should be considered a priority.

Radio and TV stations are required by the Audiovisual Law to disclose their ownership, which is published on the CNA website. **There are no specific regulations regarding the print media in this matter.** To hide their ownership, a large number of TV stations register in foreign tax havens where legislation allows anonymity.¹⁹ As cited *Media Ownership* research revealed:

“Cross-media ownership is restricted only within the broadcasting sector. Romanian media legislation does not refer to the possibility of owning a broadcast and a print media outlet. Most media owners have exploited the loose regulation and, with very few exceptions, expanded in as many media as possible.”²⁰

As reported in the previous chapter, there are no specific regulations for the print media except for those contained in the Competition Law 21/1996. Nor are there special provisions regarding ownership of print media. For this sector, the regulations of the Competition Law apply.

Although owners are named on the CNA website, **none of the radio or TV stations names its shareholders on its own site.**²¹ “We do not publish it because the law does not ask us to,” or “You can find it on CNA website,” were typical responses from media managers. This shows a very superficial understanding of the principles of media transparency and accountability. The only media institutions which publish ownership information are *Academia Catavencu* weekly and *Evenimentul Zilei*.²²

Most of the ten outlets do not have any written documents to define their goals or mission. Two of the institutions have codes of conduct for journalists or editors, while editorial management contracts exist at five of the ten. *Realitatea TV* is the only one which provided a copy of its mission statement, although other institutions claim to have either written or verbal mission statements. “*Realitatea TV* is a private investment which performs a public service, correctly informs the audience, according to journalistic rules,” reads *Realitatea TV*’s mission statement. Others cited slogans rather than mission statements. *Antena 1* says its mission is “to build audience, taking into account the principles of the Ethics Code and the stipulations of the Audiovisual Law.”

None of the institutions has a set of written organisational values for employees or the public. An *Antena 1* representative stated “relevance” as the main one. *Realitatea TV* has in its mission statement some provisions which can be considered organisational values, but the one-page document can hardly be referred to as a statement of these values. An insider defined them: “To offer honest information, without sensationalism. We transmit it through

¹⁹ The “tax heaven” are jurisdictions such as Cyprus, the Netherlands, Antilles, the Virgin Islands or the Bahamas, where offshore companies benefit from low taxation and shareholding anonymity. Those companies may be represented by a “fiduciary” or “trusted agents”.

²⁰ M. Preoteasa, *EUMAP Television across Europe: regulation, policy and independence - Romania*, as cited, p. 1286.

²¹ CNA, *The owners of TV and radio stations in Romania*, as cited.

²² Ringier’s website, <www.ringier.ro>

the editorial content.”²³ Publishers’ or owners’ codes of conduct do not exist at any of the institutions. Management contracts with clear objectives for their editorial or commercial managers are not general practice. Managers or chief editors have normal employment contracts with additional specific objectives and clauses. Not all of these contracts have provisions ensuring the editorial independence of editorial management.

Evenimentul Zilei and *Realitatea TV* are the only outlets that have management contracts, with specific stipulations regarding audience and financial performance. The contracts include stipulations that guarantee editorial independence. Insiders say that the *Pro TV* and *Europa FM* editors also have management contracts, but we could not gather information regarding editorial independence. *Evenimentul Zilei* employs a management contract with clear stipulations that the editor-in-chief makes decisions based upon specific objectives in the contract. Chief editor Razvan Ionescu said: “I don’t think there is another contract in Romania that guarantees editorial independence so thoroughly.”

Jurnalul National also uses management contracts for both editorial and business managers, but “freedom of speech and editorial independence are neither guaranteed nor imposed,” said Mihai Craiu, executive manager. Employees often spoke of a lack of editorial independence on the part of management. Adrian Voinea of the local daily *Gazeta de Sud* said that even though the editor establishes the editorial policy, sometimes he might have to obey the demands of the owner “as long as they respect the idea of the press. If the owner asks us not to write about a certain person because he is a friend/partner, I might have to respect his wish because he is the one who pays the money. It is not nice, but it is his right to ask. I can either respect it or not.”²⁴

The only regulations regarding professional standards are the provisions of the Audiovisual Law, which refer to specific ethical and professional issues. The National Audiovisual Council supervises the implementation of these regulations. It has become more active in fulfilling its duties during the last two years, monitoring the implementation of legislation, applying sanctions and developing regulations.

There are two associations representing media owners in Romania: the Romanian Press Club (RPC), which also includes journalists among its members, and the Association of Local Media Owners and Editors (ALMO), established recently. The RPC has its own Code of Ethics, while ALMO is a member of the Convention of Media Organisations and subject to its Code of Ethics. Both are journalists’ codes, not owners’ or publishers’ codes. Some of the subjects of this research are part of the RPC and come under its Code of Ethics.

There is a certain reticence among media institutions to be involved in professional or owners’ associations. One explanation may be that some of these associations have not properly fulfilled their mandate and are regarded with distrust by some media managers. Sergiu Toader, project manager at *Realitatea TV*, said:

“We are not interested in being part of any organisation, especially the RPC, which mixes media owners with journalists. Our organisation, which is new on the market, is not interested in becoming part of any structure that has yet to define its identity.”²⁵

This distrust is also reflected by *Evenimentul Zilei*, which, although a founding member of the RPC, does not implement its Code of Ethics and is currently developing its own Code

²³ The insiders are journalists working at the three institutions whose managements refused to answer our questions. Therefore, we have gathered the information from inside sources, and all the journalists asked the country reporter to protect their identity.

²⁴ Interview with Adrian Voinea, director of *Gazeta de Sud*, Bucharest, June 2005.

²⁵ Interview with Sergiu Toader, project manager at *Realitatea TV*, Bucharest, July 2005.

of Good Practices.

Some managers gave the possibility of taking part in decisions which directly affect their activities as the main advantage of belonging to an owners' association, while others cited the protection that such an organisation offers.

Case study: *Evenimentul Zilei*'s crisis despite clear stipulations

Editorial management works on the basis of management contracts which have clear stipulations protecting the editorial independence of management. The same kind of contract was used by Ringier for the previous chief editors. Although these contracts favour and protect the editor-in-chief, Ringier still applies them. Last year there were two crises at *Evenimentul Zilei*, in September and December, when journalists protested at what they called "Ringier's intention to change the editorial policy and to turn the newspaper into a pro-PSD tabloid." In these conflicts, the former director and the former chief editor were supported by the journalists and disagreed with Ringier's plans. The management contracts protected them from being dismissed by the ownership, and they were able to express disagreement with the editorial strategies of Ringier. In the end, the former director ended the contract by mutual agreement with Ringier, while the editor-in-chief resigned.

V. The funding of the media business

The Romanian media must exist in an economic environment where free market forces do not work properly. An abundance of media outlets compete for a relatively small ad market, which was around €225 million in 2004 (net amount). Although there are over 20 national dailies, their print runs are rather small. Only three surpass 100,000 copies a day. This is one of the reasons why many Romania media outlets do not function as profit-oriented entities, but as tools for owners to gain business or political influence.

The owners of seven of the ten outlets featured in this research have other businesses besides media. Nine of the ten outlets are part of larger media groups. All of them function as autonomous entities.

The market has been strongly distorted by political influence and the intervention of public authorities. Politicians have used public institutions to pressure "inconvenient" media outlets. This pressure has taken different forms: harassment of private advertisers to end their contracts with outlets deemed critical of political authority; abusive inspections at uncooperative media outlets; granting public advertising on preferential terms; and applying discriminatory fiscal measures.

Government advertising granted in a secretive and preferential manner by public institutions and state-owned companies has been one of the main mechanisms of media control. In 2003, it was estimated to amount to about eight percent of the total expenditure for media advertising. According to a document circulated by the present executive, led by PM Calin Popescu Tariceanu, 15 ministries of the former government spent directly or through subordinated institutions some €66 million on various governmental campaigns during 2000-2004.

At first glance, this sum might not seem likely to have had such a big impact on the market, but the way in which it was granted had a negative effect, especially in local markets where advertising funds are limited and advertising can play a decisive role.

The granting of governmental advertising has not always been done according to audience criteria. Many smaller publications or TV stations have been awarded ad contracts substantially bigger than other media institutions which had a more representative audience, but were more critical of the administration. National dailies *Ziua* and *Gardianul*, with circulations under 25,000 copies a day, and *Prima TV*, ranked third among private

broadcasters, received far larger sums from public advertising contracts than other outlets with a higher audience.

Transparency of funds

There are no specific laws regulating funding disclosure, although there is an article in the Constitution which reads that: “The law may impose upon the mass media the obligation to make public their financing source.”²⁶ Although the cited provision dates from 1991, no initiative to create the legal framework for implementation of the article has been taken so far.

The current legislation does not require media institutions to publish their sources of income or revenue, except for those required by the fiscal authorities. These documents do not provide detailed information about the sources of revenue.

None of the ten companies publishes financial reports except as required by law. Most managers do not consider this necessary as long as the law does not require it. “We publish what the law asks us to publish. The reports are on the website of the Ministry of Finance. We do not publish anything else in any other places, because we are a private company,” said Mihai Craiu, general director at *Jurnalul National*.²⁷ “We do not make them public because it’s not a practice in our country. I see no problem with this,” Adrian Voinea of *Gazeta de Sud* stated.

Evenimentul Zilei can hardly be considered an exception. Its owner, Ringier, publishes some financial reports on its website. These reports, however, contain only an overview of Ringier’s Romanian businesses.

The main source of revenue for all the ten outlets is advertising. The percentage of advertising among total revenue ranges from 55 percent at *Evenimentul Zilei* to 100 percent at *Realitatea TV*. *Radio Mix* has a small percentage of income from other sources (organising events), while *Antena 1* draws about one percent of its total income from renting equipment.

The contribution of public advertising to the total revenue of these ten outlets is rather small, ranging from two-three percent at *Antena 1* to eight percent at *Academia Catavencu*. According to Sergiu Toader, *Realitatea TV* rejects any state advertising or incentives.

Some publications clearly designate their advertising (usually marked with an ‘A’) and some do not. Important national dailies like *Adevarul* and *Averea* have run or still run hidden advertising. Until recently, when it asked its members to stop doing so, the Romanian Press Club tolerated the practice. Some of the ten outlets have clear rules banning hidden advertising.

Of the ten institutions studied, only *Jurnalul National* openly admits to publishing disguised advertising. Mr. Craiu, of *Jurnalul National*, said:

“Only in very carefully studied cases and only if it does not affect the interests of the group and does not harm/cheat in a vital way the public. Ninety percent of advertising is marked with ‘A’. The rest is marked with ‘Advertorial’.”

In this case, there is a high risk that the public could be easily misled, since the term “Advertorial” is not familiar to most Romanians.

²⁶ Constitution of Romania, Official Gazette, 758/2003, art.30, para 5, See <http://www.cdep.ro/pls/dic/site.page?den=act2_2&par1=2#t2c2s0a30> (accessed 6 September 2005). Note: The Constitution of Romania of 1991 was amended and completed by Law No. 429/2003 on the revision of the Constitution of Romania. Both fundamental laws include the cited provision regarding the financing sources of the media.

²⁷ Interview with Mihai Craiu, director of *Jurnalul National*, Bucharest, June 2005.

Academia Catavencu says it occasionally mentions in its editorial content some of the sponsors of events organised by institutions belonging to the media group, although the general rule is not to do such promotion. Most of these events are activities to support environmental campaigns or the annual Academia Catavencu Ball. In other situations, important clients request editorial plugs for their events, “but this doesn’t take place more than ten times per year,” says executive manager Sorin Vulpe.²⁸

There are also institutions which refuse to publish hidden advertising. “We are one of the few TV stations that does not air ‘paid news’ as it contradicts our mission and our beliefs about this profession. More than this, what we sell is our credibility and we can’t destroy our own business,” said Sergiu Toader, programme manager at Realitatea TV.²⁹ *Evenimentul Zilei* management and employees of Pro TV mentioned clear internal regulations which forbid hidden advertising.

Broadcasting outlets claim they do not air hidden advertising because the law forbids it and they fear fines from the CNA. Sources at *Realitatea TV*, *Pro TV*, *Antena 1*, *Mediafax* and *Europa FM* say their stations do run hidden advertising. The Audiovisual Law clearly bans any kind of hidden advertising.³⁰ Art 27 (1) of the law also requires that “advertising and teleshopping should be easily identified through clear marking and should be separated from other programmes by visual and aural signals.”

The law also contains provisions regarding sponsored programmes, demanding that “under no circumstances should the content and the programming of sponsored programmes be influenced by the sponsor, so that the editorial independence and responsibility are not affected.”³¹

For the print media there are no legal regulations regarding hidden advertising. Nor do any of their codes of conduct contain provisions on it.

Realitatea TV is one of the few institutions with a mission statement that spells out the goals and the identity of the organisation. It does not run hidden advertising, invoking the values stated in its mission statement. The editorial manager also cited ethical and professional standards as reasons for refusing hidden advertising.

VI. Separation of editorial and business departments

The ten media organisations have various management structures. Four are run by boards of management and keep business and editorial management clearly separate. Editors, heads of editorial departments and journalists are sometimes present in the management bodies. In general, the editorial policy is established by the editor, together with the owner. There are a few cases when journalists or members of the editorial team contribute to the editorial policy.

Although there are cases where representatives of the editorial staff have a say in management decisions, it is difficult to determine whether they represent editorial interests or business interests.

Realitatea TV has a board which includes two representatives of the editorial staff who have the right to vote and of veto. It also has an editorial council. Editorial decisions are made by the editor and the editorial body. The chief editor works on the basis of a management contract whose object is the execution of an editorial concept proposed by

²⁸ Interview with Sorin Vulpe, general director of *Academia Catavencu*, Bucharest, June 2005.

²⁹ Interview with Sergiu Toader, as cited.

³⁰ Audiovisual Law, as cited, art. 27 (4).

³¹ Audiovisual Law, as cited, art. 34, para 1.

him, with no involvement from the owner. However, employees claim that the owner sets editorial policy.

Evenimentul Zilei has an executive board, and the chief editor is one of its members. He has the right to vote. There is a board of management at Ringier Romania which is in charge of the whole group's business operations. The editorial policy is set by the editor and journalists, while the positioning of the paper is established by the editor and owner.

Antena 1 is run by a board of administration with two vice-presidents – one of them in charge of the commercial aspects, the other the editorial director. The general editorial policy is set by the owner and the management, but the editorial department establishes the methods of obtaining the targeted commercial results and has editorial freedom to select subjects. Regarding the news department, Sorin Oancea, vice-president of *Antena 1*, said: "There is editorial independence, because everything comes down to ratings – it gives editorial freedom, but it also restricts you to certain behaviour."

Jurnalul National has no board of administration; there is an editorial council, composed of the general director, editorial directors, editor-in-chief and department heads. The editor is always consulted when strategic decisions are made. Editorial policy is the responsibility of the editorial director; he may consult the journalists, but the decision and the responsibility are his. The owner may not interfere in editorial policy, only in the general editorial direction.

Academia Catavencu is a special case, as the publication was founded by the journalists 14 years ago. Later on, they sold half the shares to a Romanian businessman. The company is run by a board of administration and a senate, which makes strategic decisions and consists of all the founders. Journalists who are also founders are present in both structures and have the last word on strategic decisions. Editorial policy is set by the owners, editor and journalists.

Smaller entities, such as *Radio Mix* and *Gazeta de Sud*, have no boards of administration.

Radio MIX is run by a group comprised of the news editor, a programme coordinator and a production director. The group is responsible for business decisions and program policies. There is no separation of business and editorial departments: "This is quite unhealthy. We should have an editor to take charge," said Alexandru Lazescu.³² Editorial decisions are made by a group of five to seven people, and journalists are among its members.

Gazeta de Sud has no board either, but decisions are made in consultation with the editor-in-chief. The executive director reported occasional clashes with the owner. According to Adrian Voinea, director at *Gazeta de Sud*:

"For me, the person who finances has the right to ask anything as long as he respects the idea of the press. He can ask anything. It is his right. It's not nice, but I can respect it or not."³³

Radio Europa FM is run by a board of administration. One of the vice-presidents is responsible for the editorial policy, but is not actively involved in its implementation. The editorial policy is established by the owner's representatives, the editor and the journalists together.

We could not gather relevant information regarding the management structures at *Mediafax* and *Pro TV* due to their refusal to respond to questions.

Managers from *Jurnalul National* and *Antena 1* and insiders from *Pro TV*, *Mediafax* and *Europa FM* admitted that there were business reasons behind some editorial decisions. One such reason was: "supporting our clients' products through PR/advertorials," according to

³² Interview with Alexandru Lazescu, general manager of Radio Mix Bucharest, 8 June 2005

³³ Interview with Adrian Voinea, director of *Gazeta de Sud*, Bucharest, 9 June 2005

M. Craiu of *Jurnalul National*, whereas Sorin Oancea, of Antena1, said: “There have been rare cases when we didn’t cover some topics because they involved some of our clients.”

Pressure came from the commercial departments, not from the owner of *Gazeta de Sud*, to stop publication of material which could have hampered distribution of the newspaper in a certain region. The editorial management took the decision to publish the article “because public interest came first,” said Adrian Voinea of *Gazeta de Sud*.

Human resources policy in the newsroom

In most cases, journalists endure rather harsh conditions in their newsrooms. “Journalists have lost control of their profession to the owners,” said Mihai Coman, dean of the Journalism Faculty in Bucharest.³⁴

Working without contracts and paid low wages, without strong unions and with no protection of their editorial freedom, journalists are treated as disposable assets by their employers. Due to their low concern for professional standards, employers often force journalists to accept humiliating working and professional conditions.

Although the law requires it, most media institutions do not have collective labor contracts in their units, nor do their working contracts respect the provisions of the National Collective Labour Contract (NCLC).

Some managers complained about the provisions of the NCLC and those of the Labour Code which, in their opinion, excessively favour employees and are very costly for management. Many of them were not acquainted with the provisions of the NCLC, although it is incorporated in the law.

Only three of the ten media outlets contain a “conscience clause” in their contracts (*Jurnalul National*, *Pro TV*, *Evenimentul Zilei*). This provision protects the editorial independence of the journalist and is part of the NCLC. Although a legal provision, the conscience clause is unfamiliar to some managers, while others ignore it.

Mihai Craiu of *Jurnalul National* said that his company’s working contracts respect the provisions of the NCLC, but, when asked if the contracts include the conscience clause, said that he didn’t know what it was. Meanwhile, journalists on the paper confirm the presence of this clause in their contracts.

Realitatea TV did not add this clause to working contracts “because our mission statement ensures editorial independence,” according to Sergiu Toader.³⁵ When asked about the conscience clause, Alexandru Lazescu of *Radio Mix* replied: “Good question. It should have been there. What a shame for us!”³⁶

Although there is no collective labour contract per se at *Evenimentul Zilei*, the working contracts respect the provisions of the NCLC and include the conscience clause.

The percentage of journalists employed by these ten organisations varies from 15 percent at *Antena1* to 75 percent at *Evenimentul Zilei*, depending on the profile of each organisation. In six of the ten institutions, the average salary of journalists ranges between €300 and 500, above the average national salary (about €200). *Academia Catavencu* refused to disclose this information.

Most of the ten outlets offer bonuses for achievements such as meeting goals or getting

³⁴ Mihai Coman, dean of the Faculty of Journalism and Communication Science of the University of Bucharest, Regional Conference on Journalism organised by the Romanian Center for Independent Journalism, December 2003.

³⁵ Interview with Sergiu Toader, as cited.

³⁶ Interview with Alexandru Lazescu, as cited.

exclusive stories (*Antena1*). *Academia Catavencu*, *Realitatea TV* and *Antena1* also give fines to those who do not fulfill their contractual obligations, or make professional mistakes.

Other institutions offer paid holidays and small gifts (*Europa FM*), food/meal tickets (*Academia Catavencu*), or bonuses for carrying out political or commercial orders from management (*Pro TV*).

In most cases, companies hire journalists with two types of contracts simultaneously – a working contract and a collaborator/freelance/copyright contract. In general, through the working contract, the journalist receives the minimum wage, and the remainder is paid through the other contracts.

Jurnalul National and *Realitatea TV* pay all journalists in this mixed form – work contract, plus a collaborator or copyright contract. Insiders at *Europa FM* say most of their colleagues are employed on the basis of work contracts. It is the same at *Gazeta de Sud*, where only the columnists have copyright contracts. Journalists from *Mediafax* reported that most of them have no work contracts at all. Instead, they are hired through collaborator, copyright and freelance contracts. None of these contains a conscience clause.

Besides *Radio Mix* and *Gazeta de Sud*, which do not use confidentiality and exclusivity clauses (“because we cannot afford them,” according to Adrian Voinea of *Gazeta de Sud*), all the other institutions have such clauses in the journalists’ contracts; but only four pay the extra remuneration required by law.

Employees said that journalists are usually dismissed at the will of employers, sometimes after they breach obligations based on oral rather than written agreements. Management representatives from the ten outlets usually claim that journalists can be fired only according to the Labour Code or if they breach their contractual obligations. They complain that the Labour Code makes it almost impossible to fire employees, even when they break contractual obligations or make professional mistakes. Sorin Oancea from *Antena1* believes that firing a journalist simply because his story may have troubled the owner is not a good idea, because “the next day he will run to the competition, turn against you and bring the subject to public attention.”

There is only one active union in the ten institutions. Although managers claim they have no policies against unions, insiders say that labour initiatives are discouraged by owners, and initiators risk being fired. The only union functions at *Antena1*, but its members are mostly technical personnel, according to vice-president Sorin Oancea. Management at *Evenimentul Zilei* confirmed the existence of a union, but said it was no longer active.

Codes of ethics and self-regulatory bodies are rare in the Romanian media. Institutions show a low interest in adopting them. Professional associations, such as the Convention of Media Organisations, which includes about 40 professional and owners’ associations plus unions, have been more active in this area during recent years. In 2004, they adopted a code of ethics and the Statute of Journalists. The Romanian Press Club, an association which includes the owners of several important media outlets as well as journalists from the same outlets, has its own Code of Ethics and a council of honour to monitor its implementation. Unfortunately, none of these codes are enforced. Recent developments show a slight increase of concern for ethical values on the part of the RPC and some media outlets, but it is too early to say if this concern is accompanied by a real intention to implement ethical values. Both codes have provisions aimed at protecting freedom of expression.

The only institutions in the study group which have self-regulatory bodies are *Realitatea TV* and *Academia Catavencu*. *Realitatea TV* has a discipline commission for labour issues and a journalists’ council of honour for ethical and professional issues. None of them was confirmed by insiders as being functional, however. *Academia Catavencu* has a regulatory

organ called the senate, which discusses ethical issues. The body is composed of the journalists who founded the publication. *Evenimentul Zilei* discusses ethics at the level of the editorial board. *Antena1* has a discipline commission for labor issues.

Codes of ethics have been assumed only by *Jurnalul National* and *Antena1*, which adopted the ethics code of the Romanian Press Club. Insiders could not confirm that the codes were fully implemented, although journalists are required to sign them, along with their work contracts. *Realitatea TV* has a mission statement and a set of internal regulations that take the place of a code of ethics.³⁷

A special case is *Evenimentul Zilei*, a founding member of the RPC even though it does not implement the RPC's Code of Ethics. When contacted in June 2005, it was drawing up its own code of good practices. This code is being developed by the editorial board, together with the heads of the editorial departments.

Other outlets rely only on internal regulations to protect and promote professional and ethical standards in their institutions. Some do not implement such documents. Sorin Vulpe, general director of *Academia Catavencu*, explained: "We only have an ISR – no formalisation of professional conduct has been worked out yet." On the same topic, Adrian Voinea, director at *Gazeta de Sud*, considers such documents unnecessary: "A written code is just a formality - these things are common sense and they function very well even without specific regulation," he said.

Regarding the involvement of journalists in political and social activities, the ten outlets have different policies. According to documents (work contracts, internal regulations), five of them (*Pro TV*, *Evenimentul Zilei*, *Academia Catavencu*, *Antena1*, *Realitatea TV*) forbid any involvement in political activities. *Radio Mix* has an informal rule banning this kind of involvement, according to general manager Alexandru Lazescu. The other four organisations do not expressly forbid it, even though some do not agree with it. "I don't approve of it, but what can I do to stop them?" said Adrian Voinea of *Gazeta de Sud*. The codes of ethics of the Romanian Press Club and of the Convention of Media Organisations recommend that journalists stay out of politics.

Academia Catavencu is a special case, as the publication was founded by the journalists 14 years ago. Later on, they sold half of the shares to a Romanian businessman, Sorin Ovidiu Vantu, who became controversial later on. The company is run by a board of administration which oversees the current operations, and a senate, which makes strategic decisions and where all the founders of the company are represented. Journalists who are also founders, are present in both structures and have the last word in strategic decisions. The editorial policy is set by the owners, editor and journalists. The senate also has the attributes of a regulatory body, discussing ethical issues.

Advertising departments

Most institutions do not keep their editorial and advertising departments clearly separate. Some have written regulations on this separation, while others rely on informal rules. Working contracts prevent journalists from commissioning advertising or getting involved in commercial activities. Some institutions have special rules governing the relationship between journalists and the marketing department. In others, the manager or the editor-in-chief is designated to discuss ad contracts with their sales departments. According to some managers, promotions

³⁷ Insiders are journalists from the ten institutions who answered the same questions as the managers. All of them requested anonymity for fear of reprisals or due to the confidentiality clauses in their contracts. They were interviewed to verify information given by the managers.

or advertorials are aired with the approval of the news editor after a written request from the advertising department.

Formally, *Realitatea TV* separates its commercial and editorial departments, under its organisational scheme. But one compromise is made. Advertorials are executed by the news department at the request of the sales department and with the approval of the sales director.

Radio Mix is the only one of the ten outlets which allows journalists to sell advertising for a commission. It is also the only institution with no written or informal rules to separate the editorial and the commercial departments. Alexandru Lazescu, the general manager of the station, stated:

“I think we should better regulate the separation of editorial and commercial. We do not encourage it, but neither do we discourage it. It happens that journalists recommend a client. It is not what I desire, but I have no solutions because I don’t have enough people. Journalists from the news department are not involved, only those from the programmes department. I intend to outsource this activity.”³⁸

At *Academia Catavencu*, although sales are the exclusive responsibility of the sales department, there is no regulation to prevent journalists from bringing proposals for advertising contracts to the sales department. Journalists can facilitate contracts, but they get no commission.

Evenimentul Zilei, *Pro TV*, and *Europa FM* have specific provisions in their working contracts and in the ISR to separate the two departments. Sales directors report only to the editor-in-chief and not to reporters at *Evenimentul Zilei* and *Gazeta de Sud*, while at *Jurnalul National* the general director mediates between the commercial and the editorial departments when necessary.

Antena 1 has a special regulation which allows the station’s “stars” to engage in commercial activities with prior approval from management. Working contracts at *Antena 1* prevent journalists from commissioning advertising.

CMO’s Code of Ethics has provisions regarding the separation of journalists’ economic and political activities from their editorial ones: “The journalist has the right to refuse to commission advertising or sponsorship contracts for the institution he is working for,” it says.³⁹

Pro TV has special rules to separate editorial from commercial. No advertising material is aired without a written request from the sales department. Through their working contracts, journalists are forbidden to sell advertising. The Internal Set of Regulations (ISR) also separates the two departments. Insiders say the commercial department does not impose on the editorial department.

VII. Individual rights and editorial freedom

Fighting pressure from the outside

According to the 2004 Press Freedom Report of the Media Monitoring Agency, there has been an escalation of pressure on media in recent years. According to the report, it has taken various forms: buying media institutions, abusive use of public functions as blackmail instruments against the media, buying the silence of some media institutions through the granting of governmental advertising contracts or exemption from fiscal obligations. Whenever such methods did not yield results, the pressure could take the form of threats

³⁸ Interview with Alexandru Lazescu, as cited.

³⁹ CMO, *Code of Ethics*, Bucharest, adopted in July 2004, art. 3, para 5.

or aggression. There were also cases when all the issues of some newspapers were bought before readers got a chance to purchase them.⁴⁰

The research brought to attention the problems many media outlets face due to advertisers' pressure, which impinges on editorial freedom. This has led to the avoidance of some topics, failure to publish reports and loss of contracts for media which editorially displease advertisers. All this seriously undermines the media.

Some outlets (*Antena 1* and *Gazeta de Sud*) admit avoiding subjects due to advertising contracts. Insiders from nine outlets also confirm the practice, although most management representatives deny it. Public interest was mentioned several times as coming above commercial interests by those outlets which refuse to submit to advertiser pressure.

Almost all those interviewed believe that advertisers do not understand that they have no role in determining editorial content. Mihai Craiu of *Jurnalul National* said: "They never understand. They fight strongly to protect their interests. If we have a journalistic subject, we publish it, no matter what. The editorial interest comes first."⁴¹

Adrian Voinea, director at *Gazeta de Sud*, has another opinion. "It depends on the advertiser. The advertising agencies are OK, they act like a buffer. Companies never understand that. It's something they do openly, not something implied." Still, Mihai Craiu accuses advertising agencies of trying to persuade the newspaper not to attack the interests of their clients.⁴²

Some media managers say they do not bend to advertiser pressure, while others try to compromise. Sergiu Toader of Realitatea TV said: "We have not avoided any subjects. On the contrary, we were the only ones to present the Porsche accident, although they threatened to end their contract with us." And Sorin Vulpe of *Academia Catavencu* said: "We do not avoid subjects, but the tone of the article might not be that harsh if we have a close relationship with the advertising company. When some advertisers' pressure got too strong, we kicked them out and ended the contract."

The only outlet where both management and insiders confirmed that no subjects were avoided was *Evenimentul Zilei*.

Managers from five of the ten outlets had lost contracts after publishing articles which troubled advertisers. Two other insiders claimed no knowledge of the situation at their institutions, while at two other outlets such things were not reported to occur. Still, only four managers consider it necessary to have a special clause in advertising contracts to protect editorial independence. ("It is a first step, but this is a long-term process because the problem lies with people's mentality."⁴³). Others do not consider such a provision necessary as "it might give advertisers ideas".⁴⁴ Radio Mix introduced a special clause in to its contracts which clearly stipulates that the editorial responsibility rests with the radio station.

Although management representatives usually say that they provide "all the necessary conditions to avoid these problems,"⁴⁵ most journalists complain about a lack of protection against external pressures: "They offer protection only if it's also in their interest."⁴⁶ The

⁴⁰ Media Monitoring Agency, *Press Freedom Report 2004*, Bucharest, March 2005.

⁴¹ Interview with Mihai Craiu, as cited.

⁴² Ibid.

⁴³ Interview with Sorin Vulpe, as cited.

⁴⁴ Interview with Razvan Ionescu, editor-in-chief of *Evenimentul Zilei*, Bucharest, June 2005.

⁴⁵ Interview with Sorin Oancea, deputy chairman of Antena 1, Bucharest, June 2005.

⁴⁶ Journalist, insider from Europa FM.

only institution where journalists confirmed that management offers them protection is *Evenimentul Zilei*, which also offers some in-house training on delicate situations in which the journalist might find him- or herself.

In general, journalists are protected by their institutions when it comes to legal responsibility. All ten outlets offer legal assistance in court to journalists who need it. *Evenimentul Zilei* accords this support even to journalists who are no longer its employees, but who may “inherit” trials for articles published in the newspaper. *Academia Catavencu* has a special practice – legal damages in lost trials are paid equally by the journalist and the institution in order to dilute financial losses. By contrast, *Realitatea TV* covers all damages, even if a trial is lost due to the journalist’s mistake.

Realitatea TV, *Radio Mix*, *Jurnalul National*, *Pro TV* and *Europa FM* assume full responsibility for published material (the editors, the editorial director, the editor-in-chief), while others assume none. (“The journalist is the only person responsible. The newspaper has nothing to do with it. How can I check if what he wrote is true or not?” said Adi Voinea of *Gazeta de Sud*.) Others take joint responsibility with the editor and with the journalist for the published materials (*Evenimentul Zilei*, *Academia Catavencu*, *Antena1*).

Investigative journalism is encouraged in few media institutions. Newspapers like *Evenimentul Zilei* or *Jurnalul National* have special departments for it, allocating consistent human and financial resources. *Gazeta de Sud* and *Academia Catavencu* offer extra bonuses or high financial incentives for investigative articles. Still, insiders from *Jurnalul National* say that investigative journalism is not at all encouraged unless it serves the interests of the owner. *Radio Europa FM* also grants financial incentives for investigative pieces and the management acts as a buffer against pressure on the reporter. However, this does not happen when the management has direct interests related to the subject of the investigation.

TV takes a different approach. *Antena1* no longer has an investigation department because of poor ratings. *Pro TV* also lacks such a department and has no policy to encourage investigative journalism. Sergiu Toader from *Realitatea TV* said the station does not have an investigative department on the grounds that there are no investigative journalists in Romania and he is suspicious of such journalism in this country.

Fighting internal pressure

As reported previously, journalists have few instruments to protect them from internal pressure. Several journalists from most of the ten institutions claimed that freedom of expression is not respected. This is in accordance with national and international reports on press freedom in Romania.

Many journalists work without contracts, while those who have them are not protected by legal provisions such as the conscience clause; Codes of Ethics are rarely assumed or enforced, and internal self-control bodies do not function. Even though it is part of the NCLC, which is assimilated to a law, the conscience clause appears in the working contracts only at three of the ten media outlets. Some management representatives interviewed have not even heard of this clause which is meant to protect journalists’ freedom of speech and editorial independence.

Professional training is provided by few of the institutions and ethics training by even fewer. Most of them focus on technical and commercial issues rather than editorial ones, and this is noticeable in the poor quality of the main Romanian media outlets. *Jurnalul National*, *Realitatea TV*, *Pro TV* and *Antena1* have special technical and professional training for the technical, editorial, and commercial departments. *Evenimentul Zilei*, *Academia Catavencu*,

Europa FM and *Radio Mix* occasionally support participation in national and international conferences and training on professional issues as well as visits to foreign newsrooms. *Gazeta de Sud* offered training for its sales and marketing departments, and has a policy of in-house training for journalists.

Evenimentul Zilei arranges discussions on such issues between editorial management, lawyers and the most vulnerable journalists (investigative and special reporters). Sorin Oancea from *Antena 1* believes that competition for ratings is what really motivates and makes journalists responsible. Mihai Craiu of *Jurnalul National* does not think that such trainings or discussions should receive so much attention from management: “We do not have special discussions about this. Only when delicate situations come up do we discuss them and everyone draws his/her conclusions. But is not our goal to offer training on such issues.”

Professional standards are promoted, according to management representatives, through material or professional incentives (bonuses and promotions at *Evenimentul Zilei* and *Europa FM*) or directives from the project manager (*Realitatea TV*, *Radio Mix*). Alexandru Lazescu said: “I have always insisted on discussions with the editorial staff on issues and norms related to professional ethics.”⁴⁷ Insiders say that little is done to promote professional standards, however. To protect its editorial independence, *Radio Mix* introduced a special clause in its contracts which clearly states that editorial responsibility rests with the radio station.

VIII. Media – a profit-oriented business with a responsibility the public

There has been no real debate in recent years on media business ethics. Most of what little debate there was conducted at the academic level, among media associations or media watchdogs. A simple glimpse at the most important TV stations and publications shows the marginal interest which these institutions have in professional standards. In such a distorted, dysfunctional and atypical media market, it is hard to say which model of business the Romanian media follows. None of the classic models applies to local media outlets. Most of them do not hunt ratings, nor do they sacrifice ratings for professional standards. They are in the business for reasons other than informing people or making a profit.

The national media is different. Outlets generally seek profit and audiences. In an overcrowded market, many sacrifice professional and ethical standards, even editorial freedom. In recent years there has been enough evidence to prove that media outlets have distanced themselves from their mission, turned their backs on the public and now serve almost exclusively the interests of owners.

Most managers believe that ethical behavior can influence positively the profit of a company, citing credibility as the main factor. Two disagreed, referring to personal experiences. Sorin Vulpe of *Academia Catavencu* said: “It’s a bad influence, and we are an example in this matter. We are not rich millionaires although we are the oldest on the market. It is a handicap to care about ethics in this business.” Sorin Oancea of *Antena 1* said: “Indirectly, it can, through the pressure of the audience. People punish you immediately using their remote controls. Then you start trying to please them, until the point when you embarrass yourself professionally or do things which shouldn’t be done.”

Managers have generally accepted that the social responsibility of the media does not come in conflict with business, as “it helps raise the credibility of the media outlet” (Razvan

⁴⁷ Interview with Alexandru Lazescu, as cited.

Ionescu, *Evenimentul Zilei*). The exception is Sergiu Toader from *Realitatea TV* who believes that social responsibility conflicts with business interests most of the time. However, almost all of the interviewed managers said journalism is best defined as a combination of: business and service of the public interest, or being a watchdog for society. Two managers thought that a good financial situation creates the conditions for media to fulfill their public mandate. Adrian Voinea said: “A journalist should be considered a public servant in a private business.” Alexandru Lazescu added: “Journalism is a combination of all three. The important thing is not to mix them up.”

At the same time, the compromises made for business reasons – sacrificing editorial materials to preserve advertising contracts, engaging in PR activities for companies, allowing journalists to become salesmen – show that there is a long way to go before ethical business practices are put in place.

IX. Conclusions

Media managers proved acquainted with ethical and professional issues, but not all showed a major interest in applying them. Most of them showed awareness of issues such as: ethical behaviour, social responsibility, media credibility and the definition of journalism as serving public interest. All seven media managers interviewed believed that quality journalism could also be profitable. Still, this awareness is not reflected in the business practices or in the quality of the outlets they run. In general, there is not enough concern for ethical and professional standards and not enough effort made to implement ethical business practices.

Illustrating the problem was the difficulty in getting interviews with media managers about business practices for the purposes of this study. Three of the institutions repeatedly refused to take part. In those cases insiders speaking anonymously were the only possible sources. Other management representatives showed little interest in a discussion on these issues and granted only short periods of time for interviews. This lack of interest in ethical business practices reflects a general disregard of ethical and professional values and a low concern for public accountability. **It seems there is a long way to go before media owners and managers accept that the media is also a business of public interest and accountability to the public should be considered a priority.**

One of the causes of the current situation is that the media has been functioning in an economic environment where free market laws, **especially of a free and fair competition**, have not been operating properly. The market has been strongly distorted by political influence and the intervention of public institutions, but also by the presence of corrupt media institutions. This situation has forced honest media to adapt to the market and compromise, often on ethics issues. There is hope that the current process of restructuring and consolidation will lead to a more healthy business environment. **At the same time, media companies which function for legitimate business reasons have not shown a great deal of concern for professional standards and ethical business practices.** Not enough attention is paid to publicising business procedures, internal regulations and self-regulation.

The top priority seems not the accountability to the public, but the quest for audience, profit or influence. This has led to the internal and external vulnerability of the media. Both managers and journalists must cope with situations which undermine their mission, role and profession. **The media's vulnerability is visible in the relationship with advertisers.** The research brought to light the pressure exerted by advertisers to influence the editorial content and the media's lack of protection mechanisms which often lead to editorial compromises.

The main consequence of this situation is tabloidisation. The most important TV stations and the highest-circulated newspapers have tabloid profiles. They disseminate low quality programmes; some of them have turned their news bulletins into infotainment shows.

A comparison between the practices of Romanian owned media and foreign-owned media is hard to make. Foreign-owned media seem to show greater concern for procedures (separation of business and editorial departments, editorial management contracts, working contracts that show more respect for legal provisions and training for employees). At the same time, there are Romanian-owned companies that do the same, although most of them have shown few results.

Nevertheless, these procedures do not always ensure editorial freedom or impose professional standards. Journalists from *Radio Europa FM*, owned by Lagardere, complained that the radio station applied different practices than those in the country of origin, with repeated, insistent and direct intervention in the editorial policy of the newsroom.

Razvan Ionescu from *Evenimentul Zilei* thinks that Ringier has behaved differently in Romania, since the owners in Switzerland would never negotiate with the employees regarding the naming of a new editor-in-chief.

As stated previously, the compromises made for business reasons – sacrificing editorial materials to preserve advertising contracts, engaging in PR activities for companies, allowing journalists to become salesmen – show that much remains to be done.

X. Recommendations

Parliament should adopt a law in accordance with constitutional art. 30 (5) to oblige media outlets to disclose their financial sources through detailed regular financial reports.

Authorities should better implement the existing antitrust and anticoncentration regulations through regular checking on media ownership in both the print and broadcasting media sectors.

The media industry must work with media NGOs to adopt and implement codes of conduct.

Media houses need to clear stated missions and sets of values to define their identity and set their objectives and should include provisions protecting editorial independence and using the conscience clause in editors' and journalists' contracts.

Media houses should enforce internal procedures/regulations to separate commercial from editorial departments, and should protect editorial independence from advertiser pressure through clear stipulations in ad contracts.

Media institutions ought not to run hidden advertising and advertorials should be clearly marked as such.

Media institutions must not allow journalists to become involved in commercial activities or to sell advertising.

Media institutions should offer training programmes to their employees in order to raise professional and ethical standards.

Appendix: List of sources

Interviews

Prof. dr. Mihai Coman, dean of the Faculty of Journalism and Communication, University of Bucharest.

Mihai Craiu, director of *Jurnalul National*.

Razvan Ionescu, editor-in-chief of *Evenimentul Zilei*.

Alexandru Lazescu, general manager of *Radio Mix* Bucharest.

Sorin Oancea, deputy chairman of *Antena 1*.

Sergiu Toader, project manager of *Realitatea TV*.

Adrian Voinea, director of *Gazeta de Sud*.

Sorin Vulpe, general director of *Academia Catavencu*.

Publications

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Media Monitoring Agency's reports (*Press Freedom in 2004, Press White Book 2004*).

Official Gazette of Romania (legislation).

B. Petković (ed.) *Media Ownership and Its Impact on Media Independence and Pluralism*, Ljubljana: Peace Institute, 2004.

Articles from *Evenimentul Zilei*.