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**Adina Baya**

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#### SUPPORTING OR CHALLENGING PLURALISM AND MEDIA FREEDOM?

Preface by Marcel Tolcea

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## All well and good for Romanian moguls and their media!

Is the Romanian media mature enough to face some of its most sensitive issues? Probably not. For now at any rate, it still has at least two "skeletons in the closet". One is the issue of journalistic responsibility and the other is that of the relationship between editors and owners. Beyond these two cases of voluntary amnesia, Romanian media seems to be less and less interested in its social syntax. However, the guilt is shared. The academic world pretentiously ignores the professionals, while they keep waving the vocational flag and incessantly show contempt for theory. But where are the media owners in this discussion? Probably under the protection of a double state of anonymity. One shielding their identity and the other, their political and economical ties. This chronic lack of transparency describes not just the difficulties of cohesion at the macro level of society, but also the risks and shortcomings of a democratic system.

Because in the end, Adina Baya's book is nothing but a reflection on democracy and the multiple shades of freedom. And it is precisely to these shades that consolidated democracies are paying attention to, as opposed to emerging democracies. This is illustrated, for example, in how the definition of press freedom includes so much more than just readers being granted access to media content. In his book on the typology of Romanian media, Marian Petcu has already analyzed how the institutions of political power exercise control over media through the monopoly of resources, of advertising or of the news agencies. Marian Petcu describes the dynamics of this relation-

## LIST OF ABBREVIATIONS

ARA	Association for Radio Audiences
ARMA	Romanian Association for Measuring Audiences
BRAT	Romanian Bureau of Auditing Print News
CC	Competition Council
CME	Central European Media Enterprises
CNM	National Media Centre (Central National Media)
EUMAP	EU Monitoring and Advocacy Program
EMA	Media Monitoring Agency
NCA	National Council of Audiovisual
PSB	Public Service Broadcasters
PSD	Social Democratic Party
RP	Romanian Parliament
RR	Radio Romania
RTV	Romanian Television
RWB	Reporters Without Borders

## CHAPTER 1

### Introduction

#### 1.1. *Rationale and Roadmap for the Book*

Debates about the concentration of media ownership and possible means of regulating it have been for some time now on the EU agenda. The Green Paper on media concentration and pluralism (EC 1992) and the two draft proposals for a Media Pluralism and then a Media Ownership Directive were subjects for debate throughout the 1990s. In addition, extensive literature has been written by scholars worldwide about the topic, different authors taking sides concerning the impact of concentration on democracy, conducting active discussions such as the ones on the online forum hosted by OpenDemocracy.com (OpenDemocracy ND).

However, in the case of one of EU's newest member, Romania, the concentration of media ownership is a fairly new subject, as international reports have included it only after the year 2000 (see RWB 2004, EUMAP 2005, Freedom House 2006). For this reason, little research is available on who owns what, with what collateral interests and how this affects the media market in Romania.

The purpose of my book is to fill this gap in research. More precisely, I will analyze where the consolidation trends



are visible and what is their impact on the Romanian media market. Some of the related questions I explore are the following: (1) On what markets is consolidation of ownership noticeable? (2) Should society care if owners of major media have obvious political and economic interests? (3) Is ensuring fair competition – from an economic perspective – enough to support and maintain a diverse environment? (4) Is the media market a case too complicated for competition law alone to provide adequate regulation?

My study begins with a short post-communist history of the market, leading to a comprehensive review of the main media groups that have consolidated in the past few years and show signs of continuing consolidation at the current moment. Chapters 2 and 3 address question (1), namely which markets exhibit signs of consolidation. Particular attention is paid to the links between the major owners and political or economic interest groups – thus tackling question (2) – and how this connects with the debate between the positive and negative effects of concentration. Subsequently, I survey how the market is regulated in Romania and, while addressing question (3), I analyze whether fair competition is enough to support media diversity. Furthermore, I frame the whole debate by analyzing several arguments advanced in the scholarly literature regarding what makes the media market more difficult to regulate than other markets, as well as what are the positive and negative effects of concentration (Chapters 4 and 5). Finally, I discuss how this debate applies to the Romanian case and analyze possible answers to the overarching question of the thesis: Does the concentration of ownership support or challenge media freedom and pluralism in Romania? (Chapter 6)

In my pursuit of solving this puzzle, I will make extensive use of information gathered by interviewing eight Romanian media analysts and one representative from the national regulator of the industry. The choice of the interviewees was the result of my analyzing significant studies, media articles or international reports about the Romanian media market and then selecting the authors who showed increased knowledge on the subjects relevant to this thesis. In establishing my contacts, of great help was my short yet effective collaboration with the Media Monitoring Agency in Bucharest, an NGO completing several studies on the Romanian media. Following recommendations from this institution, I e-mailed a set of questions to a number of researchers and media analysts. The results are gathered in Attachment 1, together with a brief description of each interviewee (grouped in alphabetical order).

Apart from interviewing, my method of research included documentation using (1) existing national and international reports on the Romanian media market, (2) existing legislation of the industry, and (3) relevant literature that deals with the link between ownership structures, media pluralism and media freedom.

## **1.2. Terminological Aspects**

The major methodological challenges in proceeding towards the solving of the puzzle were the often ambiguous definitions that the literature and the policy initiatives provide in relation to some of the key terms. *What is “media pluralism” and “media freedom”? How should we define “concentration” on the media market?*



Two major approaches should be considered in answering the first question:

- 1) On the one hand, there are several theoretical research designs meant to set solid standards for evaluative purposes in the case of the two terms. Out of the set of indicators established by McQuail (1992), the one relevant to this thesis in terms of assessing **media freedom** is the independence of editors from owners/chains, from internal censorship, advertisers and pressure groups (p.110). As for **pluralism**, four main “dimensions of diversity” (Hoffman-Riem as quoted in McQuail 1992, p. 144) should be taken into account: diversity of *formats* and *issues* (information, entertainment etc.), of *contents* (opinions and topics), of *persons and groups* that are represented in the media and that have access to the media, and of *geographical* coverage and relevance.
- 2) On the other hand, there are the practical definitions used in reports by international organizations or in policy and regulatory initiatives, which often employ a more impressionistic and case-oriented approach. Every year four organizations publish reports on press freedom and pluralism. They are the Committee to Protect Journalists (CPJ), Reporters without Borders (RWB), the International Press Institute (IPI) and Freedom House. Their methodology ranges from focusing on rights violations against journalists and playing advocacy roles against media oppressions to assigning scores and grades for each country in terms of media and democracy performances. The most complex analytical framework, dealing more with freedom per se than with the plight

of individual journalists, is the one employed by Freedom House because it establishes three different areas of analysis: legislative framework for the media; political pressures, censorship and violence against journalists; and economic pressures with effects on content (Becker 2003).

Despite the fact that the practical definitions only adopt a narrow component from the complex research designs existing in theory, the international reports that use them are usually regarded as reliable indicators (Becker 2003). In addition, in many cases – such as the Romanian one – they represent the only resource of empirical evidence. For this reason, I will use their indicators and results as additional evidence of the ongoing concentration trend.

As for ownership consolidation, my working definition will be the one provided by the Romanian Audiovisual Law (RP 2002, Art. 44), establishing that a media company becomes dominant when it goes beyond the upper limit of 30% in terms of market share.

My approach in analyzing concentration will only be partially based on economic grounds (i.e. potential distortions in competition resulted from concentration), and more focused on the public policy aspects of the issue (i.e. potential effects of media concentration on pluralism and media freedom). That is because I believe a public policy approach is more suitable for assessing the link proposed by the research question.

## CHAPTER 2

### The Romanian media market: a short history

The current chapter will observe how the Romanian media market developed after the fall of communism. Although different perspectives are available for the analysis of media markets (e.g. content, distribution), the current one will be limited to the study of ownership structures, market shares and concentration developments in the analysis of the print and audiovisual sectors. The reason behind excluding the Internet is its degree of penetration in Romania. Although 31% of the total population was estimated to be using the internet in 2008 (according to data provided by [www.internetworldstats.com](http://www.internetworldstats.com)), studies from previous years reveal figures that are much smaller (see Comanescu 2007a), which probably explains the lack of comprehensive data regarding ownership in this field.

The analysis will first observe developments during the decade of the 1990s and then sketch the ongoing trend toward concentration that first became visible in the early 2000s. This will be continued in Chapter 3 with a more in-depth view on how and where is concentration manifested.



## 2.1. *Reshaping the Market on Post-communist Grounds: The First Decade (1990 – 2000)*

### 2.1.1. The Printed Press

The collapse of the communist regime in December 1989 was immediately followed by the abolition of the state's official control over the media. Like in all the other countries in the region, the licensing procedures that had been previously imposed by the communist authorities on the publication of newspapers were now brought to an end and the market started advancing towards privatization and pluralization (Sukosd & Bajomi-Lazar 2003). In fact, the written press was one of the primary sectors to mark the switch from a centrally planned economy to a market economy, as the publisher of what would become one of the most popular dailies in the early 1990s, *Romania Libera*, was the first licensee registered as owning a private business in post-communist Romania, in February 1990 (Gross 1996).

Under the newly established democratic regime, periodicals mushroomed on the market. Whereas before 1989 their number registered by the National Statistics Commission was 495 (Gross 1996), by the end of 1990 the figure had boomed to 1444 (INSSE 2005). In other words, in just one year, the number of titles tripled. This was, on the one hand, due to the printing costs still being subsidized in a full or partial manner by the state in the first few years after the fall of communism, and on the other due to the high demand coming from a population that had been deprived of national media uncensored by the state for many decades. An estimated number of 8 million Romanians, which is approximately 40% of the population, read

the daily national press in 1992 (Gross 1996). Compared with the 12% estimated for 2006 (OSI 2006), the figure is rather impressive. After a light decline during the mid 1990s, due to the high inflation rate and the commercial televisions entering the media market as strong competitors, the number of periodicals continued to increase throughout the late 1990s, reaching the number of 1932 officially registered titles by the year 2000 (INSSE 2005).

In terms of print runs, an even more radical change was registered throughout the decade. Whereas in 1990, the two leading newspapers *Romania Libera* and *Adevarul* had a circulation of 1.2 million and 2 million issues, respectively (Gross 1996), by the early 2000s the print run of the best-selling daily, the tabloid *Libertatea*, did not exceed 250,000 issues, and the average circulation of generalist national newspapers was below 100,000 (Martin 2005). In correlation with that, from an estimated 35% of the population reading one or more newspapers each day (Gross 2006), the figure dropped to 13% in the mid 2000s (OSI 2006). The reasons for this are related to the competition raised by other media, including in a higher proportion commercial television and in a lower the internet.

Despite the press market apparently flourishing in the first post-communist decade, a closer look at the business models used by media outlets reveals several malfunctions. Firstly, the competitive press market was created both through the privatization of former communist outlets and through the creation of new ones (Coman 2003). However, although press outlets were officially privatized, the state continued during the 1990s to enjoy the monopoly of printing facilities and distribution, which allowed it to control the media by managing production costs (Gross 1996). Secondly, most of the important national-circulation newspapers, resulted mainly through privatization, preserved