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Struggling with Media Capture: Romania

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1. Introduction

Romania, the second largest country in Eastern Europe (after Poland) – with a population of 22 million, was one of the fastest growing economies in Europe between 2001 and 2008, when it was hardly hit by the global economic crisis. The media have been among the most dynamic sectors of the Romanian economy since the early 1990s. The evolution of the press in post-1989 Romania can be synthesised in two nearly parallel evolutions with different start dates. First, we encounter the transition from total state control to a near total retreat. This is a story about media liberalisation (a shift of ownership from the state to private hands), about freedom taken more than granted in the revolutionary year 1989, and about the positive external influence, notably that of the Council of Europe through the European Court of Human Rights (ECtHR), to consolidate the freedom of journalists. Its climax was reached in 1996, when the ECtHR sided with a journalist who had lost a libel law suit in domestic courts to Romania's post-Communist president, Ion Iliescu. The journalist claimed that Mr Iliescu had been a KGB agent. The evidence, as it turned out, was not genuine. However, since Mr Iliescu was perceived as no friend to independent media, and since the Romanian courts had ruled on the basis of an article in the Criminal Code from Communist times forbidding the 'defamation of any authority', the case was interpreted as one of media freedom, not libel, and Mr Iliescu lost the case in Strasbourg. Later in 1996 he also lost the elections in the first democratic change in government in over 60 years. This political change led to the breaking of the monopoly over public broadcasting.

Second, this is a story of how media outlets were captured by vested interests (market to cartel), which seek political influence rather than profit. The culmination of this second 'media capture' trend came in July 2010, when the last foreign owner of a Romanian quality newspaper announced his market exit. Bodo Hombach, manager of the German WAZ media company,

said WAZ was abandoning the Romanian market, complaining of market distortion (Hotnews, 2010).

The Romanian print media includes more than 1,000 publications at national and local level. Before the economic crisis hit the industry in 2008, there were 16 central newspapers and each of the 41 counties also had two or three local dailies. The crisis caused a significant decline in the advertisement market, and some of these outlets were closed or reduced to online versions. The extreme fragmentation of the market made the entire industry vulnerable and dependent on the owners' other sources of income. This business model usually means that one invests in media in order to obtain political influence but not for the media profit itself. The same fragmentation is also present within the radio and television market. Some 704 radio and 387 television licences were granted by the state. More relevant, Romania has four all-news stations that fiercely compete to influence the public agenda.

There are about 7 million households with television sets in Romania. Television is still the most popular means of entertainment for Romanians, and it takes the lion's share of the advertising pie (about two-thirds), amounting to a total of €337 million in 2008. According to the Media Factbook 2009 (Initiative Media, 2009), the most popular television shows are football games, Romanian soap operas, prime time news, entertainment shows, and international contests such as the Eurovision Song Contest or big sporting events. Television reaches most Romanians through cable networks that carry dozens of Romanian and international stations. The two main cable companies that share the market in almost equal chunks are RCS&RDS and UPC. Reception via analogue cable is at 66.8 per cent, DTH takes 22.6 per cent, terrestrial accounts for 8.3 per cent, while 3.8 per cent get their television through digital cable with receiver (GfK Romania, cited by the Media Factbook, 2009). The radio scene is dominated by private FM stations, with more than 700 licences for FM radio stations issued by the National Council on Broadcasting by 2009. Radio Romania, the public radio company, includes five national stations, an international station, and a regional network of 12 stations. The radio company also includes the news agency Rador, a publishing house, a radio theatre production department, several orchestras, and choirs.

There are no private non-FM stations operating in Romania. Most successful private stations belong to strong networks. There are two news and music radio networks with national coverage, both using a wide network of FM frequencies: Europa FM (owned by French group Lagardère) and Info Pro (CME). The most popular private networks are Radio Zu (Intact), Radio 21 (Lagardère), ProFM (CME), and Kiss FM (ProSiebenSat1). They are all supported by advertising, and broadcast mainly music hits and entertainment, plus short news bulletins.

By 2010, Romanian public television (TVR) had six channels, but its influence has faded in the past few years, with its audience shares collapsing.