UKRAINE

MEDIA
SUSTAINABILITY
INDEX
2019

Tracking Development
of Sustainable
Independent Media
Around the World

IREX

UKRAINE
AT A GLANCE

GENERAL

- ▶ **Population:** 43,952,299 (*CIA World Factbook*, July 2018 est.)

- ▶ **Capital city:** Kyiv

- ▶ **Ethnic groups (% of population):** Ukrainian 77.8%, Russian 17.3%, Belarusian 0.6%, Moldovan 0.5%, Crimean Tatar 0.5%, Bulgarian 0.4%, Hungarian 0.3%, Romanian 0.3%, Polish 0.3%, Jewish 0.2%, other 1.8% (*CIA World Factbook*, 2001 est.)

- ▶ **Religions (% of population):** Orthodox (includes Ukrainian Autocephalous Orthodox [UAOC], Ukrainian Orthodox - Kyiv Patriarchate [UOC-KP], Ukrainian Orthodox - Moscow Patriarchate [UOC-MP]), Ukrainian Greek Catholic, Roman Catholic, Protestant, Muslim, Jewish. Note: Ukraine's population is overwhelmingly Christian. The vast majority—up to two-thirds—identify themselves as Orthodox, but many do not specify a particular branch. The UOC-KP and the UOC-MP each represent
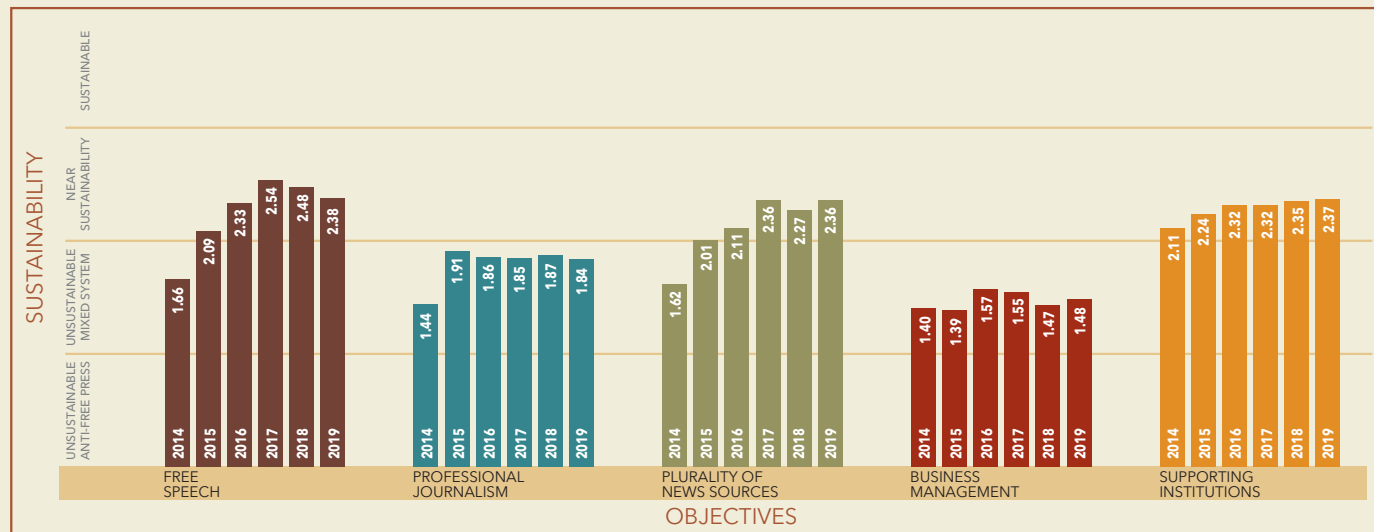
less than a quarter of the country's population, the Ukrainian Greek Catholic Church accounts for 8–10%, and the UAOC accounts for 1–2%; Muslim and Jewish adherents each compose less than 1% of the total population. (*CIA World Factbook*, 2013 est.)

- ▶ **Languages (% of population):** Armenian Ukrainian (official) 67.5%, Russian (regional language) 29.6%, other (includes small Crimean Tatar–, Moldovan/Romanian-, and Hungarian-speaking minorities) 2.9% (*CIA World Factbook*, 2001 est.)

- ▶ **GNI (2017 - Atlas):** $101.55 billion (World Bank Development Indicators, 2017)

- ▶ **GNI per capita (2017 - PPP):** $8,900 (World Bank Development Indicators, 2017)

- ▶ **Literacy rate:** 99.8% (male 99.8%, female 99.7%) (*CIA World Factbook*, 2015 est.)

- ▶ **President or top authority:** President Petro Poroshenko (since June 7, 2014)

MEDIA-SPECIFIC

- ▶ **Number of active print outlets, radio stations, television stations, Internet news portals:** Print: 3,349 subscription titles—2,292 newspapers and 1,057 magazines (Ukrposhta data, catalogue for 2018), plus roughly a thousand more periodicals in single-copy sales only, the same ratio between newspapers (68%) and magazines (one-third) (by UAMB expert estimate); Television: 28 national television broadcasters, 81 regional television broadcasters, and 124 satellite television channels; Radio: 16 national radio channels, 39 regional radio channels, and 8 satellite radio stations (National Television and Radio Broadcasting Council, 2018) https://www.nrada.gov.ua/reports/

- ▶ **Newspaper circulation statistics:** The top four newspapers (all private): *Segodnya, Vesti, Fakty I Kommentarii, Argumenty I Fakty (Ukraine)* (Media Consumption Survey in Ukraine 2018) https://internews.in.ua/wp-content/uploads/2018/09/2018-MediaConsumSurvey_eng_FIN.pdf

- ▶ **Broadcast ratings:** Top television broadcasters (all private): Kanal Ukraina, 1+1, ICTV, Inter, STB, Novyi Kanal (all private, ITC, Nielsen television panel, December 2018), audience 4+ y.o., all Ukraine) http://tampanel.com.ua/rubrics/canals/

- ▶ **Top network radio broadcasters (all private):** Hit FM, Radio Pyatnytsya, Lux FM, Shanson, Russkoe Radio Ukraina, (all private, Kantar TNS Ukraine, Reach, 12–65 y.o., cities 50+, third quarter of 2018) http://sostav.ua/publication/dani-radioslukhannya-v-ukrajini-tretya-khvilya-dos-lidzhennya-2018-roku-80226.html

- ▶ **News agencies:** UNIA Ukrinform (state-owned), Interfax (private), UNIAN (private), LigaBiznesInforn (private), Ukrainski Novyny (private), Ukrainian National News (private), RBC-Ukraine (private)

- ▶ **Annual advertising revenue in media sector:** Television: UAH 9.27 billion ($344,691,000); Print: UAH 1.612 billion ($59,939,900); Radio: UAH 578 million ($21,533,500); Internet: UAH 2.52 billion ($93,883,000) (All-Ukrainian Advertising Coalition, 2018 est.)

MEDIA SUSTAINABILITY INDEX: UKRAINE

FREE SPEECH
- 2014: 1.66
- 2015: 2.09
- 2016: 2.33
- 2017: 2.54
- 2018: 2.48
- 2019: 2.38

PROFESSIONAL JOURNALISM
- 2014: 1.44
- 2015: 1.91
- 2016: 1.86
- 2017: 1.85
- 2018: 1.87
- 2019: 1.84

PLURALITY OF NEWS SOURCES
- 2014: 1.62
- 2015: 2.01
- 2016: 2.11
- 2017: 2.36
- 2018: 2.27
- 2019: 2.36

BUSINESS MANAGEMENT
- 2014: 1.40
- 2015: 1.39
- 2016: 1.57
- 2017: 1.55
- 2018: 1.47
- 2019: 1.48

SUPPORTING INSTITUTIONS
- 2014: 2.11
- 2015: 2.24
- 2016: 2.32
- 2017: 2.32
- 2018: 2.35
- 2019: 2.37

(Y-axis: SUSTAINABILITY — SUSTAINABLE, NEAR SUSTAINABILITY, UNSUSTAINABLE MIXED SYSTEM, UNSUSTAINABLE ANTI-FREE PRESS; X-axis: OBJECTIVES)

SCORE KEY

Unsustainable, Anti-Free Press (0–1): Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

Unsustainable Mixed System (1–2): Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

Near Sustainability (2–3): Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

Sustainable (3–4): Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

Scores for all years may be found online at https://www.irex.org/msi

Ukraine's overall score rose marginally this year, but it remains in the near sustainability MSI classification. Objective 1 (Freedom of Speech) and Objective 2 (Professional Journalism) saw decreases. Panelists attributed the declining scores to low professional and ethical standards, along with self-censorship in journalism; economic and editorial dependence of major media on their owners' interests; an oversaturated media market; and a lack of self-regulation.

Ukraine's media sector is quickly entering an important election cycle with presidential and parliamentary elections in 2019 and local elections in 2020—but it is saddled with the same chronic diseases it has had for many years running.

Russia's illegal annexation of Crimea and the armed conflict in Donbas have dragged on for five years now. A handful of oligarchs own the dominant news source—mainstream national television channels—and use their media for political purposes. Numerous unreliable, manipulative online sources and social networks complement these outlets, while the Zeonbud monopoly threatens the country's information security. Despite restrictions on Russian Federation media in Ukraine, media monitoring has documented frequent Russian propaganda on outlets within the country, including on Strana.ua, Vesti, 112 Ukraina, NewsOne, and Inter. The threat that Russian messages will spread during the 2019 elections as *jeansa* (commissioned stories and hidden advertising) from certain Ukrainian politicians and parties is expected. The state seems to lack political will to properly counter Kremlin-supported agents of influence.

The panelists explained low professional and ethical standards, along with self-censorship in journalism, by the economic and editorial dependence of major media on their owners' interests, as well as the poor, oversaturated, distorted media market and a lack of self-regulation. Poor political will and sabotage by law-enforcement and judicial bodies undermine the application of sound legislation and augment impunity for crimes against journalists.

The public broadcaster shows stable editorial independence, but its development is threatened by the state's regular underfunding of it. Despite slight improvements, the media's professionalism and management remain unsustainable. Ukraine's economy is gradually improving but has not yet rebounded to the level of 2013. In 2018, Ukraine faced the long-awaited digital broadcasting switchover and introduction of 4G, but some regional broadcasters were denied digital licenses.

Many Ukrainian media profit from *jeansa,* which the industry seems to accept as inevitable and justified economically. At the opening of a new five-year USAID-funded media program in Ukraine, one panelist, a media investor, said that Ukraine is the only country they know where media hugely influence and are monetized by politics; the panelist expressed amazement over the media's tolerance to *jeansa.* Another panelist, the editor-in-chief of a digital media outlet, said, "There is no economic basis for the survival of media in an honest and open way. The economy does not produce necessary volumes of goods that require advertising."

OBJECTIVE 1: FREEDOM OF SPEECH

2.38

A media advisor with an international NGO, summed up the whole Objective 1 pessimistically: "Political influence and corruption have won the struggle for free speech between patriotism and the rule of law."

Legal provisions protecting free speech are strong, but their poor application and societal reaction draw criticism. "Generally, aggression in the society is growing, as law-enforcement bodies are paralyzed," said one panelist, board member of an international NGO working in Ukraine, adding, "In the course of reform, the law-enforcement bodies sabotage investigations of both journalists' and average citizens' rights violations. Only those who are better organized and more resourceful—i.e., business and politicians—are able to protect themselves. Societal interests are under threat as a result. Violations of journalists' and citizens' rights are not of a systematic and centralized nature, but anarchy, incompetence, laziness, and fear of responsibility of the Ukrainian politicians and state officials are threatening freedom of speech, press, and society as a whole."

Another panelist, the editor of a news website, brought up the attempt by the prosecutor general's office (PGO) to force journalists to disclose their sources. In an unprecedented move in September, the European Court of Human Rights (ECHR), rather than any Ukrainian authority, stepped in to reinforce their protection. The ECHR urgently intervened to protect the journalists' right not to disclose their sources under Rule 39, which is usually applied by the court for a government to take urgent measures to prevent human rights violations in cases of

actual threat to somebody's life—for instance, due to deportation or an acute need for medical treatment. The editor-in-chief of the Radio Liberty (RFE/RL) investigative reporting program Skhemy (Schemes), had been interrogated as a witness in criminal proceedings against Artem Sytnyk, the chair of the National Anti-Corruption Bureau of Ukraine. She cited her right to protect her sources in refusing to provide information requested. In turn, the PGO obtained a court decision in Kyiv to access data from the Kyivstar mobile operator on all calls, messages, and geolocator pings from her telephone for 17 months, starting in mid-2016. Her lawyers stressed in their ECHR petition that the PGO's demands were excessive, given that She or her team might have been in contact with their sources for other investigations, which could be put at risk.

One panelist, a high-ranking member of a journalism union, agreed about the lack of rule of law inside the country. The panelist added that parliament's request that the National Security and Defense Council of Ukraine (NSDC) impose sanctions on seven companies owning Ukrainian television channels is obvious political interference. In October 2018, the lawmakers sought to halt their broadcasting by freezing their assets and annulling their broadcasting licenses, as these channels had come under the control of Ukrainian oligarchs and were directly lobbying for Russian interests and disseminating destructive propaganda. A public petition calling for the suspension of these anti-Ukrainian channels collected more than 25,000 signatures, compelling parliament to debate the

issue. At the time this Media Sustainability Index (MSI) study was written, the NSDC had yet to make a decision. Some parliamentarians also called for sanctions on Inter, another pro-Russian channel, and to investigate Ukrainian politician and oligarch Viktor Medvedchuk's activities.

Balancing national security and freedom of speech poses a challenge for Ukraine. Under the law, only a court can revoke a broadcasting license. Numerous lawsuits seeking to annul 112 Ukraina's licenses have been ongoing for several years. Media experts argue that the ineffective performance of the National Television and Radio Broadcasting Council (NTRBC) exacerbates the situation. Analysts acknowledge, though, that action taken against pro-Russian propagandists could also create a dangerous precedent for similar tools to be used selectively against independent media.

One panelist, working with a Ukranian media monitoring organization, said that pro-Kremlin media —such as NewsOne television channel, strana.ua news site, and others—abuse constitutional guarantees of free speech in Ukraine. Although the state does not regulate this under the law, draft laws have been submitted to restrict hate speech in the media.

In 2018, the parliamentary committee on freedom of speech and information policy advanced several amendments to protect Ukraine's information space and counter fake news. However, it failed to secure a vote for amendments on the destatization of print media law, a ban to check media during elections, and the long-awaited law on audiovisual services. It also works to achieve infrastructural access to Ukrainian media after the analog signal turnoff and funds for facilities to neutralize Russian broadcasting. One member believes that the committee needs parliament's approval to expand the NTRBC's authority to

impose sanctions against media that deny Russian aggression and use hate speech.

Summer 2018 brought another attempt to adopt a law on countering threats to national security in the information sphere, which would allow websites to be blocked for 48 hours without a court decision. Experts from a digital security NGO commented that blocking should not happen without proper verification that a certain website poses a danger. The relevant parliamentary committee eventually rejected the law, but for security reasons a new law was needed to regulate the issue of online propaganda. Most media and human rights NGOs have criticized this draft law as antidemocratic, although some do support transparent legal restrictions of access to Internet resources belonging to or financed by an aggressor country— for instance, by court decision. Others support marking such pages as propaganda rather than blocking them.

In May, the president's administration issued an updated list of 1,748 sanctioned Russian individuals and 756 sanctioned legal entities. The majority of media on the list, banned by then for three years, include the Russian federal television companies NTV and Pervyi Kanal, along with TNT, REN-TV, Russia-24, VGTRK, Zvezda Russian Ministry of Defense channel, 5 kanal of St. Petersburg, and Public Broadcasting of Russia. RozBiznesConsulting (RBC) did not appear on the 2018 list.

Ukraine's online media face no registration requirements, and the Ministry of Justice easily registers print media and information agencies. The NTRBC issues broadcast licenses.

One panelist, the editor-in-chief of a national publication, said the NTRBC has not yet resolved the flagrant violation of the rights of 100 regional and local broadcasters from 2011, when frequencies allotted to them were given to several companies

that later became the national channel 112 Ukraina. Their licenses expired in September 2018, but the NTRBC purposely delayed consideration of the issue until the court issued a ban refusing to extend these licenses. "This showed that 112 Ukraina channel, despite all speculations about its closure, has been backed at the highest political level, which decided instead of the regulatory body that these disputed licenses would remain at its disposal. In addition to digital licenses, 112 Ukraina has a satellite license which is not under threat at all," the panelist added.

Another panelist, general director of a regional television company, said that the 2019 elections may influence the NTRBC membership (the president appoints half of the members, and parliament the rest). However, they had hoped that this council would have solved the trouble of regional broadcasters denied digital licenses after the full analog turnoff. They pointed to Chernivtsi Television and Radio Company as an example. Their previous license granted an automatic transfer to the digital license—but they were denied. The broadcaster took the issue to court; it went all the way to the European Court of Human Rights—and was expected to win the case at the time the MSI was written.

One panelist pointed out that the regulatory body has grown more and more dependent on political influence and does not prioritize the public interest. In addition to public broadcasting, priority is given to the new state-owned (such as Armiya FM— a Ministry of Defense radio station) and municipal broadcasters. Having lost control over the public broadcaster, the government seems to be creating alternatives. Priority is also given to some commercial media holdings,.

One panelist agreed that the regulator refused a

license to an independent news radio —giving preference to music radio instead. A panelist mentioned that the newly founded state Donechchyna TV obtained a license within a week —extremely fast. Another panelist relayed from sources that the NTRBC has started to pay more attention to the financial and organizational capacity of broadcasters in its licensing decisions.

There are no business taxes that discriminate against media; in fact, the industry enjoys some privileges, such as a value-added tax (VAT) exemption on print media subscription sales. Since 2018, television channels have benefited from a five-year exemption of VAT and customs duties for original productions under the law promoting Ukrainian film production and distribution.

Despite decent legislative protections for journalists, crimes against journalists have not been properly investigated and prosecuted, said a panelist, a lawyer working with a pro-democracy NGO. One panelist, director of a television and radio company, believes that crimes against journalists obtain more attention thanks to growing civic awareness of Ukrainians, but the crimes go unpunished. Another panelist feels that society tolerates interference with the work of journalists due to the general decline of trust in journalism.

One panelist, editor-in-chief of an investigative reporting publication, noted that crimes against journalists are increasing because perpetrators are held accountable too rarely. In cases of attacks on media, even the accountability of perpetrators can come into question. Another panelist added,

journalists from an Anticorruption Monitoring NGO had to cease operations in March 2018 after someone set fire to the doors of the apartment where the organization is registered.

A national media monitoring organization counted 235 press freedom violations in unoccupied parts of Ukraine in 2018, compared with 281 cases the previous year. Physical aggression in the form of threats (33 cases) and attacks (31 cases) along with preventing journalists from carrying out their professional activities (96 cases) proved the most common violations in 2018, especially in the first half of the year. A severe attack on an activist from Kherson, Kateryna Gandzyuk, who died in November 2018 after being splashed with sulfuric acid in July 2018, may have had a chilling effect on regional journalists criticizing the government.

The same organization also tracked 19 cases of denied access to public information and 15 cyberattacks. The assailants were primarily average citizens, as well as national and local government and law-enforcement officials. The regions with the most violations were Kyiv and its oblast (97 cases), followed by Mykolayv (16), Dnipro and Poltava (12), Odessa (11), and Lviv (10). Two cases were registered in occupied Donbas, and 12 in illegally annexed Crimea.

One panelist commented that journalists do not feel safe in the country. Despite the criminalization of violence and threats against journalists, their families, and their property arising from their professional activities in 2015, the system breaks down at the pretrial investigation stage. Investigators often close criminal cases without even notifying journalists who have been victimized. The share of cases that make it to the court is low, as law enforcement officers lack the desire or professionalism to properly prepare cases for court. "They have to prove that it was a journalist, performing their professional duties, and the malice of a perpetrator—which is too hard and complicated. Often, journalists have to prove that they are true journalists—especially those working for online media, which are not legally regulated. Nonetheless, attacks on journalists of famous television channels have not been properly investigated, either," the panelist added.

The director of a media monitoring organization noted that the Council on Protecting Professional Activities of Journalists and Freedom of Speech has not convened since the beginning of 2018. Set up by the president in February 2016, it used to meet quarterly. The number of investigations has sputtered and stalled to a stop, according to them.

On the International Day of Impunity, Ukrainian media organizations called on the government to properly investigate and prosecute those who commit crimes against journalists. They also highlighted the dangerous situation of independent journalists in annexed Crimea and occupied Donbas: Stanyslav Aseyev, captured in 2017 by combatants in Donbas; Mykola Semena, under probation and banned from professional activity in Crimea; and Roman Suschenko, sentenced to 12 years imprisonment in Russia for espionage.

Since mid-2017 the NUJU, along with four NGOs, has conducted its alternative index of physical security of journalists; it presented its methodology in April 2018. In March, eight leading media organizations openly expressed their distrust of NUJU's management and the index's methodology, primarily for including cases on NUJU members who may not be journalists at all. One panelist said that the physical insecurity of journalists has grown extreme and impunity has become systemic; NUJU's index

documented more than 160 incidents of physical aggression toward journalists since the beginning of 2017. According to the National Police's formal reply, only 10 percent of such cases reach the court. Additionally, there are no precedents of properly punished perpetrators, such as cases related to the brutal beating of journalists during the Euromaidan protests in 2013-2014. "I assume the government is not interested in protecting journalists and punishing the assailants in order to rely on physical aggression against journalists during the upcoming elections," said a panelist.

A panelist mentioned that the pre-arranged murder of Russian journalist Arkadiy Babchenko did cause outrage in society, but further actions of the Ukrainian law enforcement bodies did not add trust and carried a whiff of manipulation.

One panelist, formerly in the leadership of a journalism union, named several challenges for journalists. Investigative reporters often clash with security services and law-enforcement bodies. Journalists face organized attacks from "troll factories," or they might be accused, often emotionally and without facts, of pro-Kremlin or pro-government positions. The pressure can be so high that a journalist has to choose between their profession and their personal security.

Editorial boards have never protected the independence of private or state media. Their owners and funders, as well as the government, routinely interfere with editorial policy. The National Public Broadcasting Company (UA:PBC) was set up in early 2017, with management hired competitively and transparently, and supervisory and editorial boards to ensure its editorial independence. Yet amid important structural and content changes, the public broadcaster remains underfinanced, despite proper funding from the state budget specified under law. The government should have allocated UAH 1.5 billion ($57,136,400) for it in 2018; but, in fact, parliament cut the sum in half for UA:PBC, leaving it with a critical deficit toward the end of 2018. The threat has been obvious since the beginning of 2018, and UA:PBC submitted numerous petitions to the relevant authorities—but Ukrainian media experts see political forces at work, especially ahead of the 2019 elections. On September 25, 2018, the state operator switched off the signal of UA:PBC across Ukraine due to its debt of almost UAH 70 million ($2,666,370). For the year 2019, parliament voted for UAH 1.005 billion ($38,281,400), UAH 810 million

($30,853,700) less than the sum specified under law. The UA:PBC Chair complained that with 2018's debts to be covered, the 2019 budget is effectively even lower, threatening regional public broadcasting affiliates with closure.

One panelist mentioned that parliament denied UA:PBC proper funding for refusing to provide 20-minute spots of broadcasting to each MP. Another panelist praised the enduring sustainability of UA:PBC's independent editorial policy despite such maneuvers. "The government wants to influence it but cannot," they said.

The three-year print media destatization reform aiming to decrease state interference with media ended in December 2018 with 402 municipal newspapers (60 percent) and 23 state publications (25 percent) having been privatized. Some more may finish re-registration in early 2019. Authorities unwilling to let media go slowed down the reform effort, followed by editors and newsroom teams worried about losing their jobs. Attempts to amend the law to prolong the term, provide funding, or ease re-registration failed.

Libel has been considered a civil law issue since 2001. Defamation is a matter of civil law; plaintiffs must prove that journalists purposely disseminated defamatory information and malice. One panelist mentioned an attempt to criminalize libel in November 2018—which the relevant committee swiftly rejected. Another panelist, a media lawyer, confirmed that regularly—once every two to three years since 2001—someone submits a draft law to criminalize libel.

Despite many lawsuits requesting high damages filed recently, the courts tend to deny these sums, said a panelist. For example, Pavlo Demchyna, deputy head of the Security Service of Ukraine, regularly files lawsuits—he has filed over

20 against journalists and civic activists since 2017. Although he either loses them or does not show up in court, he keeps journalists on edge. The courts also accept lawsuits for Facebook posts.

A panelist added that the author and site owner are liable for publication of false or defamatory content. However, any plaintiff must fully identify them to bring a claim—a process that can be complicated due to lack of transparency in online media ownership.

One panelist stressed that access to public information worsened in 2018. Another confirmed that despite solid legislation and a progressive stance by the courts, technical reasons impede access. Journalists may appeal rejections but must pay a court fee, from UAH 700 ($26) for individuals or up to UAH 1700 ($64) for legal entities. These fees are proving to be a real deterrent; they noticed a substantial drop in the number of lawsuits since 2016, and authorities use the prospect of these court fees to withhold information from journalists and media outlets.

> **"I assume the government is not interested in protecting journalists and punishing the assailants in order to rely on physical aggression against journalists during the upcoming elections."**

Administrative prosecution also has become less effective since the new ombudsperson, Lyudmyla Denysova, was appointed in March 2018; she is considered less knowledgeable and active in using this mechanism. One panelist confirmed that Denysova denied—for unlawful reasons—the complaint of a journalist denied information by a local municipal enterprise. The head of Rivne

oblast's administration refused, following the journalist's investigation, to comment or provide any information verbally to the journalists.

The panelist added, however, that Ukraine should be proud of numerous public databases now available in machine-readable format online, such as company registers, real estate, court decisions, e-procurement, and state treasury transactions.

The minister of justice's April 2018 signing of the Council of Europe 2009 Tromso Convention on Access to Official Documents, which recognizes a general right of access to official documents held by public authorities, marked another positive development involving access to public information. However, panelists noted that it needs to be further ratified by the Ukrainian parliament.

A recent law obligates local authorities to publish their budgets online. A panelist said that local governments have become more transparent in recent years; however, top local officials still have sufficient administrative resources to limit access for "disagreeable" journalists. One town in the Dnipro region introduced accreditation to limit access for certain journalists, but one panelist said it is easy to appeal that because, by law, accreditation is a tool without teeth.

Another panelist mentioned an incident involving a journalist barred from a session in Kropyvnytskiy city for being late; the next day all the journalists showed solidarity and arrived late together.

Media outlets have access to and use local and international news and news sources. The panelists agreed unanimously that access is restricted by sanctions—not to Russian media, but to the means of mass propaganda that threaten Ukrainian security—although journalists can overcome these restrictions by using a virtual private network (VPN). No punishment is stipulated for using and

citing such sources. One panelist praised the Ukrainian journalists who are starting to translate and use more western news sources; previously, they typically used distorted translations by inosmi.ru.

Entry into the profession is free, with no licensing requirement. The panelists noted that anyone off the street can become a journalist. Press cards are easy to obtain or falsify, and as a result the industry faces a great challenge of trust and needs self-regulation in determining who merits the title of journalist. Moreover, in a mid-2018 discussion with NUJU, the interviewer insisted that journalism rights and protection should not cover manipulators and propagandists hiding under the mask of a media employee. Professional media organizations, they insisted, should condemn such cases; otherwise, they provoke more physical aggression toward journalists and distrust of the media.

OBJECTIVE 2: PROFESSIONAL JOURNALISM — 1.84

Compliance with professional standards began to sink with the approach to 2019 elections, according to one panelist—and owners' interests dictate television content. "Once conflict between a media owner and the government or other oligarchs intensifies, it becomes very obvious on TV," she said, singling out 1+1, Ukraina, and Inter channels as prime examples.

Media monitors continued to watch professional daily news standards and look for commissioned stories (or "parquet" news that promotes officials and politicians) at seven national television stations: Inter, Ukraina, 1+1, ICTV, 5 kanal, STB, and UA:First (the national channel of UA:PBC).

A panelist said that media's financial dependence on owners is the foremost factor skewing balance in journalism. A majority of Ukrainian media are financially dependent, and with the drastic reduction in advertising revenues in recent years, they noted that television channels can barely cover their expenses and equipment upgrades. "The deficit is covered by owners who can influence the content," said the panelist. Another panelist agreed that politicians and businessmen consider media a political tool, and therefore many media are founded to wield political influence, not to make a profit on honest journalism. "Although *jeansa* is a chronic disease of Ukrainian media, there are certain red lines," said one panelist. They cited the online discussion of Ternopil editors who refused to place stories discrediting Anatoliy Grytsenko, a presidential candidate, offered by an advertising agency. However, they placed softer, commissioned stories on the other candidate.

According to a panelist, low professionalism, laziness, and corruption continue, and self-regulation is not working. They trace the vacuum of professional standards to 2006, when media organizations suspended trainings on standards and a new style of political talk shows emerged. Talk shows started to convert politics into entertainment, introducing the Russian meme of the "buffoonery of Ukrainian politics."

A panelist noted the quality of news in Ukraine is not perfect, pointing to the lack of balance. News is often copied and pasted from other media or social networks, and it is not usually verified or fact-checked, they said. In a recent scandal, for example, major media republished the post of a student who accused a police chief they met on Tinder of harassment, without any verification or providing the opposite point of view. It turned out to be a provocation by two other people against

the policeman's wife, who is the deputy head of the State Bureau of Investigation.

In October 2018, the editor-in-chief of *Vogue* in Ukraine was caught up in accusations of plagiarism in her column; it was similar to one published in Russian *Bazaar* over a decade ago. After people found more plagiarism in her work for *Vogue* and *Kommersant,* she admitted that she used ghostwriters, whom she blamed for the transgressions. Following pressure from the media community over the unprofessional and illegal conduct, *Vogue* eventually fired her.

Almost two hundred media outlets, including news agencies and television channels, published fake news about a ball-lightning invasion based on a mock press release signed by a made-up organization on oceans and atmosphere. It was sent out on purpose, as a test, by the RPDI within a German-funded project on media literacy. The Obozrevatel website even prepared informational graphics for this news. Only a few tried to verify the information.

Telebachennya Toronto—a YouTube channel of a famous journalist also arranged an experiment with fake news about a deadly social media game for children. It got 17,000 reposts and reached a million in a week.

The panelists held up the public broadcaster UA:First and a journalism NGO as examples of balanced outlets. They also named the the state agency Ukrinform as a balanced nationwide online publication. Other reliable media projects were named as semifinalists in the 2018

"High Journalism Standards" awards, founded by Vitaliy Lomakovych's "The Dreams Come True" charity with the Ukrainian Catholic University: Evropeyska Pravda, Bihus.Info, VoxUkraine along with the regional projects Nakipelo (Kharkiv) Crimean Tatars (Crimea), and the investigative reporting agency Chetverta Vlada (Rivne).

One panelist noted that advertisers prefer not to mark their advertising, and the media market is too weak to refuse *jeansa* offers. The panelists could name only a few media that do not publish *jeansa*. net. The panelist recalled that the editor-in-chief of a national publication stated at a recent public discussion that their publication does not print commissioned stories in the politics section and that the country's economy cannot support too many media. One panelist noted that nobody actively disagreed with that at the discussion, but that a majority agree that *jeansa* is inevitable and that elections are for media to make money on—which distorts democratic processes. Another panelist said many media literacy programs in Ukraine teach critical thinking; other panelists agree but believe it is a long road to fight *jeansa* and propaganda.

One panelist feels that *jeansa* will persist until measures, such as fines, are introduced—and that if *jeansa* is considered corrupt, then punishments should be introduced. Another panelist noted that *jeansa* is so well-processed and sophisticated now that it is sometimes hard to distinguish from true journalism. Some media, noted a panelist, are set up to make money on *jeansa* and commissioned stories rather than serve public interests.

Journalists ignore ethical standards. One panelist pointed to one of the most flagrant cases, when journalists pre-arranged an attack by far-right radicals on a Roma camp to shoot the staging of a massacre for "Nadzvychayni Novyny" in June

2018. The panelist is optimistic that many previously apathetic journalists now discuss ethical standards as they relate to the Roma or other sensitive groups.

Another panelist mentioned that journalists attending Donbas Media Forum actively discuss and are interested in learning the regulated principles of coverage and the definition of hate speech, and they care about conflict-sensitive reporting—a demand that must be satisfied. One panelist also sees movement toward ethical codes, with support from the Independent Media Council (IMC) and the Commission of Journalism Ethics (CJE). However, the mainstream channels failed to fully agree on joint self-regulatory rules to report on sexually abused children in 2016 and suicide in 2017. Inter did not sign the first rules, and 1+1 refused the second set.

Journalism meets professional standards of quality.

PROFESSIONAL JOURNALISM INDICATORS

▶ **Reporting is fair, objective, and well sourced.**

▶ **Journalists follow recognized and accepted ethical standards.**

▶ **Journalists and editors do not practice self-censorship.**

▶ **Journalists cover key events and issues.**

▶ **Pay levels for journalists and other media professionals are sufficiently high to discourage corruption.**

▶ **Entertainment programming does not eclipse news and information programming.**

▶ **Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient.**

▶ **Quality niche reporting and programming exists (investigative, economics/business, local, political).**

Self-censorship is embedded in Ukrainian media and largely depends on owner's priorities in economic and political areas, according to a panelist. One panelist connects self-censorship and the suppression of certain topics to opportunities to earn or to lose money, physical punishment, or low professionalism. Another panelist acknowledged self-censorship on topics such as separatists or Russian influence; journalists avoid covering certain topics so they cannot be accused of separatism or treachery to Ukraine. "In Donbas, some journalists would not cover any military issues or would ignore groups that support either very pro-Russian or pro-Ukrainian sides. Therefore, a part of the society is ignored and thus does not trust media and journalists," the panelist said. Another panelist noted additional pressure on media from radical groups that arranged protests and burned tires near newsrooms.

One panelist confirmed that the level of professional and ethical standards in regional media, especially online, is generally low. In summer 2018, Television Company Rivne-1 censored a television investigation on the head of Rivne oblast's state administration, prepared by Chetverta Vlada agency. The company agreed to broadcast the investigation, but later refused without substantiation—despite arguments from a media lawyer about the investigation's safety. In another example, a representative of the advertiser—a company owned by Rivne oblast's state administration head—called the local newspaper's advertising department to complain about a critical story, and the advertising department tried to pressure the journalist.

One panelist believes that self-censorship is more ingrained in municipal, locally-funded media. "Ukrainian communities are not yet conscious enough to stand up for unbiased editorial policies of the municipal broadcasters (paid by their taxes)," they explained, adding that municipal media dispropor-tionately publish "parquet" news at the expense of truly important issues.

According to another panelist, media cover main events, regardless of ownership—but it is much easier for bloggers and online publications to promptly cover extraordinary events. In commercial media, especially national television, political allegiances obviously color coverage.

The panelists view low pay levels for journalists not as a temptation to corruption, but rather as a threat of talent flight to other media, larger cities, or related industries. "Pay levels for journalists are low—local media earn about $100–$200 per month," said a panelist—which pushes them to look for additional sources of income, they added. Salaries for journalists at the regional public television station have climbed higher than commercial stations because advertising revenues fell substantially over the past few years. Since April 2018, UA:PBC has downsized—from 7,050 to 4,510 people. Some staff members were assigned to merged positions (and doubled salaries). One panelist complained that many journalists are not officially employed, and those who cover conflict and warfare zones do not receive hardship pay or medical insurance. The media trade union should take this up as part of its work to protect the labor rights of the journalists, they said.

One panelist joked that news has not been eclipsed by entertainment, because it is a good source of jeansa and revenue to television channels. Another panelist noted a healthy balance with some media—for instance, one channel added more entertainment, but a number of news channels appeared in recent years. In addition to a dozen news channels, two more gained licenses on the eve of elections. News radio shows also increased in number. One panelist agreed that news and entertainment is balanced. "Probably the increase in the number of news and informational programs will not be in favor of the channels. For instance, one radio, does not draw high ratings," they said.

The panelists generally agreed that newsgathering and distribution technology is growing more affordable and is not an obstacle to quality coverage. Still, broadcasters depend on elections to collect money for equipment upgrades. The under-funded national public broadcaster is poorly equipped and forced to rely on international donors for equipment to satisfy its needs.

> **"In Donbas, some journalists would not cover any military issues or would ignore groups that support either very pro-Russian or pro-Ukrainian sides. Therefore, a part of the society is ignored and thus does not trust media and journalists."**

The economy still does allow for diversified, quality specialization, said a panelist. Investigative reporting has boomed in recent years, primarily due to extensive training support and funding by donors. There are well-known national investigative projects, such as Skhemy (a joint project of RFE/RL and UA:First). Investigative programs are booming at the mainstream oligarch television channels, but their quality is often questionable, according to media monitoring.

One panelist said that among local media, investigative reporting is rare, due to limited legal, financial, and educational resources, and it is quite expensive. They also underscored a lack of experts

and the sense that young journalists seem disinclined to specialize. Universities do not provide specialization opportunities for journalism students, they added.

International donors do support coverage of anti-corruption, decentralization, and other key reforms, and one panelist said that niche journalism is under development: "There are lots of training programs on covering certain reforms or topics, but these programs do not cover social issues. I believe that social issues remain underreported for communities." They feel, however, that there is great potential in the quality coverage of education, health care, economics, and consumer issues; and cited the success of a small project launched by an independent journalist.

A decade ago, several business newspapers and magazines, a dozen online publications, and a few television channels—most maintained by sponsors, not investors—enriched Ukraine's media offerings. The economic crises of 2008 and 2014 put some out of business, but some are general-interest media that cover business issues professionally. One online outlet is now independent and self-sustainable. Its editor foresees that business media will become sustainable when they are strong enough to reject jeansa and produce useful content that readers will want to pay for—or when they master the practice of native advertising.

According to one panelist, editor-in-chief of a business publication, business media may rely on only 300,000 large businesses, while targeting small and medium businesses could expand the audience to about four million. Another problem is the absence of a stock market and a shortage of competent business journalists. They trace that to a general decline of qualifications, reduced in-house training, and declining salaries that have squeezed qualified journalists out of the industry.

One panelist pointed out that Ukraine lacks a large, independent business media outlet—but economic revival may increase the chances for such a publication.

OBJECTIVE 3: PLURALITY OF NEWS

2.36

Although in previous years panelists characterized Ukraine as having a plurality of oligarch-owned media, now they add to it a plurality of manipulative news sources and media, primarily online and social networks, that are expected to rise further. Despite an abundance of media, it is hard to find reliable information—making media literacy and critical thinking more important than ever. One panelist said that although technology has opened up access to numerous information sources, the volume of rubbish in the stream exceeds quality and relevant news. Another added, "Although there is a lot of media and everyone has a choice, at the regional level—especially in small towns—it is hard to find enough quality local media."

Two media monitoring organizations researched Ukraine's top 50 news websites and rated their stories for unreli-ability, based on such criteria as untrustworthy sources, untrue news, manipulative headlines, and hate speech.

According to 2018's media consumption survey conducted by InMind for USAID's Ukraine Media (U-Media) program, implemented by Internews, television prevails as the top news source—74 percent depend on television for news. More than half cited the Internet as a major news source, followed by radio and press. Trust in media increased, with 61 percent expressing trust in national television, and 56 percent trusting regional television. National online media won the trust of 58 percent, slightly higher than the 52 percent who trust regional online news.

> "Although there is a lot of media and everyone has a choice, at the regional level —especially in small towns—it is hard to find enough quality local media."

Overall, social networks and radio expanded their audiences, but newspapers and magazines lost a total of 10 percent of their audiences from 2015. Russian online media are popular among eight percent of the population, primarily in Odessa, Zaporizhzhya, and Donetsk oblasts.

More than a third expressed unhappiness with commissioned stories, although 56 percent reported being able to spot such stories.

According to the survey, Facebook is used by 57 percent of respondents, while 21 percent use VKontakte and 15 percent use Odnoklassniki (Russian networks that are blocked in Ukraine). To visit blocked sites, more than half of

the respondents use a VPN, while a small portion deploy browser extensions or proxy servers.[1]

A national media monitoring organization clustered and analyzed 50,000 news stories for 10 months during 2018—analyzing 80 little-known websites selected out of some 150 websites that published anti-Ukrainian or pro-Russian propaganda. Various insider sources told the organization that these websites are created to profit from paid-for stories or to publish accusations against public figures, then blackmail them for payment to remove them. They typically provide no contact information, their design is very simple, and servers might be located abroad. Despite their inferior quality, they attract an audience of about 50 million per month, far outpacing news sources considered more reliable.

Russian propagandists often use websites directly or via public relations agencies. Monitors could not prove such deals but pointed to numerous reposts of Kremlin statements. Twenty-two websites surveyed are Russian-based media or edited from the occupied territories. They often refer to sources that are Russian or Ukrainian pro-Kremlin media, such as Strana.ua, Vesti.ua, 112 Ukraina, and NewsOne. It was concluded that, given the political dependence of many Ukrainian media along with overtly pro-Russian online media, the online space in Ukraine is very vulnerable to be exploited as a tool to manipulate public opinion.

1 "Media Consumption Survey in Ukraine." Internews, June 2018. Accessed February 19, 2019: https://internews.in.ua/wp-content/uploads/2018/09/2018-MediaConsumSurvey_eng_FIN.pdf.

Although analog broadcasting was turned off across most of Ukraine at the end of August, it will remain until May 2019 for UA:PBC and regional and local broadcasters that lack digital licenses, as well as the territories without transmitters at the Russian Federation border (including special broadcasting zones near Crimea and the Joint Forces Operation [JFO] zone in Donbas). More than 50 regional and local broadcasters that have successfully operated for decades risk disappearing, as they were refused (unfairly, some panelists maintain) digital licenses during the 2011 competition. In September 2018, the parliamentary committee on freedom of speech highlighted the need to provide set-top boxes to everyone who receives state subsidies, as well as to provide digital licenses to regional broadcasters and to establish competition to Zeonbud's monopoly as a provider of digital television in Ukraine. Zeonbud installed its digital transmitters at the tower of Concern RRT, which is even closer to bankruptcy with the loss of analog revenues.

The panelists mentioned that the urban-rural digital gap is gradually decreasing. "Access to media for inhabitants of small towns and villages remains complicated. The most problematic are territories close to borders where Ukraine tries to restrict the hostile influence of Russian propaganda," a panelist said.

A panelist noted that the government blocked free access to Russian television channels, social networks, and hundreds of online sources from Russia and the occupied territories. Economic barriers could intensify as well, another added. "Mainstream television groups plan to transfer to a paid-for content model: they plan to increase royalties for the providers, which, in turn, increases fees for cable and Internet television services. In June 2019, the largest television media holdings plan to code their satellite signal and transfer it to a paid-for basis via Viasat and XtraTV platforms," they explained.

After coding, the satellite package of Ukrainian television channels may cost UAH 70 ($2.60) per month. Monthly fees for cable/IPTV television will increase by 15–40 percent in 2019. Research found that Ukrainians are willing to pay UAH 100 per month ($3.75) for television.

"With analog turnoff in areas where digital signal coverage is imperfect, people are able to watch just a few channels," a panelist said, noting that terrestrial television from Russia penetrates Ukraine's borders. One panelist added that their television station noticed a decrease in paid greetings from rural inhabitants, and they now question whether they could no longer afford it, or whether they lost access to her channel because they do not have the required set-top boxes. There are towns and villages in the Ternopil region that have been without a television tower since Ukraine's independence. Another panelist added that television coverage gaps also mark the Chernigiv and Polissya regions, while the state improved television coverage for territories near Crimea and occupied Donbas, in Odessa oblast.

The panelists acknowledged the importance of the public broadcaster and its financially precarious state. One commented that public broadcasting is a media breakthrough, but it needs a better funding model—most likely a direct, fixed tax.

Another panelist criticized the public broadcaster more harshly for pro-governmental or partisan ideology. As an example, all state and public media covered events around obtaining Tomos (a decree from the head of a particular Orthodox church on issues such as the level of dependence of an autonomous church on its mother church) for the Orthodox Church of Ukraine without any critical analysis, they said.

A panelist said Ukrposhta (Ukrainian Post Office) modus operandi is the key force responsible

for ruining print media distribution and print media accessibility in small towns and rural areas.

The panelists were very positive about the state-owned news agency Ukrinform. However, they said the Ukrainian Independent Information Agency of News (UNIAN), tied to Ihor Kolomoiskiy's media holding, leans too heavily on *jeansa.* One panelist said that news agencies have suffered amid the economic crisis and reduced subscriptions; media typically try to get information for free. Most media, a panelist said, can afford only a limited amount of news agency products.

They also said that a majority of television media, including local ones, produce and broadcast their own news, which draws the highest ratings. Viewers will even watch lower-quality local news, as Ukrainian news and events in eastern Ukraine are quite important for them.

Online media are not obliged to disclose their ownership; people can only guess the real owners. Print media registration documents contain limited data on publishers and owners. Since 2016, broadcasters have been legally required to disclose ownership and regularly update the NTRBC, which publishes the information online. One panelist mentioned that any change of ownership must be reported and it is quite burdensome—and every amendment to licenses costs money. The NTRBC fined 173 license holders for disclosure violations, but that amounted to only UAH 500,000 ($18,675). The law does not require media to disclose sources of financial support; the parliamentary committee approved a draft law that would address that issue in November with little hope that parliament would vote for it.

The consolidation of major media companies in the hands of a few conglomerates continues. The top television channels, along with popular

print, online, and radio media, belong to Ukrainian oligarchs with their own political interests. For instance, Ihor Kolomoyskyi (who sparked tensions with the government after the nationalization of his bank, Privatbank) owns 1+1 channel. The Ukrainian oligarch Rinat Akmetov owns the Ukraina channel. Dmytro Firtash owns the Inter channel. ICTV, and STB, while Novyi Kanal belongs to Viktor Pinchuk, the son-in-law of ex-President Leonid Kuchma. President Petro Poroshenko owns 5 kanal and is said to have influence over Pryamyi, which officially belongs to lawmaker Volodymyr Makeyenko. Vynokur believes that it is not difficult for viewers to judge which politicians are obviously supported by certain television channels, especially on the eve of elections. Internews's media consumption survey found that 52 percent of people admit knowing national media owners; just 35 percent of respondents reported knowing the identity of regional media owners.

Pro-Russian politicians have consolidated media ahead of the 2019 elections. In 2018, two popular news channels changed management, which the panelists connect to Russian influence.

According to an RFE/RL investigation, the 112 Ukraina channel was purchased by little-known German businessman Eduard Kats in April 2018; however, real control lies in the hands of Medvedchuk, as the mid-summer introduction of new management linked to the pro-Russian politician revealed. Although he served as an official representative of Ukraine at the Minsk talks, Medvedchuk is a critic of the Ukrainian government and favors rapprochement with Russia. The channel often covers him in a positive light, and he joined the political party Za Zhyttya (For Life), led by Vadym Rabinovych—a regular guest and anchor of the 112 Ukraina channel. In December 2018, the MP Taras Kozak, a close ally of Medvedchuk, became

the final beneficiary of all six channels that comprise 112 Ukraina and are 100 percent owned by Swiss Plirofories AG; Kats quit the media business in Ukraine. Another pro-Russian channel, NewsOne, is associated with Andriy Portnov, the former deputy chief of ex-President Viktor Yanukovych's administration.

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

Media monitoring found that only 14 of 50 national online media publish their owners, editor-in-chief, and contact information.

Four Russian media monitored (Lenta.ru, Vesti.ru, RIA.ru, and KP.ru) transparently named themselves as Russian sites funded by the state budget.

In 2018, a media monitoring organization researched ownership of television channels in Ukraine's three largest cities: Kharkiv, Odessa, and Dnipro. Earlier, it had researched ownership of key media in 10 oblast centers—Kharkiv, Odessa, Dnipro, Lviv, Ivano-Frankivsk, Lutsk, Mykolayv, Zaporizhzhyam Kropyvnitskiy, and Chernigiv.[2]

Odessa is a champion with more than 30 television channels, several times more than in Dnipro or Kharkiv, but 23 of them serve the interests of local government—Mayor Gennadiy Trukhanov, "Grey Cardinal" Vladimir Galanternik, and their friends. Only a few channels try to cover events from different viewpoints. Kharkiv—larger than Odessa by 400,000 inhabitants—cannot maintain its channels

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2 "Media Ownership Map of Ukraine." Media Lab, 2019. Accessed February 19, 2019: http://www.map.medialab.online/uk/about/.

without owner funding, which implies that political interests are propping up the Odessa television channels.

A draft law to make Ukrainian the single state language, obligatory in all public spheres, spurred heated discussion among the panelists. It would preserve the right of national minorities or indigenous nations, such as Crimean Tatars, to publish press or online media in their languages, as long as identical content is produced in Ukrainian. The panelists admitted that the law's main purpose is to protect the Ukrainian language from the excessive Russian-language presence. However, it would force smaller ethnic groups to double their production costs for the second-language version. The panelists admitted that Ukraine needs less emotional and more professional discussion on the issue, as well as better defined laws. While the panelists agreed that Ukrainian language does need protection and promotion, they also noted that the government needs to explain the law carefully and not cause additional damage by either violating the ratified European convention on national minority languages or distracting older people who are used to Russian, especially near or within the occupied territories.

Ukrainian language quotas for broadcasters entered into full force in October, when the transition period closed. Now, 75 percent of television news programs and Ukrainian programming at national and regional channels must be in Ukrainian. Local broadcasters must comply with a quota of 60 percent. In November, full Ukrainian language quotas for radio stations went into effect, requiring 60 percent of news programs to be in Ukrainian, along with 35 percent of Ukrainian songs and 60 percent of EU songs. Over two years, the NTRBC has fined broadcasters UAH 1.724 million ($64,228) for various violations of language quotas and believes that

due to this principled position stations have even exceeded the percentage of quotas.

One panelist pointed to a lack of high-quality programs on human rights and LGBT communities. Another agreed that gender equality and sexual orientation are poorly covered and risk becoming taboo due to resistance from traditional audiences. National minority issues are covered, but insufficiently, they said. One panelist believes that resistance to covering certain social issues stems not only from an expectation that they will not be popular with audiences, but that journalists lack the skills to present the issues interestingly enough.

During a Ministry of Information Policy of Ukraine discussion on Crimea's informational reintegration strategy, participants pointed out several issues. The strategy itself addresses the low quality of Ukrainian media and its ignorance of the needs of occupied territories as the main danger for the strategy's implementation. Ukrainian media do not want to cover Crimea systematically, and readers do not want to read about Crimea. Ukrainian audiences started to see Crimean issues only through the lens of the persecution of the Crimean Tatars. A Crimean Tatar journalist and Mejlis member, named 11 Crimean media that had to move to mainland Ukraine—but emphasized that Crimea should be covered widely by national Ukrainian media. Despite all the efforts to provide broadcasting to annexed Crimea, reaching the Crimean audience is very complicated.

The panelists agreed that Ukrainian media cover enough international news, but sometimes the coverage lacks quality or in-depth analysis and ignores some countries (such as India) and continents (such as Africa). A panelist added that Ukraine is integrated in trade with the majority of the countries, but Ukrainian journalists have a poor tradition of covering that topic.

According to one panelist, local media cover local news along with national news. National media cover national news more heavily than local news. They expect to see the launch of community media in the course of decentralization reform and the development of what are known as united territorial communities. Another panelist agreed that coverage of local news, which is now relatively underreported, will be on the agenda for future community media.

OBJECTIVE 4: BUSINESS MANAGEMENT

1.48

The panelists scored nearly all Objective 4 indicators a little higher than last year, recognizing the slight general economic recovery and restoration of the advertising market. Problems in all other areas remained, though, with the distorted media market hampering development of strong media as successful business models.

The media market is poor and oversaturated in certain sectors, such as television and Internet. There are just a few self-sustainable media holdings. For instance, TRK Lux and Tavr-Media media holdings claim to be self-sustaining. Many others rely on owner or donor funding.

One panelist noted that in the regions, local tycoons own many media. "There are small self-sustainable media, but often they are full of *jeansa* and thus can hardly be called successful," they said, adding that online media complain that Google and Facebook take the lion's share of money.

During elections, media make easy money; many regional outlets and news channels have been launched for election purposes. "In fact,

they are not business projects but just auxiliary PR tools," said one panelist. Noting that media are trying to diversify their revenue streams, they added, "Mainstream television channels of the four largest media holdings try to increase revenue from content distribution. They increase cable/Internet Protocol Television (IPTV) provider charges and code satellite signal for fees. Internet paywalls do not work in Ukraine, as copyright abuse is widespread. Unfortunately, Ukrainians are not ready to pay for what they used to obtain for free." The panelist noted, however, there are some successful crowdfunding examples. One panelist commented that in current conditions Ukrainian media struggle to find effective business models, which influences their behavior and quality. One panelist pinpointed the modest advertising pie, distributed among media —including many subsidized by their owners—as the core problem, leading to price dumping. They believe that crowdfunding opportunities are underestimated in Ukraine. Another panelist added that not only oligarchs, but also Russian interests distort the market; strana.ua, for example, soaks up lots of advertising.

A panelist highlighted online political advertising as an annoying trend that emerged late in summer 2018. Politicians buy banner ads with Google's AdSense tool and target reliable news sites, overwhelming them with aggressive slogans for or against certain politicians. Readers who are unfamiliar with AdSense might be tricked into thinking the newsrooms chose to display these banner advertisements. According to another panelist, primarily only national media implement business plans and marketing activities. That is partly because regional media often lack the requisite skills, due to limited training opportunities. However, the Ukrainian Media E-School set plans to expand in 2019 and provide

four module courses for various types of media managers.

From January 2019, monopoly provider Zeonbud will charge broadcasters 80 percent more for distribution of digital signals. The cost of newsprint, printing services, and post office distribution continues to increase significantly, while regional advertisers (primarily apartment building developers, health care facilities, and alcohol producers) decline. Additional revenue sources, such as greetings, are also declining. National advertising agencies do not typically work with regional media.

"Mainstream television channels of the four largest media holdings try to increase revenue from content distribution. They increase cable/Internet Protocol Television (IPTV) provider charges and code satellite signal for fees. Internet paywalls do not work in Ukraine, as copyright abuse is widespread. Unfortunately, Ukrainians are not ready to pay for what they used to obtain for free," said a panelist.

One panelist pointed out that none of the hundreds of privatized municipal newspapers have gone bankrupt. The panelists highlighted some small-scale successes—for example, a Lviv newspaper paid symbolic dividends to its six employees who became founders of a new outlet. A panelist added that ABO NGO develops successful strategies, free platforms for websites, and advice for small regional media and those undergoing destatization. Still, program participants remain reliant on the government. Half of their revenue flows from the local government, which they

continue to partner with under information coverage agreements. A panelist also said that Ukrainian media have started to more actively develop revenue streams aside from advertising: special projects, auxiliary businesses, grants, etc. Foreign grants help Ukrainian media produce socially important and educational content as well.

One panelist did not believe paywalls hold promise in Ukraine, despite the attempts of some outlets. In December, 1+1 channel introduced paid subscriptions for its mobile application, 1+1 International 24/7, for $9.99 per year. It is quite popular among Ukrainians living abroad. One digital outlet introduced paywalls as a strategic goal: to focus on providing unique and premium content to several hundred thousand core readers. "This is the only chance for me to become an independent and full-fledged business," said the CEO of a media outlet.

Another panelist cited his own experience producing syndicated content within a network of independent media, which can make it cheaper for everyone, while the exclusiveness and high quality help to attract more expensive online advertising.

Mainstream media noticed a growth in income and consumption, and the inflow of money into the economy boosted advertising after a dry spell that stretched several years. Advertisers grow more active and are thinking several years ahead. Demand for television commercial spots exceeds space, and the leading clients are even interested in price increases that could cut off some of the competition. Mainstream television holdings want to increase prices to catch up with inflation rates and growth of their clients' markets.

According to the All-Ukrainian Advertising Coalition (AUAC), the 2018 media advertising market-- including television, radio, print, and digital--totaled UAH 13.98 billion ($484,353,000), an increase of almost 24 percent from 2017. Television channels were in great demand, there was no room to fit all advertisers, and they had to increase their budgets to keep the same volumes. AUAC projected 27 percent growth for 2019, with two election campaigns in 2019 that are expected to fuel more advertising growth.

AUAC data indicate that regional publications' 24 percent growth is driven by national advertisers' increased interest in local press. Retail, pharmaceutical, and food industries are expected to grow further in the regional publications.

Radio advertising increased by 20 percent to UAH 578 million ($21,533,500), according to AUAC. Of this figure, UAH 418 million ($15,572,700) went to national radio, UAH 54 million ($2,011,780) to regional radio, and UAH 106 million ($3,949,050) to sponsorship. Radio is expected to grow by 24 percent in 2019. Several groups of advertisers, led by the pharmaceutical and food industries, discovered the power of radio campaigning in 2018. Radio draws a good share of high-income people; therefore, its biggest advertisers include real estate companies and automobile importers.

Internet advertising is leading by growth rates. However, the industry had to change the measurement methodology, remove search engine advertising gained by Google, Facebook, and other tech giants from the media market, and factor only banner advertising, digital video, and sponsorship into digital media advertising. With this change in methodology, the 2018 report revised the figure for 2017, reducing it even further. Digital advertising grew by 17 percent to UAH 2.52 billion ($93,883,000) and is predicted to grow by 50 percent in 2019.

The catastrophic underfunding of UA:PBC from the state budget undermines the quality of content development and threatens its editorial independence and daily operations, according to a panelist. In October, financial stress forced UA:PBC to introduce unpaid staff vacations, the suspension of recruiting and bonus payments to management,

and the breakdown of payments to third parties into installments. It also eased restrictions on advertising and sponsorship, though it still does not accept ads on political projects.

With the end of print media destatization reform, the local government does not subsidize the press directly; however, it allocates money for informational coverage. The panelists cited issues with that strategy, though, including the level of funds, their distribution among media, and their effectiveness in informing the population. Some local councils and mayors are generous and vote for large budgets—for instance, in Kharkiv, where the mayor is a large media owner, a panelist said. In Ternopil, said a panelist, these funds are more than modest. Another panelist said that Rivne's mayor gives them out equally to almost all television channels and radio stations to be covered comprehensively—and expects a certain loyalty in response. In other places, local governments may channel the funds to a few favored media only. There are no procurement bids or regulations on media coverage as a result.

By law, two newspapers remained state-owned. For 2019, the parliament increased funding to governmental newspaper *Uryadovyi Kurier* to UAH 13.5 million (approximately $500,000) and reduced funding for parliament newspaper *Holos Ukrainiy* and Rada TV to a total of UAH 44.7 million ($1.65 million). The private Crimean Tatar channel obtains state support from the budget under the law on assistance to deported populations at UAH 45.3 million ($1.67 million). The Ministry of Information Policy spent UAH 362 million ($13.4 million) in 2018 on information campaigns, primarily in media.

One panelist noted that national media tap market research for strategic planning and increasing advertising revenues. Regional media try to study audience needs on their own, with focus groups, telephone interviews, and polls, as professional

research is prohibitively expensive.

Average online media do not pay for research services, (e.g., Gemius) or focus groups. However, there are many free or inexpensive web audience research tools, such as Google Analytics, Google Tag Manager, and Facebook Pixel. One panelist agreed but noted that they are used infrequently. Another reported that national companies measure program broadcast ratings, which regional media cannot afford to do regularly. Advertisers are primarily interested in national channel ratings.

Nielsen and the Communication Alliance, under the auspices of the Television Industry Committee (TIC)—a trade association of key oligarch-owned channels and media agencies—regularly measure the national television audience. TIC sets an artificially high price of UAH 1 million ($37,000) to participate in the ratings process, which is prohibitively expensive for regional and specialty channels. The television panel is based on a national sample of 2,840 households, 1,900 in cities with more than 50,000 inhabitants.

In 2017, the Independent Association of Broadcasters (IAB) arranged for local television measurement of the regional broadcast audiences, covering 11 regional centers and expanded in 2018 for new cities.

Print media self-report their circulation figures without any verification, while Kantas TNS, contracted by the Radio Committee, measures radio audiences. There are several different monitoring services for website audiences, but they use different methodologies and thus are not comparable.

Ukraine's media benefit from a well-developed network of media trade associations, unions, and supportive NGOs. Key trade groups include TIC (uniting the largest television groups since 2002), the Ukrainian Television Association (connecting eight niche channels in 2018), RC (radio), Independent Association of Broadcasters (regional broadcasters), the Association of Rights Holders and Providers (founded in 2011), the Ukrainian Association of Media Business (major publishers), the Association of Independent Press Publishers of Ukraine (private regional publishers), and the National Association of Ukrainian Media (for newly privatized municipal newspapers). For online media, the Ukrainian Internet Association connects Internet advertisers, while the Internet Association of Ukraine represents providers. Key players in the Ukrainian Internet advertising market—such as Google Ukraine, Admixer, Kantar TNS, GroupM, Publicis One, OLX, Media Grupa Ukraina, and Obozrevatel com—established the Interactive Advertising Bureau (IAB Ukraine) as a chapter of IAB's New York–based international network. However, a panelist noted, there is no association of online media—despite the need.

Generally, Ukraine's civil society sector is noticeable, influential, and growing, but it is not yet able to operate solely with Ukrainian funding sources, a panelist said.

One panelist noted that media trade associations are quite active. For instance, IAB delivers legal, mentoring, and training support to its members. It initiated a lot of industry events and discussions

related to the digital transfer. One panelist considers IAB, with 18 years of uniting about 120 television and radio companies, an example of an experienced, well-recognized association, driven by the initiatives from local and regional broadcasters. Another panelist noted that publishers' associations, along with NUJU, actively protest Ukrposhta's press distribution policy.

There are two main journalists' organizations in media: NUJU and the Independent Media Trade Union (IMTU). Both drew criticism from panelists. IMTU has failed to win the trust of journalists to protect their labor rights. Of course, defending labor rights is a tall order, as many journalists are not staff and management may terminate their contracts easily. Furthermore, IMTU's membership and fees were inadequate to fund its activities, and it also stalled due to internal conflicts.

A panelist said IMTU has in fact suspended its activities; another confirmed that the media trade union is effectively dead in the regions. NUJU does play a part but is not taken into account by the government. Moreover, it needs to reform, as it is still heavily influenced by its Soviet background and retention of numerous members who are not journalists, the panelists said.

In spring 2018, a number of media organizations expressed distrust in NUJU's commitment to free speech and violations of journalists' rights. Some experts even named "creative unions" as rudiments of Stalin's epoch, pointing out that the state allocated some UAH 20 million ($750,220) to maintain unions of writers, journalists, etc. The state could better use these funds—and also sell their expensive real estate in downtown Kyiv. "NUJU tends to consider whoever they want to be journalists—those who have a press card, or bloggers, or people involved in conscious disinformation and propaganda instead of journalism. NUJU has not yet audited its 19,000 members," a panelist said.

However, one panelist said that NUJU provides public support and defends all media from rights violations, while politicians encourage public hostility toward journalists and divide them into patriots and non-patriots. NUJU's priority is the fight against large-scale threats to free speech, demanding parliamentary hearings on physical security, etc. NUJU also demonstrates solidarity with journalists victimized by Russia's aggression. Over 2018, the last year of the press destatization reform, NUJU contributed to the success of privatized newspapers with training, advocacy, and legal support.

At the end of 2018, an initiative to establish a new journalists' movement met informally, aimed at supporting honest journalists who adhere to

journalistic standards—regardless of their ability to pay membership dues. The organizers were motivated by the industry's lack of self-regulation on compliance with professional and ethical standards, journalists' inability to summon the solidarity necessary to counteract moral or administrative pressure of media management, and the dependence of many media on their owners' political interests.

One panelist said trade and professional associations as well as media development NGOs cooperate with the media and help advance their interests, and the civil-society sector promptly reacts to freedom of speech violations. The panelists also expressed appreciation for the training and legal support that media NGOs provide. "There are several collective NGO initiatives or self-regulatory bodies, that raise the issues of ethics and professional standards," said one panelist.

The panelists were not as enthusiastic about formal training programs. There are too many university-level journalism programs, the panelists feel, and despite some improvements they still fall far short of satisfying the industry needs in practical preparation. According to one panelist, research has identified 46 higher-education establishments licensed to deliver academic journalism and media communi-cations programs. Research, studying the opinions of students, graduates, faculty, and media employers, was published in October and found virtually no corruption. It also revealed that innovative courses have been introduced, but overall the instruction is far from real media work requirements. The content is outdated, with few opportunities to practice.

Masters programs are heavy on theory, rather than media internships. Not all universities allow students to combine academic programs with jobs, a practice the Ministry of Education discourages. However, journalism departments often help students find jobs. Furthermore, not all departments researched possess sufficient technical equipment that is freely accessible to students. One panelist agreed that academic journalism programs are very weak on practical components.

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Ministry of Education regulations requiring that a certain percentage of professors hold relevant scientific degrees force journalism departments to hire media practitioners only as guest speakers. Faculty members go abroad for study or internships more frequently than students. Ultimately, the survey found, a third of students do not plan to work in journalism, while a majority of editors and employers are dissatisfied with students' skills. Only 22 percent indicated a preference to hire individuals with a journalism degree.

A panelist mentioned that the Kyiv Institute of Journalists invited them and a few colleagues to deliver practical courses as guest professors to a few groups of students on media law, covering legal issues, and investigative reporting. The courses were open for the faculty to attend as well. Noting that Mariupol University also invited them to speak, they believe that some journalism departments are attempting to change. They also highlighted the fact that the share of male journalists among the students is very low.

One panelist concluded that the deficiencies reflect the general decline of academic education in the country.

A panelist credits NGOs with providing training opportunities to hundreds of journalists all over Ukraine. "During a year we couldn't find an investigative reporter, although we offer an above-average salary in the region; this is evidence of the low quality of education with the journalism departments in universities in the region. Our online media colleagues also complain that they can hardly find journalists," the panelist said. "I saw that Ostroz'ka Academy's journalism undergraduate exam contained questions about medieval journalism, but nothing about searching in databases." A second panelist agreed, noting that journalism interns from Kharkiv, Dnipro, and Zaporizhzhya are given handbooks produced by NGO media trainers and have to be trained from scratch. Training courses and in-service programs are more effective than the theoretical knowledge taught in the academic journalism programs, they said.

Short-term training courses are available courtesy of international donors. According to a panelist, training programs are numerous and primarily qualitative, and it is NGOs that support the operation and development of independent media. Most short-term training courses are aimed at reporters, and many workshops for journalists encompass topics such as EU integration, decentralization, health care reform, gender, and internally displaced people.

The Independent Association of Broadcasters, along with Deutsche Welle Akademie, runs the Ukrainian Media E-School, which offers medium-length programs for media managers, sales directors, digital directors, and community media executives; currently more than one hundred have graduated. RPDI delivered extensive capacity-building training for a dozen investigative reporting centers across Ukraine, with Dutch MATRA support. In 2018, Ukrainska Pravda and Deutsche Welle Akademie held two more economic journalism sessions.

The Kyiv School of Economics and Vox Ukraine continue to operate the invaluable Center for Excellence in Economic Journalism, mixing online and live courses, research, and discussions with economics and business professionals. Established with private funding in September 2017, it has a capacity of 35 students per course cycle. One panelist noted that due to the declining quality in media newsrooms and the rush in daily operations, it is no longer possible to expect that a novice can pick up enough experience on the job.

The market for printing facilities is fully demonopolized and apolitical. According to a panelist, television equipment can be easily purchased, but it is prohibitively expensive for local media and prices fluctuate in concert with foreign currency rates. The price for newsprint increased drastically, by about 45 percent (from $600 to $1,100 per ton) in the first half of 2018, due to the decade-long absence of a Ukrainian producer and the near-total dependence on imported Russian newsprint. Western sources of newsprint are even less affordable for Ukrainian media.

On the distribution side, Ukrposhta remains a monopoly and regularly raises tariffs for media distribution, delays payments, and offers the media disadvantageous contracts. One panelist noted that

NUJU, trade associations of publishers, and 120 editors of national and regional publications accused Ukrposhta's top managers of non-transparent pricing and of purposefully ruining the rural subscription delivery system. Distribution is very inefficient and contributed to the general downfall of subscription circulations by 30–40 percent.

Another panelist noted that in 2018, social media algorithms became as influential for online media as post office distribution infrastructure is for print media.

Two monopolies control broadcast transmission. The private Zeonbud installed 120 of 144 digital broadcasting transmitters at the towers at the state-owned Concern RRT (Concern of Radio Broadcasting, Radio Connection, and Television). Before the analog switch, broadcasters had to pay for both. The year of 2018 brought claims that the digital broadcasting signal did not sufficiently cover all of Ukraine, but Zeonbud maintains that coverage reaches the required 95 percent of the population. Concern RRT is close to bankruptcy; it received a warning that its electricity would be cut off in 11 regions for its debts. However, it will be receiving fees for analog broadcasting from UA:PBC and a number of regional broadcasters still using analog until May 2019.

Zeonbud's ownership is not transparent; its final beneficiaries are three Cypriots and a UK citizen. A member of the parliamentary committee on free speech, said that its non-transparency threatens the state's information security.

According to independent media sources, Zeonbud services to Ukrainian broadcasters amounted to UAH 13 million ($495,000); one panelist said that Zeonbud increased prices by 37 percent for broadcasters in 2019. Another panelist claimed that is, in fact, an 80 – percent increase for broadcasters, as it no longer provides a discount.

One panelist was anxious about the future role of Concern RRT, given the state's apparent lack of strategy. It is likely that it will go bankrupt and be privatized. There were plans to make it an alternative state digital signal provider, but the NTRBC explained in 2018 that all the digital frequencies were given to Zeonbud. Even if it provided the license, Concern RRT did not have the funds to build a network within a year—and the council would have to cancel the license.

Local cable operators may refuse to include any channel in their package, although they are obliged under the universal program service provisions, a panelist said. Another panelist explained that this happens due to the aggressive policies of mainstream television channels, which suggest packages of their channels to the cable providers for the same price as major channels alone; this way they occupy the available number of channels.

Telecommunications infrastructure continues to develop gradually. Three apolitical operators dominate the mobile market: Vodafone Ukraine, Kyivstar, and Lifecell. The gap between large cities and rural areas in Internet and other technologies remains. One panelist said, "High-speed Internet is available only in large cities; in some areas it may be absent."

Ukraine has introduced 3G and 4G, the latest in Europe. Ukraine's 3G coverage remains incomplete; 4G was first introduced in April 2018 only in oblast centers, resorts, and border transition sites, and it is forecasted that it will take another two years to cover all of Ukraine. Formally, Ukrainian mobile operators were to provide Internet access to 90 percent of inhabitants in each town with more than 10,000 people by 2021. The delays are connected with previous uneven distribution of frequencies between various operators, as well as many regulations, such as those regarding auctions and

licensing, that operators had to overcome—the principle of "technological neutrality" does not work in Ukraine. In addition, 4G started at 2,600 MHz frequencies, which require a larger density of basic stations. More acceptable frequency bands (850, 900, 1,800, and 2,100 MHz) have already been in use by CDMA, GSM, cable television, and 3G. Such frequencies required huge capital investments of the operators into licenses, then into the technical development of networks.

The operators claim that high-speed Internet access is available to 40–55 percent of Ukrainians. At the end of 2018, 4G users amounted to 3 million, 2 million, and 1.2 million at respective operators Vodafone Ukraine, Kyivstar, and Lifecell. All operators reported that users have started to consume "heavier" content; a half of consumer use goes to audio and video content.

One panelist positively assessed that the same law on transparency of media ownership provides for transparency of ownership of providers, but another said a large share of Internet traffic comes from Russia because it is very cheap—and that constitutes a threat to national security, protection of personal data, and the fight against piracy.

By October 2018, Internet penetration reached 63 percent of Ukrainians (20.8 million) over age 15, according to a Ukranian internet researcher. That figure has held fairly steady for the past two years. Seventy percent of regular Internet users obtain access via smartphones, 36 percent through home laptops or desktop computers, and 13 percent through tablets.

The panel discussion was convened on December 21, 2018.