MAPPING DIGITAL MEDIA:
LITHUANIA

OPEN SOCIETY FOUNDATIONS

Mapping Digital Media: Lithuania

A REPORT BY THE OPEN SOCIETY FOUNDATIONS

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15 August 2011

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Mapping Digital Media

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

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

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

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

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

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

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

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

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

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

Mapping Digital Media: Lithuania Executive Summary

The explosion of digital media and their impact on journalism and democracy in Lithuania coincided with the country's second decade of independence and also, latterly, with the economic crisis of 2009—2010.

Preparation for digital switchover began in 2003 when the government adopted a Strategy for Distribution of Radio Frequencies and a Strategy on Spectrum Allocation, which foresaw a tender to allocate digital frequencies. Analog switch-off is scheduled for 29 October 2012.

This framework and the technical standards for digital transmission were adopted without public consultation or input.

Lithuania's four multiplexes—two owned by private telecommunications company Teo LT, and two by LRTC, the state-owned transmission network operator—are technically ready for switch-over. Each multiplex has ten channels. Some programs are already broadcast in digital format, but a large proportion of households do not yet have the equipment needed for digital reception.

The Strategy includes provisions for subsidies to households unable to afford digital receivers, although the subsidy levels have not been established. It is unclear whether a planned public information campaign on the matter will reach the public in time.

With the rapid growth of internet penetration, websites dedicated to news appeared and traditional media went online. The near-doubling of internet subscriptions from 34.3 percent of the population in 2005 to 60.5 percent in 2010 was accompanied by dynamic growth in ownership of PCs, laptops, mobile phones and then smart phones. The internet took on an increasing role as a news source for the public, especially younger audiences. Online news outlets have steadily grown their audiences and gradually introduced interactivity, video and other new features.

Most 'legacy' media news organizations have websites; the last of the national dailies to do so was *Respublika* in 2008. News websites—stand-alone as well as extensions of traditional outlets—have grown in popularity; in late 2010, six of the ten most popular websites as well as the top three were news sites. But, this did little to dent the popularity of traditional prime-time newscasts on the main television channels which held on to or increased their ratings.

The proliferation of internet outlets whether pure news or portals representing hitherto unrepresented groups in society have greatly expanded the choice of news and opinion. They have also accelerated the *speed* of information delivery, but their impact on improving the *quality* of news is not clear. News became less diverse, more homogeneous albeit disseminated through a greater number of outlets, digital and linear. To date no websites offering quality analytical or investigative journalism have emerged.

Formerly marginalized groups, such as ethnic and sexual minorities, have gained a platform on the internet which they were almost entirely denied in mainstream media. Conversely, however, the internet has created opportunities for racist and otherwise discriminatory or hate content, mainly in the form of users' comments posted anonymously in response to news reports and commentary on minority groups and issues.

Print outlets suffered a dramatic decline in circulation and readership, due in part to the loss of advertising revenue but also to the availability of free information on the internet. Among the consequences were staff and other operating cost cutbacks in most newspapers.

At the same time, the online expansion of print outlets stretched their resources and also changed the work of journalists. Rather than adding new staff, newspapers increasingly deployed traditional print journalists online, often at the expense of their core operations. This added to the workload of journalists, affected their work habits, professional ethics and priorities, as well as the overall quality of journalism in the country. Costly investigative journalism, which flourished briefly after independence, has declined—a trend that can be attributed as much to the economic crisis as to digitization.

The media market is fiercely competitive, with frequent ownership changes but no single group achieving a dominant position. With no statutory provisions preventing media concentration, a system of reporting changes in ownership coupled with general anti-monopoly legislation is supposed to ensure competition. But a tendency toward horizontal concentration poses a threat to media independence, as news can be used as a vehicle to promote the parent companies' business and banking interests.

Moreover, the provisions for ensuring transparency of media ownership are weak, with little or no enforcement of legal requirements for reporting ownership, and no means of discovering the beneficial (as distinct from titular) owners.

Television remains the most popular media platform, although the reach of the main channels shrank as a result of audience migration to niche digital channels. And, while news and current affairs programming account for a substantial portion of its programming, it is the public service broadcaster, Lithuanian National Radio and Television, LRT, which has suffered the heaviest audience shrinkage.

LRT operates three television channels, three radio stations and a website. It is financed by government and EU funds, and by advertising and income from commercial services such as leasing studios and equipment.

LRT's ratings have declined despite high-quality content. Nevertheless, the public generally trusts its journalism, while remaining aware of various political pressures on its management. Overall, there is limited evidence of political influence on media content.

To date, the main impact of digitization on LRT has been the creation of a web-portal for all its channels, with streaming of selected programs. This has allowed the creation of an online digitized archive where LRT's entire content will eventually be available.

LRT lobbied for, and won without a tender, the right to the dedicated channels on one multiplex.

The public is relatively active in creating content on new media, from comments to news stories to blogs, to activity on social networks. Among young people social network participation exceeds 80 percent, with Facebook and the domestic network One.lt topping the popularity list. Mainstream media, while encouraging user generated content in the form of reader comments, have been slow to integrate social networks into their distribution strategies.

Blogs have been a viable user-generated source of niche activism news, commentary and analysis, while the extent of online civil activism has been limited to a few high profile campaigns, and seldom either reaches mainstream media or generates "offline" action.

Politicians have taken up communicating through new media; some have begun blogging, while others are active on social networks. The bulk of this activity can be observed during pre-election periods, only to fade after that. Nonetheless, government transparency and civic engagement in politics have been enhanced by a range of online tools and initiatives by civil society groups which let voters access and analyze government data, and occasionally generate mainstream media coverage.

There are no separate regulations or legal liability provisions concerning internet content that differ from those which apply to other media. Media regulation is in practice independent from government, but the regulators are lax in exercising their powers, e.g. to enforce ownership transparency rules.

A weakness of the regulatory system is its dispersion among several bodies which don't always coordinate among themselves. Their composition raises questions about competence and impartiality.

The report's authors call for the creation of a single regulatory body, with robust appointment criteria. They also call for clear and transparent rules for allocating EU funds to the media, and urge the government to introduce legislation restricting media concentration and to intensify efforts to ensure universal public access to media after switch-over. In the realm of public media financing, they recommend a new, more sustainable framework for funding LRT.

Context

Lithuania was a republic in the former Soviet Union which regained its independence in 1990 and joined the European Union (EU) and NATO in 2004. Accession to these two organizations was followed by accelerated economic development in 2005–2007, with GDP growth averaging about 8 percent year-on-year.

The overall economic boom had a positive impact on the media sector. The number of print outlets and their circulation grew steadily. The rapid development of the internet infrastructure considerably increased the number of internet users, and this in turn encouraged the growth of internet media.

The advertising market in 2005–2008 grew from 362.6 million to 542 million Lithuanian Litas (LTL) (US$148.6 million to US$222 million), which also contributed to growth in the media sector.[1]

However, the global recession changed the situation. GDP contracted by 14.7 percent in 2009, and unemployment grew to double-digit figures. The austerity policy implemented at the end of 2008 by a new government had a strongly negative impact on the media, partly because of the shrinking advertising market, and partly because a new tax environment abolished existing exemptions for media and increased the overall deductions from journalists' income.

The economic crisis also led to an increase in emigration, already a problem for Lithuania, having accelerated with EU entry in 2004. Official figures show that the population contracted in 2005–2010 by some 150,000, to 3.24 million. It is estimated that the real number of emigrants may be twice as high, since not all those who leave the country report their intent to stay abroad.

The second half of 2010 and the beginning of 2011 brought the first signs of economic recovery, but analysts agree that it will take several years for the country to return to 2008 levels.

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1.   TNS, *Metinė žiniasklaidos tyrimų apžvalga* (Annual media survey), 2006–2009, available at http://www.tns.lt/lt/ziniasklaidos-tyrimai-metine-ziniasklaidos-tyrimu-apzvalga (accessed 6 January 2011) (hereafter, TNS annual media surveys).

Social Indicators[2]

Population (number of inhabitants): 3.24 million (November 2010)[3]
Number of households: 1.38 million (2009)

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

Rural 30%

Urban 70%
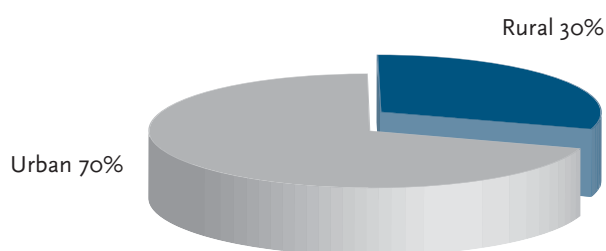
Figure 2.
Ethnic composition (% of total population)

Belarusian 1.1%   Ukrainian 0.6%

Russian 4.8%   Other 4.4%

Polish 6.0%

Lithuanian 83.1%
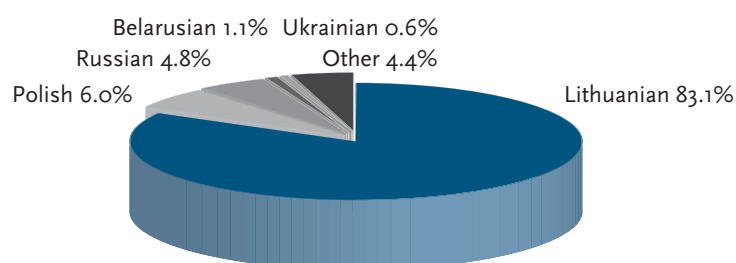
Note: "Other" ethnicities include Jews, Latvians, Tatars, Roma, and Germans.

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2.   Department of Statistics, *Rodiklių duomenų bazėje* (Database of Indicators), available at http://db1.stat.gov.lt/statbank/default.asp?w=1280 (accessed 6 January 2011) (hereafter, Department of Statistics, *Rodiklių duomenų bazėje*).

3.   The most recent census was conducted in March–May 2011 (in two stages) and only preliminary population data (still being revised) have been released (3,054,000). Final census results are expected at the end of 2011.

Figure 3.

Religious composition (% of adult population)

Other 16.1%

Orthodox 4.9%

Roman Catholic 79.0%
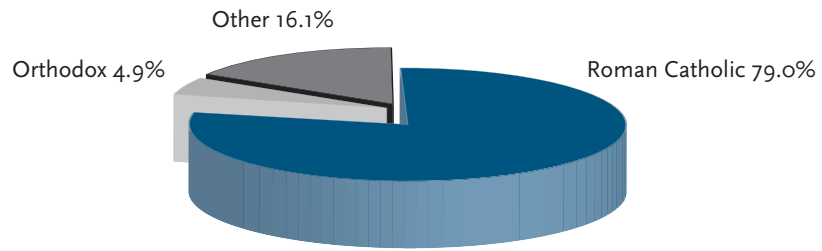
Note: "Other" includes "no religion" (9.5 percent), Protestants, and "no indication".

Economic Indicators

Table 1.

Economic indicators

	2005	2006	2007	2008	2009	2010	2011	2012
GDP (current prices), in US$ billion	25,977	30,082	39,097	47,173	37,118	35,734	36,734	38,139
GDP (current prices), per capita in US$	7,608.24	8,863.07	11,582.13	14,047.47	11,115.07	10,765.34	11,133.41	11,628.97
Gross National Income (GNI), per capita, current US$	13,860	15,610	17,440	19,220	16,750	n/a	n/a	n/a
Unemployment (% of total labor force)	8.2	5.6	4.2	5.8	13.7	18.0	16.0	14.0
Inflation (average annual rate in % against previous year)	2.6	3.7	5.7	11.1	4.1	1.0	1.2	1.3

Note: n/a = Not available.

Sources: The World Bank (for GNI); International Monetary Fund (IMF).

1. Media Consumption: The Digital Factor

1.1 Digital Take-up

1.1.1 Digital Equipment and Literacy

Table 2.

Media equipment in Lithuania, 2005–2010

	2005		2006		2007		2008		2009		2010	
	No of HH ('000)	% of HH	No of HH ('000)	% of HH	No of HH ('000)	% of HH	No of HH ('000)	% of HH	No of HH ('000)	% of HH	No of HH ('000)	% of HH
TV set	1,483	103	1,468	103	1,454	102	1,426	101	n/a	n/a	n/a	n/a
PCs	418	29.0	520	36.5	598.5	42.0	678	48.0	720	52.2	747	53.8
Mobile handset	n/a	n/a	1097	77	1154	81	1228	87	n/a	n/a	n/a	n/a

Note: HH = households; PC: personal computer; TV: televison; n/a = not available.
Source: Lithuanian Department of Statistics.

With every household owning at least one television set, television has traditionally remained the main media channel in Lithuania. In 2009, 98.1 percent of Lithuania's population were television viewers.[4] They had a wide choice: 51 television broadcasters, 55 cable television operators, 14 broadband operators (Internet Protocol Television, or IPTV), four Multichannel Multipoint Distribution Service (MMDS) operators, and two wireless broadband operators were operating in the Lithuanian television market on 1 January 2010.[5]

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4.   TNS, Establishment 2009, *Tyrimo rezultatu pristatymas* (Presentation of Results), p. 3, available at http://www.tns.lt/data/files/2009_trumpa%20 puslapiui.pdf (accessed 14 October 2010).

5.   *Radijas ir televizija Lietuvoje 2009/2010* (Radio and Television in Lithuania 2009/2010), Radio and Television Commission of Lithuania, p. 12, available at http://www.rtk.lt/assets/files/LRTK%202009-2010(1).pdf (accessed 14 October 2010) (hereafter, Radio and Television in Lithuania 2009/2010).

Radio is the second-most popular media platform. 78.1 percent of Lithuanians aged 12–74 listened to the radio for at least 15 minutes every day in 2010, and 91.5 percent of those surveyed listened to the radio for at least 15 minutes per week.[6] Younger respondents mainly listened to music stations, while the first channel of public radio, with mainly news and talk shows, was most popular among those over 50.

1.1.2   Platforms

Analog terrestrial broadcast was the main means of delivering television programs until 2008, when it was used by 58 percent of households.[7] This situation changed in 2009, when the analog terrestrial platform ceased to be dominant.

Table 3.

Platform for the main TV reception and digital take-up

	2005		2006		2007		2008		2009		2010	
	No of HH ('ooo)	% of HH	No of HH ('ooo)	% of HH	No of HH ('ooo)	% of HH	No of HH ('ooo)	% of HH	No of HH ('ooo)	% of HH	No of HH ('ooo)	% of HH
Terrestrial reception	n/a	n/a	n/a	n/a	n/a	n/a	700	52.2	644	48	589	44.1
– of which digital	n/a	n/a	n/a	n/a	n/a	n/a	11	0.8	36	2.7	125	9.4
Cable reception	n/a	n/a	295	n/a	346	25.8	515	38.4	520	38.8	586	43.8
– of which digital	n/a	n/a	n/a	n/a	n/a	n/a	28	2.1	32	2.4	54	4
Satellite reception	n/a	n/a	n/a	n/a	n/a	n/a	66	4.9	98	7.3	92	6.8
– of which digital	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
IPTV	n/a	n/a	n/a	n/a	n/a	n/a	23	1.7	53	4	61	4.5
Total digital	n/a	n/a	n/a	n/a	n/a	n/a	105	7.8	198	14.7	317	23.7

Note: HH = households; n/a = not available.

Sources: Radio and Television Commission of Lithuania (for cable reception 2006–2007) and Mediametrie.

Television broadcasters offer a choice of 75 television channels: 30 channels are broadcast by terrestrial analog technology, 13 by digital terrestrial and three by satellite. Cable and MMDS companies broadcast 29 different television programs but only to their subscribers.[8]

Digital television channels are available on terrestrial, MMDS, cable, broadband internet, mobile communications networks, and via satellite. On 1 September 2010, digital terrestrial television stations operated in 29 cities and 85 percent of the population had access to 12 national free-to-air (FTA) digital terrestrial television (DTT) channels.[9]

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6.   TNS, *Radijo klausytojų prioritetai priklauso nuo amžiaus* (Radio listeners' priorities depending on age), available at http://www.tns.lt/lt/ziniask-laidos-tyrimai-radijo-auditorijos-tyrimas-duomenys-radijo-klausytoju-prioritetai-priklauso-nuo-amziaus (accessed on 14 October 2010).

7.   Radio and Television Commission of Lithuania, 2008 annual report, p. 22, available at http://www.rtk.lt/assets/files/va/LRTK%20ataskai-ta_2008.doc (accessed 5 October 2010).

8.   Radio and Television in Lithuania 2009/2010, p. 45.

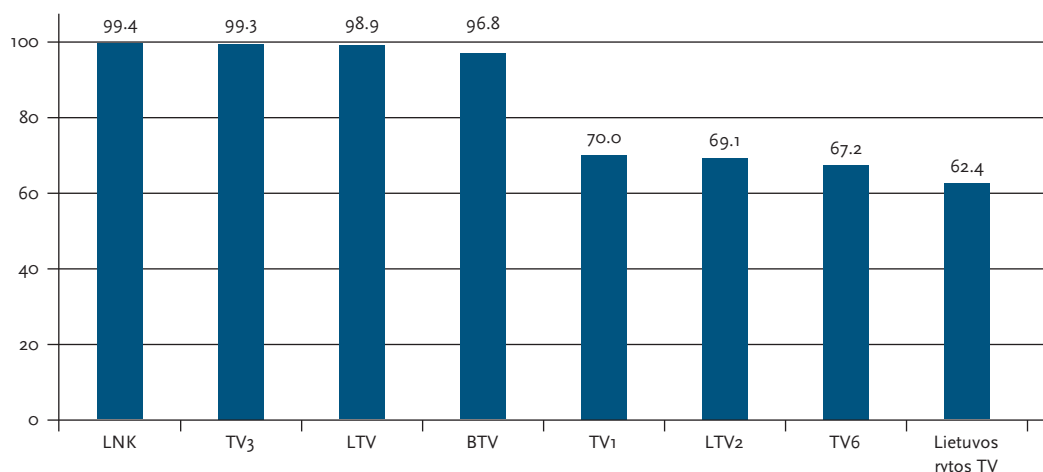9.   Radio and Television in Lithuania 2009/2010, p. 57.

According to the Communications Regulatory Authority, at the beginning of 2010 almost half (47 percent) of Lithuanians watched free television channels, while 49 percent paid to watch television and 4 percent used both free and paid services.

The number of paid digital television users grew by 44.4 percent during 2009; 226,900 Lithuanians (16.1 percent of all households) were users of paid digital television services at the end of 2009. The most popular form of digital paid television was digital satellite.[10]

At the beginning of 2010, eight free channels were accessed by more than half of Lithuanian households with television sets.

Figure 4.

Penetration of television channels in Lithuania, 2010 (% of total television-owning households)

Source: Radio and Television Commission of Lithuania.

The past five years saw rapid development of the internet. Between 2005 and 2010, the number of internet subscribers in Lithuania almost doubled, from 34.3 percent to 60.5 percent of the population, or 2,065,000 people. Mobile penetration in Lithuania topped 100 percent in 2006, and stabilized at 149 percent in 2009–2010.

There is no data on what proportion of mobile subscribers use mobile internet. However, according to the report by Lithuania's largest mobile operator, Omnitel (holding about 50 percent of the market), 2010 looked like "the year of smartphones and a mobile internet boom."[11] Omnitel found that the share of smartphones

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10. Lithuanian Department of Statistics, *Information Technologies in Lithuania*, 2010, Vilnius, p. 51, available at http://www.stat.gov.lt/lt/catalog/list/?cat_y=1&cat_id=9&id=1868 (accessed 3 October 2010).

11. "Omnitel tinkle rugsėjį—rekordiškai išaugęs mobiliojo interneto srautas" (Omnitel network reaches record levels of mobile internet traffic in September), Omnitel, press release, 2010, available at http://www.omnitel.lt/apie-omnitel/ziniasklaidai/pranesimai-spaudai/omnitel-tinkle-rugseji-rekordiskai-isauges/48081.

among all phones sold increased from 13 to 56 percent in January–September 2010. The company also noted that the total amount of data sent via mobile internet in January–September 2010 almost doubled. These reports indirectly indicate that mobile phones are no longer simply a means of conversation in Lithuania and are increasingly used to access media and share information.

Table 4.

Internet and mobile penetration rates in Lithuania, 2005–2010

(% of total population)

	2005	2006	2007	2008	2009	2010
Internet	34.3	42.0	48.7	53.1	58.1	60.5
of which broadband	5.0	8.4	12.7	16.1	18.2	19.0
Mobile telephony	89.1	127.9	139.4	146.2	149.9	149.0
of which 3G	n/a	n/a	n/a	n/a	n/a	n/a

Note: n/a = not available.

Source: Lithuanian Department of Statistics.

The 3G (third-generation mobile telecommunications) net covers major parts of the country. The next generation, 4G, is implemented in some metropolitan regions, and the plan is to develop the net throughout the country in the future.

The data on devices used to access the internet confirm the above indications.

Table 5.

Devices used to access the internet, 2010

Devices used to access the internet	Percent of all households with internet access
Computer	91.2
Mobile phone	35.5
Only mobile phone	8.7

Source: Lithuanian Department of Statistics.

1.2   Media Preferences

1.2.1   Main Shifts in News Consumption

To our knowledge, there is no single survey or study available showing whether the strengthening of digital media alone has changed the preferences of Lithuanian audiences. However, data from television, radio, newspapers, and internet audience surveys show that print media are slowly losing their position, while the internet is rapidly gaining ground, especially among younger users.

TNS annual media surveys in 2005–2009[12] show that individual television viewing time in Lithuania increased during the last five years. In 2005, this figure was 199 minutes, dropping to 192 minutes in 2006, but then steadily increasing, to reach 206 minutes in 2009. Yet, at the same time, the three main channels have been losing audience.

Table 6.

Daily reach of three most popular nationwide television channels
(% of all users)

Channel	2005	2006	2007	2008	2009
LNK	56.9	53.5	52.7	48.8	47.6
TV3	56.2	53.0	53.9	51.1	49.2
LTV	46.7	45.6	43.8	40.8	40.4

Source: TNS.

According to TNS, the contraction of the daily reach of main channels is directly related to the growth of digital television, which increased the range of multichannel options (satellite, cable, or IPTV). The viewing of programs broadcast by multichannel television accounted for 20.2 percent of all time spent watching television in 2009.

Average individual radio-listening time over the same period showed a slightly different tendency. During 2005–2008 it increased from 169 minutes to 180 minutes, but in 2009 this dropped to 174. But, the total radio *audience* has been increasing.

Table 7.

Radio audience and average individual listening time in Lithuania, 2005–2009

	2005	2006	2007	2008	2009
Share of people, who listened to radio at least 15 minutes per week (%)	85.5	87.5	90.0	92.0	91.5
Individual radio listening time (in minutes per day)	169	170	179	180	176

Source: TNS.

Print media in Lithuania followed a different trend. The number of readers grew steadily in 2005–2008, but the onset of the economic crisis changed the situation dramatically and pushed print media back five or more years, mainly because incomes fell, unemployment grew, and newspaper prices did not change.

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12.   TNS annual media surveys.

Table 8.

Average readership of print media in Lithuania, 2005–2009 (% of total population)

Type of media	2005	2006	2007	2008	2009
Dailies	53.3	56.1	57.9	59.6	49.3
Weeklies	65.6	68.3	71.3	68.9	66.4
Monthlies/Bimonthlies	48.2	47.3	49.4	48.6	44.5
Total print media	83.8	84.7	86.9	86.6	83.1

Source: TNS.

Other data also show that the sudden drop in consumption of print media (from 2008) mirrored an accompanying decrease in the number of titles and circulation.[13]

Table 9.

Amount and circulation of print media in Lithuania, 2005–2009 (year-end total)

	2005	2006	2007	2008	2009
Number of newspapers	325	334	328	327	297
Annual circulation of newspapers (millions)	218.2	258.3	269.6	290.8	229.4
Daily newspaper circulation (millions)	2.140	2.576	2.474	2.611	2.149

Source: Lithuanian Department of Statistics.

Table 10.

Number of visitors (real users) of the top 10 websites[14] in Lithuania, 2005–2010

Ranking	2005/09	2006/09	2007/09	2008/09	2009/09	2010/09
1	511,627	711,300	1,012,546	891,144	970,944	1,121,800
2	377,406	599,903	847,088	878,424	860,022	823,815
3	330,566	430,029	546,062	722,643	728,234	799,971
4	231,378	392,319	496,399	605,483	566,476	746,014
5	209,831	270,970	490,299	527,611	556,399	673,518
6	185,152	244,346	471,643	485,533	540,001	671,014
7	153,068	227,668	372,733	474,180	531,192	664,794
8	152,810	166,014	357,781	466,400	515,582	618,791
9	134,499	151,255	341,540	458,320	467,998	606,781
10	120,052	147,727	254,050	394,180	460,734	514,737

Note: These standings are shown to illustrate trends, so the names of the websites are not relevant, especially because they change every year.

Source: GemiusAudience.[15]

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13. Department of Statistics, *Rodiklių duomenų bazėje*.

14. The top 10 websites have changed in 2005–2010, with no site remaining in the same position throughout the period. (See table 14 for the eight most popular Lithuanian sites in 2006–2010 and table 17 for the 15 most popular Lithuanian sites in January 2011.)

15. Gemius Baltic, gemiusAudience, July 2011, available at http://www.audience.lt/pages/display/visitors (accessed on 16 October 2010).

Internet usage in Lithuania in 2005–2010 grew steadily, mainly due to the rapid growth of internet penetration. The number of visitors to the most popular website more than doubled over this period, and in September 2010 it accounted for about a third of the country's total population. The number of visitors of the 10th most popular website during the same period grew by more than four times.

Based on the above data, it is difficult to conclude that the internet in Lithuania has been replacing traditional media—principally television, newspapers, and magazines—because no readership/audience survey has isolated "multiple" media users, i.e. people who may be both television viewers and internet users, or radio listeners and newspaper readers.

But taking into account the fact that, in September 2010, six out of 10 of the most visited websites were news portals—which have been displacing dating and classified sites—it would be fair to say that, in the last five years, the internet in Lithuania has firmly established itself as one of the key sources of information.

1.2.2   Availability of a Diverse Range of News Sources

Television, radio, and daily newspapers were for a long time the primary and indeed only sources of information in Lithuania. This situation started to change at the end of the last century, when the first internet news portals were launched.

At first, these were simply a republication of the content in print media, like the initial version launched by the largest Lithuanian daily, *Lietuvos rytas* (Lithuanian Morning), or more of a marketing vehicle, such as when telecommunications companies Lietuvos Telekomas, Omnitel, and Bitė created their portals Takas.lt, Omnitel.net, and Banga.lt. But subsequently, and especially after the launch of the first exclusively online news portal Delfi.lt, the main priority became news—above all, real-time news.

At the same time—in 2000—Lithuania saw the first domestic attempts to use the internet as a platform for video content. Websites such as Tv.lt and Tvnet.lt offered internet users recorded television shows and newscasts. Tvnet.lt tried to combine both video material and text.

However, mainly as a result of low internet penetration at the time, and also for technical reasons, both of these projects lost ground to new websites offering news and—apparently most importantly—interactivity, the ability to post comments about published content.

For a few years, the market developed slowly, with a major breakthrough in 2006–2007, when the news website Alfa.lt was launched and Omnitel's website turned into news portal Balsas.lt. These two, together with Delfi.lt and Lrytas.lt, retain leading positions to this day.

However, compared to 2000 or even 2005, news portals today not only provide news in text from Lithuania and abroad, they also offer their own pictures and video material, video reports from international news agencies, platforms for blogs and forums, and other features (live conferences, surveys, and so forth).

The rapid development of news internet sites has considerably changed the overall situation in Lithuania's media. With more and more advertising money flowing to the internet, news websites were able to afford to hire more people, including their own photographers, and nurture their own writers, generating original content, different from that provided by television, radio, and print media. This clearly strengthened the diversity of news and opinions.

The number of people using the internet to watch television, listen to radio, or search for news more than doubled in the last five years.[16]

Figure 5.
Purposes of using internet in Lithuania, 2005–2010 (in %)

■ Listening to online radio/watching online television   ■ Reading/downloading online news, nespapers, magazines
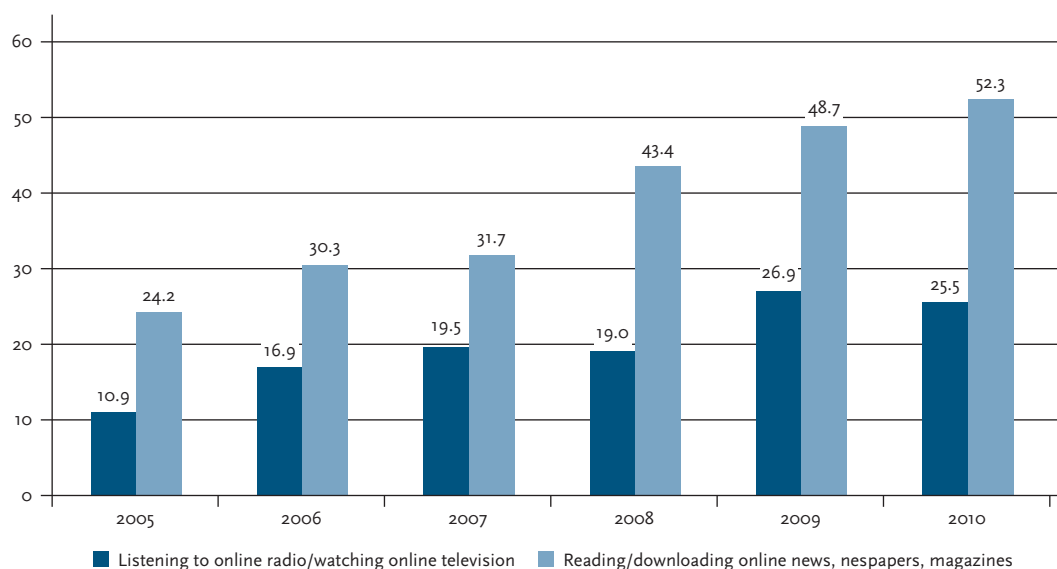
Source: Lithuanian Department of Statistics.

1.3.   News Providers

1.3.1   Leading Sources of News

The Lithuanian media market offers a wide range of choices in all segments, with none of them monopolized by one player and with ongoing competition for a dominant role.

1.3.1.1 Television

In broadcast television, the two commercial stations TV3 and LNK have been competing for the top spot in recent years, while public television station LRT and another commercial station, *Baltijos Televizija* (Baltic

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16.   Lithuanian Department of Statistics, *Informacinės technologijos Lietuvoje* (Information Technologies in Lithuania), 2010, available at http://www.stat.gov.lt/lt/catalog/viewfree/?id=1586 (accessed 26 October 2010).

Television), compete for the third and fourth slots in the rankings. *Lietuvos rytas televizija* (Lithuanian Morning Television), which entered the market in 2008 and mainly broadcasts via a digital platform, is also picking up and tying its hopes to the digital era that arrives in Lithuania in October 2012.

Established by a Lithuanian-born American in 1993, TV3 was the first Lithuanian commercial station. It was taken over by Sweden's Modern Times Group (MTG) in 1996.

LNK, which started broadcasting in 1995, was bought by the Scandinavian media group Bonnier AB in 1998, and sold to Lithuania's MG Baltic Group in 2003.

LRT was created following legislation in 1996 which turned the former state-owned channel into a public broadcaster. *Baltijos Televizija* was launched in 1993; since 2004 it has been owned by the domestic Achema Group, one of the largest business holdings in Lithuania.

The Russian language First Baltic Channel (*Pervyj Baltijskij Kanal*, PBK) has also been competing for a ranking among the nation's five most popular channels.

Table 11.

Lithuania's most popular television channels by audience share (%), 2005–2009

TV channel	2005	2006	2007	2008	2009
TV3	25.7	24.5	26.6	25.8	23.5
LNK	24.8	23.4	22	20.9	20.7
LRT	13.0	14.8	13.4	13.3	12.8
BTV	9.8	9.2	8.3	7.7	8.1
PBK	4.7	5.2	5.8	5.7	5.3

Source:　　TNS annual media surveys.

While the main five television channels have retained their position in the market over the last five years, their total combined audience share has been gradually shrinking, with some segments of their audiences migrating to the proliferating new niche channels.

1.3.1.2 Radio

The picture in the radio market has also been quite stable during this period, with public station Lithuanian Radio (*Lietuvos radijas*, LR) being a clear leader and the other four stations competing among themselves.

Russkoje Radio Baltija is a Russian-language radio station, with Russian songs making up the largest share of its playlist. With an average weekly audience of close to 40 percent in Vilnius, it has been the most popular radio station in the capital for the period in question.

Table 12.

Lithuania's most popular radio stations by audience share, 2005–2009 (%)

Radio station	2005	2006	2007	2008	2009
LR	22.0	22.6	21.1	22.6	18.8
Lietus	11.1	13.0	13.3	14.7	13.9
M−1	9.9	9.6	10.6	9.0	10.8
Pukas	9.7	9.5	9.4	8.3	9.8
Russkoje Radio Baltija	9.2	9.0	8.5	9.1	9.9

Source:　　TNS annual media surveys.

1.3.1.3 Print Media

The competition among print media in 2005–2009 resembled the television market: two front-runners—*Vakaro zinios* (Evening News) and *Lietuvos rytas*—and other dailies competing for their place among the top five.

Table 13.

Most popular dailies in Lithuania, 2005–2009, by average annual audience (% of population)

Title	2005	2006	2007	2008	2009
Vakaro zinios	21.0	19.9	22.0	22.3	20.6
Lietuvos rytas	20.4	19.2	19.0	19.1	18.6
15 minuciu	—	11.1	15.0	17.9	—
Respublika	9.2	8.1	7.7	9.2	8.8
Kauno diena	5.6	5.9	5.5	5.3	4.9
Siauliu krastas	3.5	3.8	3.7	4.5	4.3

Source:　　TNS annual media surveys.

15 minuciu, a free newspaper, owned by the Norwegian Schibsted Media Group, first appeared in Lithuania in September 2005. In 2009, the daily turned into a newspaper distributed three times a week. *Kauno diena* (Kaunas Day) and *Siauliu krastas* (Siauliu Region) are regional newspapers, but *Kauno diena* brands itself as a national title.

1.3.1.4 News Websites

The online media market showed different growth trends compared to traditional media. Media sites have steadily increased their audience. They also gradually introduced interactivity and new forms of news delivery, such as video and audio reports and video conferences.

New websites concentrating mainly on news had appeared during the period. Some of them at first were merely internet versions of a publication (such as Diena.lt and 15min.lt), while others were completely new projects (such as Alfa.lt).

As a result of these developments, by October 2010 six of the 10 most popular websites in Lithuania were news portals. They also occupied the top three positions among all websites.

In October 2006, there were four news websites among the country's top 10 sites.

Table 14.

Most popular websites in Lithuania, 2006–2010 (visitors and position in top 20)

Website	2006	2007	2008	2009	2010
Delfi.lt	761,580 (1)	1,020,614 (1)	919,120 (1)	990,790 (1)	1,103,295 (1)
Lrytas.lt	304,229 (5)	524,870 (4)	651,241 (4)	757,573 (3)	818,497 (2)
Omni.lt (Balsas.lt)	170,437 (8)	187,861 (17)	335,912 (13)	585,240 (4)	812,800 (3)
Alfa.lt	49,216 (41)[17]	437,157 (7)	537,499 (5)	563,195 (6)	698,667 (6)
15min.lt	—	—	193,550 (26)	444,210 (11)	681,948 (7)
Diena.lt	—	—	360,153 (11)	494,162 (9)	531,902 (10)
Zebra.lt	444,988 (3)	503,545 (5)	488,876 (8)	483,112 (10)	485,873 (12)
Blogas.lt	105.834 (15)	298,466 (10)	440,278 (10)	435,154 (12)	476,384 (13)

Note: Blogas.lt is a free blogging platform. Its growing audience and consistently high position among leading websites suggest the strong impact of user-generated content in Lithuania.

Source: GemiusAudience survey. All numbers from October of each year.

1.3.2   Television News Programs

News bulletin ratings remained fairly stable over the past five years. Those ratings suggest that the growth of digital media and the increasing offer of news on websites had no major impact on the popularity of television news broadcasts, despite shrinking overall audience shares. While no surveys exist to explain this, the reason for this is likely twofold. First, internet usage is, for now, strongest among a younger demographic group while older audiences still watch evening newscasts out of habit. Also, Lithuanians tend to use the internet mainly at work, so not when the evening news bulletins are broadcast.

Table 15.

Ratings of five most popular news bulletins in Lithuania, 2005–2009 (%)

Title of news bulletin	TV channel	2005	2006	2007	2008	2009
TV3 news	TV3	10.8	10.1	12.4	12	11.2
18:45	LNK	10.4	9.7	8.8	8.3	9.1
22:00	LNK	8.8	7.7	8.1	7.8	9.0
Panorama	LRT	7.3	7.2	6.9	6.3	7.3
TV3 Evening news	TV3	4.9	7.4	7.9	8.5	8.5

Source: TNS annual media surveys.

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17.   Alfa.lt was launched in August 2006.

1.3.3 Impact of Digital Media on Good-quality News

The spread of digital media in 2005–2010 had a considerable impact on the availability of news in Lithuania. There was less impact, however, on usage and journalism.

The growing penetration of the internet and appearance of new websites increased the availability of news channels and expanded the choice of news and opinions. The development of news websites also had a significant impact on the speed of news delivery, as news sites operate in real time, reporting news instantly, which previously happened only in radio but not in print or even television.

The question of whether digital media had a considerable impact on news content remains open, as no new website so far has offered investigative journalism or other new products that contribute to good-quality journalism.

However, the development of digital media has increased the number of news resources, offering a wider range of news and opinions. This diversity undoubtedly contributes to overall media quality in Lithuania.

1.4 Assessments

The development of digital media has had little impact on television and radio, although audience surveys show that both those traditional platforms suffered some audience loss in 2005–2010.

At the same time, digitization led to internet television channels. So far, these have not generated enough audience to become significant players in the market.

The impact of digitization combined with the economic downturn has been most significant on print media, which seem to be losing audience and influence to internet media.

The growth and development of internet news portals have attracted audiences with their interactivity—a feature which other media either don't offer or offer only on a marginal scale. Some stories on the leading news portal Delfi.lt generate thousands of reader comments; the portal, as well as other news websites, offers a platform for readers' stories. All this without doubt attracts more users to the websites.

Thus, as said above, digital media, in increasing the news offer through an increased number of news outlets with different owners, have contributed to pluralism in Lithuanian media.

2. Digital Media and Public or State-Administered Broadcasters

2.1 Public Service and State Institutions

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

Lithuanian National Radio and Television (*Lietuvos nacionalinis radijas ir televizija*, LRT) is a non-profit public broadcaster that has been providing regular radio services since 1926 and television broadcasts since 1957. It employs around 650 people and receives about 60 percent of its funding from the Lithuanian government. Although predominantly government-financed, LRT does sell advertising, and also charges other broadcasters for studios and equipment leasing. Its operations are overseen by the Lithuanian Radio and Television Commission (*Lietuvos radijo ir televizijos komisija*, LRTK), the members of which are appointed by various NGOs and state figures.

The Commission consists of 13 members: one member is appointed by the President of the Republic, three members by Parliament on the recommendation of the Parliamentary Committee on Education, Science, and Culture and the Information Society Development Committee; and one member is appointed by each of the following: the Lithuanian Artists' Association, the Lithuanian Filmmakers Union, the Lithuanian Composers' Union, the Lithuanian Writers' Union, the Lithuanian Theatre Union, the Lithuanian Journalists' Union, the Lithuanian Journalists' Society, the Lithuanian Bishops' Conference, and the Lithuanian Periodical Press Publishers' Association. Members of the Commission serve no more than two terms of office of the appointing state institution or double the continuous term of the appointing organization's management body. LRT joined the European Broadcasting Union (EBU) in 1993. The service is based in the capital, Vilnius.

Media owned by LRT are:

- television—LTV, LTV World (satellite version), LTV2
- radio—LR–1, Klasika, Opus3
- website—Lrt.lt (offering live online broadcasts of the television and radio channels, as well as archived versions of the latest programs available for downloading).

All LRT programs are broadcast by the state-owned transmission network operator Lithuanian Radio and Television Centre (*Lietuvos radijo ir televizijos centras,* LRTC) on a contractual basis. Each year the Government allocates LRT a specific sum for payment to LTRC for the broadcasting of its programs. However, in recent years, LRT has been involved in a legal dispute with LRTC about broadcasting tariffs, which LRT considers unfair.

According to the television monitoring service provided by TNS, public service television channels had the following daily audience reach during autumn 2010.[18]
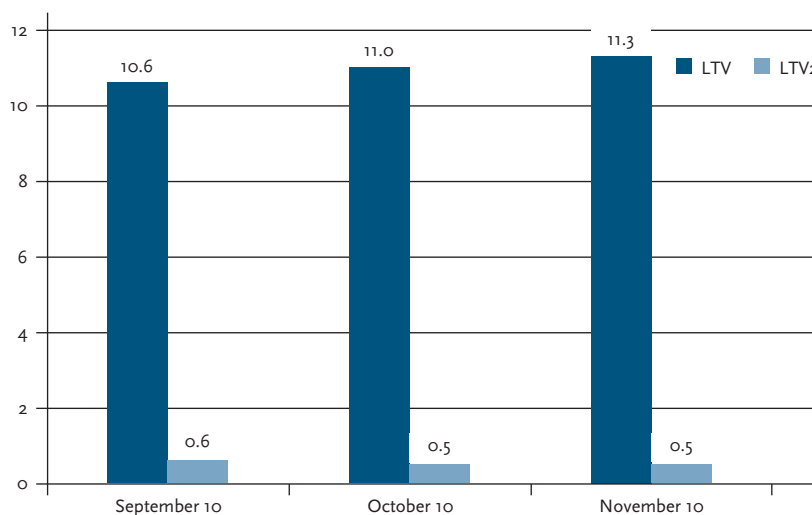
Figure 6.

Reach of public service television channels (part of total audience which viewed the channel at least once), in % of total daily audience time
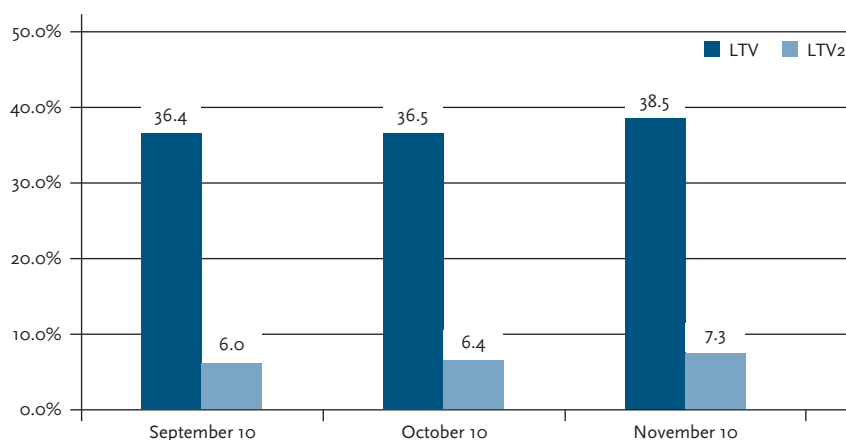
Source: TNS.

Figure 7.

Share of public service television channels, total daily audience time

Source: TNS.

18. TNS, *TV auditorijos tyrimas—Duomenys* (TV Audience Research—Data), available at http://www.tns.lt/lt/ziniasklaidos-tyrimai-tv-auditorijos-tyrimas-duomenys (accessed 19 December 2010).

News and current affairs constitute an important part of the public broadcaster's programming. The main channel, LTV, offers about four and half hours of news and information programs every day, which make up close to one fifth of the total LTV daily programming.

The morning show *Labas rytas* (Good Morning), which lasts for three hours, constitutes a major part of all news and information programs. LTV also broadcasts short news bulletins three times a day and a 40-minute news program, *Panorama*, on weekdays.

Table 16.

Volume of news and current affairs in public broadcasters' programs

Year	2006	2007	2008	2009	2010
Share of news and current affairs (as percentage of total programs)	17.5	17.8	19.6	15	n/a

Note: n/a: not available
Source: LRT annual reports 2006–2010.

2.1.2 Digitization and Services

The most important change in the public service media sector to date is media convergence, thanks to the creation of an institutional website as the online dissemination portal for all public service broadcast channels. The implications are twofold:

- Lrt.lt has become a digitized content archive. The public broadcaster's full archive is in the process of being digitized. The website hosts all digitized audiovisual content for a certain period of time and provides podcast services.

- Lrt.lt has itself become a new medium for news dissemination. It usually features among the 10 largest Lithuanian news portals,[19] but fails to reach the top 15 when all sites are taken into account. Its popularity clearly benefits from the strong news service of the radio and television divisions.

2.1.3 Government Support

LRT has been financially supported by the State (including receiving EU assistance) to digitize its audio and video archives. This most likely did not have a direct effect on the popularity of LRT's television and radio programs; however, in the longer term, if the archives—once they are fully digitized—are made available on Lrt.lt, it may attract more audience to the website.

In December 2010, LRT also initiated a campaign to change current legislation and be allocated a special digital network (i.e. multiplex) to it. Currently there are four multiplexes with 10 channels each in Lithuania. Two are operated by the private company Teo LT and the other two by the state-owned company LRTC.

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19. Gemius Baltic, gemiusAudience, November 2010, available at http://www.audience.lt/pages/display/reach (accessed 19 December 2010).

LRT is arguing that the Government should allocate one of the state-owned multiplexes exclusively for LRT needs without a tender. The LRT Council (see *2.2.1*) urged the Government to discuss this possibility, but there was no immediate reaction. However, the reaction of commercial television stations was rather guarded as it was seen as threatening competition in the market. Despite this, in June 2011, Parliament amended the legislation and allocated LRT one digital network (see section *5.1.3*).

To date, digitization has only served as an argument to expand the technological platform for the video production unit. Meanwhile, investments made in connection with the digitization of audio content have only increased availability and content coverage.

2.1.4   Public Service Media and Digital Switch-over

Analog broadcasting in Lithuania will be switched off on 29 October 2012. The owners of digital networks (multiplexes)—the private company Teo LT and state-owned LRTC—are technically ready for digital switch-over and are already broadcasting some of the programs digitally. However, not all households are equipped with television sets able to receive digital programs.

The public service broadcaster is also in the process of preparing public channels to adhere to digitization rules. Public service broadcasters' programming is already broadcast in digital format. However, the reach of the broadcast signals could be expanded if the relatively high digital entrance costs for all citizens were to be reduced. The current cost of LTL150–250 (US$61.50–102.50) per digital converter unit and antenna (where required) is relatively high for a substantial proportion of the Lithuanian population. That may create a new entry barrier for access to digital television if the Government's scheme to subsidize users' costs (see 7.1.1.2) does not work properly.

2.2   Public Service Provision

2.2.1   Perception of Public Service Media

The Law on National Radio and Television, as amended on 18 October 2010 (hereafter, the Radio and Television Law), declares that LRT is a state-owned public institution.[20] It is governed by this law and the Law on Provision of Information to the Public (hereafter, the Information Law), the Law on Public Institutions, and other legal acts. LRT is governed by a Council and run by a general manager who is responsible for general administration.

The Council, which is responsible for LRT's content, strategy, and performance vis-à-vis its public service mission, has not been fully implementing this function. As a rule, the Council just approves the decisions on program structure and new shows prepared by the public broadcaster's administration. However, the Council

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20. Law on National Radio and Television (hereafter, the Radio and Television Law), 18 October 2010, available at http://www3.lrs.lt/pls/inter3/ dokpaieska.showdoc_l?p_id=383728 (accessed 19 December 2010).

decided in 2010 to prepare a long-term strategy, defining LRT's main goals and priorities. The draft version was presented for a public discussion at Ateitieslrt.lt in August 2011.

The Information Law[21] sets out restrictions on media activity for state and municipal governments. It states that local administrations and agencies (except for scientific and educational establishments), banks, and political parties may not be the producers of or participants in public information provision, but they may issue non-periodical publications and use online media to inform the public of their activities.

In 2006, the Constitutional Court issued a ruling on the Radio and Television Law that further defined the public broadcaster's mission.[22] Petitioners—a group of Members of Parliament—asked the Court to investigate whether the law was not in conflict with the Constitution to the extent that it allowed LRT to be funded from advertising and other commercial revenue. The group also asked about the constitutionality of LRT having a priority right to newly coordinated electronic communication channels (i.e. radio frequencies) for its broadcasting programs being assigned without a tender.

The Court found that "the *raison d'être* of the public broadcaster is to ensure the public interest—the interest of society to be informed—which is entrenched in, and protected and defended by, the Constitution. The concept of all radio and television broadcasters, including the public broadcaster, is closely related to the public interest, i.e. to the interest of society to be informed, as well as with freedom of information, also with the constitutional concept of fair competition." The Court also stated in its earlier ruling of 29 September 2005 that the freedom of information consolidated in the Constitution also includes freedom of advertising.

Therefore, the mission of the public broadcaster, as well as its functions, arises from various norms, principles, and values entrenched in the Constitution. The broadcaster's public services must cover the entire society, help safeguard national interest, and serve the education of civil society and the fostering of culture.

The Court emphasized the important function of the public broadcaster in contributing to the sovereignty of the nation and the principles of democracy; in ensuring the security of society and the State; public order; and the welfare, rights, and freedoms of citizens. An important role devolves upon the public broadcaster when the State "discharges its constitutional obligation to support culture and science, to take care of the protection of Lithuanian historical, artistic, and cultural monuments and other culturally valuable objects."

There are no hard data of the public's perception of the broadcaster, but the prevailing attitude is that the public broadly considers LRT journalists to be professional and unbiased. However, the general manager,

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21. Article 22 (section 6), Law on Public Provision of Information, (hereafter, the Information Law), 18 October 2010, available at http://www3. lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=383812 (accessed 18 December 2010).

22. The Ruling of the Constitutional Court of the Republic of Lithuania on the Compliance of paragraph 5 of article 5 (wording of 29 June 2000), paragraphs 1, 3, and 4 (wording of 29 June 2000) of article 6, paragraph 1 of article 10 (wording of 29 June 2000), paragraphs 1 and 2 of article 15 (wording of 29 June 2000) of the Radio and Television Law; and paragraph 4 of article 31 (wording of 29 August 2000) of the Information Law with the Constitution of the Republic of Lithuania, Vilnius, 21 December 2006, available at http://www.lrkt.lt/dokumentai/2006/r061221.htm (accessed 1 April 2011).

Audrius Siaurusevicius, is seen as politically biased, being associated with several political leaders representing different parties, known as the "Valstybininkai" group. Even though Mr Siaurusevicius's reputation has been damaged by a couple of public scandals and he received a warning from LRT, he has been allowed to remain in his position. None of this has resulted in political bias in LRT content.

Politicians are always eager to control LRT directly by nominating members to the LRT Council, or indirectly by limiting budget subsidies to support the implementation of LRT's mission. Mr Siaurusevicius did attempt to make some personnel changes, but very few were successful and the impact on editorial output, where a sufficient plurality of voices can still be heard, has been minimal.

The public broadcaster's funding is a combination of state and EU funds and commercial revenue.

2.2.2 Public Service Provision in Commercial Media

Article 33 of the Information Law states that all distributors of television programs must rebroadcast at least one LRT program and all the unencrypted terrestrial television programs of Lithuania's national commercial broadcasters. Under conditions provided for in the Rules for Licensing Broadcasting and Rebroadcasting Activities (hereafter, the Licensing Rules), the Radio and Television Commission may select other television programs for mandatory rebroadcast or, conversely, release a broadcaster from some of its rebroadcasting obligations. Currently 14 channels are widely and freely available on digital terrestrial television.

When making such decisions, the Commission takes into consideration the artistic value of a program, its topicality and relevance to the viewers living in the area covered by the broadcaster in question, as well as other criteria provided for in the Licensing Rules. Re-broadcasters do not pay the public service broadcaster for the programs which they are required to include in their schedule by law.

In terms of actual provision of public service content by commercial broadcasters, the legal obligations are minimal. Article 20 of the Information Law requires all media outlets "to publish official state announcements effectively and free of charge" in case of natural disasters, major accidents, or epidemics as well as in the event of war or a state of emergency. Under the same article, "in the event of war or state of emergency, the *Seimas* (Parliament) may set restrictions and/or other obligations on the producers and disseminators of public information that are necessary to protect the interests of citizens and the general public."

2.3 Assessments

Although relying to a large extent on public funds, LRT has not been a ratings leader for years. This is despite the high quality of the media content; the national broadcaster is focused on high culture and arts, but fails to popularize this type of programming. There may be two reasons for this: insufficient marketing expertise and a fundamental shift in public taste, when television is no longer perceived as a medium of high culture and arts content. In the first case, substantial investments toward marketing could shift the inertia, but it is also possible that the second cause makes the very survival of public service media doubtful.

Paradoxically, the digital switch-over financed with public money may radically alter the situation on the market in terms of broadcasting quality and reach of quality content. Heavy investments fueled by digitization provide a strong competitive advantage for the public service institution. Two aspects are worth mentioning: its access to a vast electronic archive of audiovisual content (currently, LRT content is available to view for three months) and the online streaming of broadcasts.

Although decreased financial support made recent years tough for the national broadcaster, the contest for new digital channels—which are strategically important for potential future expansion—may help it regain financial stability. While the public may not be interested in the content LRT is currently offering, digitization opens new ways of sharing that content, especially via data networks. New channels and quality content could become a "selling point", helping LRT regain popularity, especially among that section of the audience which has abandoned television sets entirely but will access news on the internet.

Generally speaking, public service provisions did not change significantly in recent years, but the "share" of national audience has been steadily decreasing for the national broadcaster. But this is not directly connected to the digital switch-over. Commercial rivals, such as LNK and TV3, are simply much more effective in adapting their content to audiences' new "pop culture" and infotainment tastes.

3. Digital Media and Society

3.1   User-Generated Content (UGC)

3.1.1   UGC Overview

Content generated by Lithuanian internet users is quite diverse, ranging from numerous comments on the most popular general news sites (a comment count above 500 per story being fairly common) to personal or group blogs dedicated to specific topics of public interest. The general trend observed since at least 2005 indicates a slight swing of user-generated content (UGC) from simpler, less involved forum messages and participation in matchmaking social networks toward more involved blog publishing (peaking in 2007/2008), and back to the "microforms" of general social networks (e.g. Facebook) and messaging sites such as Twitter.

The most popular locally tracked sites include several UGC projects in the top 100: a blog hosting service (Blogas.lt) at number 13 with 476,384 unique monthly visitors (an estimated 24.67 percent reach of total internet users in the country), an online forum for young families (Supermama.lt) (reaching 21.13 percent of total internet users), and several similar enterprises.[23]

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23.   Gemius, gemiusAudience, January 2011, available at http://www.audience.lt/ (accessed 28 March 2011).

Table 17.

Most popular Lithuanian internet sites

Position	Website	Number of unique visitors monthly
1	Delfi.lt	1,123,992
2	Lrytas.lt	876,316
3	One.lt	813,043
4	Balsas.lt	775,919
5	Skelbiu.lt	755,377
6	15min.lt	750,425
7	Alfa.lt	747,091
8	Draugas.lt	715,646
9	Supermama.lt	649,508
10	Plius.lt	633,901
11	Diena.lt	580,184
12	Zebra.lt	538,955
13	Autogidas.lt	529,153
14	Blogas.lt	501,484
15	Demotyvacija.lt	485,742

Note: Lrt.lt ratings are lower.

Source: GemiusAudience data (January 2011).

General blog readership and online forum participation is much higher, however. Wave 5 research says that 69 percent of active internet users are also blog readers.[24] Earlier online surveys by GfK (April 2009)[25] and students of journalism at Vilnius University (May 2010) mostly concur, citing blog readership at 73 and 73.9 percent respectively.[26] The disparity of gemiusAudience numbers and the numbers provided by various research reports can be explained by the fact that gemiusAudience does not track global services and individually hosted blogs. Alexa (see Alexa.com), for example, lists Blogger.com as the 12th most popular website in Lithuania with WordPress.com placed at 35th.

There are no publicly accessible tools to track individual blog readership. Earlier attempts such as Blogologas.lt or Loger.lt seem to have been discontinued. Alexa does not list any blog sites among the top 100 in Lithuania; however, there are several projects listed among the top 1,000 (e.g. Marketer.lt, at 291).

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24. "Wave 5—The Socialisation of Brands," Universal McCann Global Headquarters, New York, December 2010, available at http://www.umww.com/global/knowledge/view?id=128.

25. *Blogu Tyrimas 2009* (Blog Survey 2009), GfK, available at http://www.slideshare.net/grizas/blogu-tyrimas-2009-1353679 (accessed 28 March 2011).

26. D. Parsonis, "Aktyviausi interneto žiniasklaidos vartotojai pasitiki savo pasirinkimu" (The Most Active Internet Users Trust Their Choice of Media), *Universiteto Zurnalistas*, 15 May 2010, available at http://projektai.vu.lt/universitetozurnalistas/wordpress/2010/05/aktyviausi-interneto-ziniasklaidos-vartotojai-pasitiki-savo-pasirinkimu/ (accessed 28 March 2011).

The discontinuation of several high-profile blogs in 2009 and 2010 caused some speculation about the general decline of blogs and blogging in Lithuania, but research and involvement data do not confirm this trend. The blogger community Blogeriai.net shows growing figures both in blogs listed and the number of posts, and the most popular local blog-hosting service, Blogas.lt, lists a healthy amount of 59,339 registered blogs. Comparing forum participation between 2009 and 2010, the Wave 5 report observes a slight drop in social interaction on networks of this type, with blog publishing remaining at the same level.

Table 18.
Most popular Lithuanian UGC websites I

Pos.	Name	Type	Reach, %
4.	One.lt	Social network	37.71
5.	Skelbiu.lt	Classified ads	36.41
8.	Draugas.lt	Matchmaking/dating	33.90
13.	Blogas.lt	Blog host	24.67
14.	Demotyvacija.lt	Humor	21.23
15.	Supermama.lt	Forums	21.13
17.	Mokslai.lt	Study cheats, essays	18.25
18.	Skelbimai.lt	Classified ads	16.99
19.	Klase.lt	Social network	16.82
22.	Videogaga.lt	Video sharing	13.93

Note: Reach percentage is based on an estimated total of 1,930,863 web users in Lithuania. gemiusAudience tracks only Lithuanian-based websites that have their tracking module installed, so table 19 below provides another list from Alexa that includes international sites.

Source: GemiusAudience.

Table 19.
Most popular Lithuanian UGC websites II

Pos.	Name	Type	Worldwide rank
2.	Facebook	Social network	2
4.	YouTube	Video sharing	3
8.	Wikipedia	Encyclopedia	7
9.	One.lt	Social network	6,735
10.	LinkoManija.net	Torrent network	9,600
12.	Blogger.com	Blog host	8
13.	Draugas.lt	Matchmaking/dating	11,346
15.	Skelbiu.lt	Classified ads	12,294
16.	Supermama.lt	Forums	14,519
17.	Plius.lt	classified ads	11,204

Source: Alexa.

Table 20.

Comparison of the most popular Lithuanian-established media and UGC sites

Pos.	Est. media	Visitors	UGC	Visitors
1.	Delfi.lt (news)	1,109,295	One.lt	728,130
2.	Lrytas.lt (news)	818,497	Skelbiu.lt	702,939
3.	Balsas.lt (news)	812,800	Draugas.lt	654,588
4.	Alfa.lt (news)	698,667	Blogas.lt	476,384
5.	15min.lt (news)	681,948	Demotyvacija.lt	409,946
6.	Diena.lt (news)	531,902	Supermama.lt	407,878
7.	Zebra.lt (news)	485,873	Mokslai.lt	352,288
8.	Klubas.lt (celebrity)	359,518	Skelbimai.lt	327,947
9.	Ve.lt (news, regional)	246,644	Klase.lt	324,658
10.	Panele.lt (girls' mag)	246,639	Videogaga.lt	268,993

Source: GemiusAudience.

3.1.2   Social Networks

Social networks remain among the most popular websites and compete with news media for visitor attention. In December 2009, gemiusAudience listed the regional social network One.lt as the most popular website. A year later, One.lt was topped by several news sites on gemiusAudience's listings, and by Facebook on Alexa's Top 100. Facebook is currently the most popular and fastest-growing social network in Lithuania. The growth of the Facebook network and competition with local/regional social networks is clearly illustrated by the World Map of Social Networks by Vincos Blog.[27]

In October 2010, 35 percent of the adult population (aged 15–74), or approximately 60 percent of all internet users, used social networks.[28] Students and homemakers frequent social networks the most: 83 and 75 percent within the target groups, respectively. Young people aged 15–29 have the highest membership rate (80 percent and above). There is no pronounced difference in social network usage among people living in cities or the countryside. Women (64 percent) frequent social networks more often than men (55 percent). The majority of social network users reported a high frequency of web access on mobile devices (77 percent), significant involvement in UGC projects, and use of e-commerce sites.

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27.   "World Map of Social Networks," Vincos Blog, June 2011, available at http://www.vincos.it/world-map-of-social-networks/ (accessed 26 March 2011).

28.   TNS/Gallup, October 2010.

The most popular social networks by number of active members in Lithuania compiled from the Alexa/gemiusAudience lists are: [29]

1. Facebook

2. One.lt

3. Twitter

4. Klasė.lt

5. LinkedIn

6. Odnoklassniki.ru

7. Frype.lt

3.1.3 News in Social Media

Both established media and social media sites are coming closer together and gradually sharing more content and features, but this convergence remains somewhat uneasy: the newsrooms lack experience and understanding of how social networks work, and reporters do not wish to add social involvement with their readers to an increasing list of their duties.

All major news sites have prominent sharing buttons accompanying their stories:

Table 21.

Social media tools implemented on the most popular Lithuanian news sites (March 2011)

Media	Mail	Facebook	Twitter	Local SN	Extra
Delfi.lt	+	+	+	Frype.lt	Delicious; MySpace; LiveJournal; Google
Lrytas.lt	+	+	+	–	LinkedIn
Balsas.lt	+	+	+	Klase.lt	–
Alfa.lt	+	+	–	Klase.lt	–
15min.lt	+	+	+	–	MySpace; Digg; StumbleUpon; et alia.

Notes: SN: social network

+: implemented on site

–: not implemented on site

Source: Own research by one of the authors, Dziugas Parsonis.

On Facebook, the official profile of the website Balsas.lt enjoys the largest fan group (108,258 in December 2010), followed by 15min.lt (60,571), and Alfa.lt (51,961). The two largest news sites—Delfi.lt and Lrytas.lt—do not have official Facebook profiles.

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29. There is insufficient data to compile a top 10 list because there are no other social networks listed among either the Alexa Top 100 or the top sites (119 in total) tracked by gemiusAudience. Dating sites are excluded from the list.

Two news sites among the top five have a dedicated section for citizen news. *Įkrauk žinių* (Upload News) at 15min.lt has featured a membership-based reader news section since early 2010. Site exclusives include "photopolice"—an initiative to photograph and track illegally parked vehicles—and the first public uploading-point at a popular cafe in downtown Vilnius. The news at *Įkrauk* tends to favor entertainment, sports, and other image-supported events.

Delfi Pilietis (Citizen) is a more recent development (started in July 2010). It is similar in approach, but differs from *Įkrauk* as it is more story- and text-based, with Delfi.lt's reporters often investigating and publishing stories inspired by user suggestions and letters to the editor. Both projects have Facebook profiles with a fan base in excess of 1,000 members.

Several news sites (Alfa.lt, Balsas.lt, and 15min.lt) have informal and loose agreements with more prominent local blogs to syndicate their stories. Certain editorial practices, however, have caused serious friction between established media and bloggers. In October 2010, Rokiskis.popo.lt published a widely distributed "blogger manifesto" which denounced a common practice by the publishers of news sites and news aggregators which syndicate blog content—the removal of external links and insufficient attribution to the bloggers and other websites that are sources for stories.

The spread of internet media news stories in social networks is currently not measured in Lithuania, apart from individual reports requested by the news sites and submitted by monitoring companies.[30] The news sites of the most popular mainstream media that are best at integrating social media in content dissemination also contain the most news content.

Rimvydas Valatka, editor-in-chief of one of the most popular news websites, Lrytas.lt, notes that being on the web requires one to be web-savvy:

> Being on the internet means you should use all the means the internet provides. At the beginning we did not pay much attention to social networks, but then realized that we must be present and active there too. Those websites who started their activities in social networks earlier benefited more. They have their communities of fans and that means additional distribution channels. It is very important as our surveys show that only half of our readers come to our website directly. All others are directed from search engines, links, social networks.[31]

Twitter is not a popular news promotion platform among Lithuanian media. There are very few journalists with Twitter accounts, and those that do participate in conversation do it as a personal activity. Twitter is generally not very popular in Lithuania, probably because it doesn't create immediate social ties or a network,

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30. This data is not publicly available.

31. Interview with Rimvydas Valataka, editor-in-chief of Lrytas.lt, Vilnius, June 2011.

there is less of a one-to-one connection, and possibly because longer Lithuanian words are harder to fit within the message limit.

3.2   Digital Activism

3.2.1   Digital Platforms and Civil Society Activism

Digital activism in Lithuania is gradually embracing new tools and technologies, but the majority of citizen voices are still indirect, mostly expressed through personal blogs or petitioning. Petition sites (such as Peticija. lt and E-peticija.lt) seem to be most popular, with some appeals digitally "signed" by tens of thousands of people. Petition topics include ecology (e.g. "Stop the decimation of wolves in Lithuanian forests", "Declare Lithuania a GMO-free zone"), public holidays (appeals to make Christmas Eve and the Eve of All Saints Day public holidays), standard of living protests against lower pensions, and decreases in maternity leave support.

There are some efforts to bridge the gap between public outcry in blogs and forums and direct communication to elected representatives. Back in 2007, a site called Neisduok.lt (Don't Betray) presented a form for a message addressed to the Parliament, President, Government, Constitutional Court, General Prosecutor, and the National Broadcasters' Council, but the link was not automated—writers had to enter relevant e-mail address by themselves. Another initiative—ParasykJiems.lt (an equivalent of the British website WriteToThem.com) promises to automate the communication both by sending messages directly and by helping people find their representatives in the national Parliament, the European Parliament, and local municipalities. Originally expected to go live in October 2010, the project was undergoing beta-testing until January 2011, and is now online at http://parasykjiems.lt/.

Another initiative by the group responsible for the development of the ParasykJiems.lt site has been operating since January 2010. It is KaVeikiaValdzia.lt, developed in close cooperation with MySociety.org in the United Kingdom, It aims to consolidate all the official documents, laws, and by-laws published by the Government and to make them accessible to the general public. The site claims to have collected more than 20,000 such documents and offers both comprehensive search tools and custom RSS feeds to monitor lawmakers and the Government on any topic of interest.

Several initiatives ceased or almost ceased activity in 2010, the most prominent among them being a civic movement, Aš Lietuvai (site inactive since September 2010), and a popular eco-blog, Ekoblogas.wordpress. com (inactive since March 2010). Ekoblogas was among the top 100 Lithuanian blogs in 2009.[32] Their discontinuation is difficult to explain; blogs tend to appear and disappear without any obvious reason, and not only these two. There is no research into these patterns, but bloggers may simply get bored or get jobs that force them to stop blogging.

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32.   See Blogologas data, available at http://blogologas.lt/blogs/feedburner-list-all (accessed 31 August 2011).

Dissemination of ecological information recently received significant support from the EU with a new "green" site (Grynas.lt) that started under the auspices of Delfi.lt in December 2010.

Notable among ongoing projects are a grassroots site about food additives (SveikasVaikas.lt), a forum for "outstanding journalism" (Gzi.lt), and a site for "positive" news (GerosZinios.lt). SveikasVaikas.lt was involved in a controversy involving local food manufacturers in April 2009, when two producers of packaged food threatened to sue the database managers for "inaccurate" food-label-style graphics describing their products as dangerous for young children. The threat was made public and generated a stir among Lithuanian blogs and independent websites in support of SveikasVaikas.lt. The manufacturers backed down, but SveikasVaikas. lt also compromised, redesigning the label images, making them less graphic.

In November 2010, the people behind the blog Teigiamos naujienos lietuvoje (Positive News in Lithuania)[33] reported on a new project involving direct public access to government budget data. This may be the first public attempt in Lithuania to make use of new technologies for data journalism. Project leaders expect to get all the raw numeric data from the Ministry of Finance, publish it unedited, and start an accompanying blog with analysis. The project met with some document compatibility and access difficulties, but the website launched at the beginning of March 2011.[34]

Recently the public discourse about citizen journalism and data journalism in particular became more intense in reaction to the WikiLeaks story. The local chapter of Transparency International held several seminars and discussions on data journalism and the impact of WikiLeaks on transparency. The interest, however, is higher among bloggers and NGOs than among professional journalists. There are visible exceptions, though—in October 2010, Delfi.lt, in association with the Ministry of Finance, published an interactive tool to write a mock state budget for the following year. The tool was very popular—Delfi.lt registered more than 16,000 reader submissions of a "fixed" budget. Generally, however, such projects of crowdsourcing or data analysis are very rare.

The online activism rarely generates "real life" actions such as demonstrations or rallies and, with the exception of some of the examples cited here, generally doesn't get taken up by mainstream media.

3.2.2   The Importance of Digital Mobilizations

As just described, some digital civic initiatives recently became quite popular. Sites where people can digitally sign petitions had in some cases generated thousands of digital "signatures". The website SveikasVaikas. lt, mentioned in the previous section, providing information on food additives, provoked a large wave of support among social and traditional media when unhappy businessmen tried to sue the site.

It is likely that, with the further growth of internet penetration, digital mobilization will become more and more important.

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33.   See http://www.teigiamai.blogspot.com/ (accessed 31 August 2011).

34.   See http://www.viesai.lt/ (accessed 23 March 2011).

3.3 Assessments

The crisis of the economy, disruption in the advertising market, and the global economic slowdown contributed to slower developments in media technology and delayed some new and/or riskier developments in established media. Even so, during the last year, major Lithuanian news websites were involved in social media projects, published some interesting interactive content, and significantly extended their products for the mobile web space. For example, all major news sites have mobile browser versions, three of them (Balsas.lt, Lrytas.lt, and 15min.lt) launched their own iPhone applications, and Lrytas.lt was the first to offer an iPad application, in November 2010.

Competition intensified on social networks, with several news sites attempting to attract a larger fan base on Facebook and even alleging "foul play" by competitors (for example, Balsas.lt was accused of using a social game to attract fans). The news media presence on social networks is mostly "robotic" (republished news feeds), but some of them, notably Alfa.lt, are presenting selected news in a more individual style.

The blogging community remains a viable source for niche, social activism news, comments on current events, and some analysis. Top blogs are constantly reshuffling, with some of the earlier leaders in decline and others gaining more readers. The small market prevents blogging from becoming gainful work; therefore almost all bloggers do it at their leisure. Corporate blogs are rare, but slowly growing in number (among higher-profile companies, mobile operator Tele2 started its blog in May 2010). Blogs by journalists are few in number (e.g. Racas.lt, Dainius.org), but they are among the most popular and differ somewhat in their choice of more civic and topical subjects.

The use of new media as a platform for more intensive civic or political activism is relatively low. New tools offered by e-democracy and social activism sites are slow in take-up, but this may change as more are offered to the public. Trust in established media remains low. Growing discontent among the general population (reflected in opinion polls) with what is described as the heavy "infotainment" slant in general news media might eventually encourage people to adopt more direct and vocal communication with lawmakers, Government, and municipal officials.

Comments on news stories on media websites remain the most popular method of dialogue, but the culture of this discourse is in most cases low. Comments on the most popular news sites remain virtually unmediated, as their editors fear a mass exodus of readers—a possible consequence of "curtailing free expression".

4. Digital Media and Journalism

4.1 Impact on Journalists and Newsrooms

4.1.1 Journalists

During the last five years, most news organizations completed the transition to (or adoption of, if they remained primarily based in "old media") the internet. The last of the major national dailies to establish a website, *Republika*, did so in mid-2008.

Rimvydas Valatka, former deputy chief editor of the daily *Lietuvos rytas* and currently editor-in-chief of news website Lrytas.lt, remembers that after the website was launched there was competition between the newspaper and the website, although they both belong to the same group. "The editors of the printed edition used to hide information from those of us working online to have some exclusive material to publish in the morning," Mr Valatka recalls.[35] "Now there is more synergy than competition, we share information among ourselves and use the website to promote stories to be printed in the newspaper."

Very few daily newspapers or radio or television stations have become internet-only. For the majority of newsrooms, the website is still an appendix. Most regional and some national newspapers publish stories on the web one day late—as used to happen 10 or more years ago—so that the web readership does not subvert print subscriptions and newsstand sales. In such cases there is hardly any digital media impact on journalists at all: an editorial team simply has an extra person responsible for republishing the available content online on the "the day after" schedule.

In small newsrooms this responsibility usually falls on the person responsible for newspaper layout and design. Some regional newspapers have a token presence on Facebook or other social networks, but do not treat them as an additional channel for news distribution.

Some newspapers (*Alytaus Naujienos* regionally, *Verslo zinios* nationally) have set up "electronic" subscriptions in the form of downloadable and printable PDF files. Editors say that the system is modestly profitable, but

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35. Interview with Rimvydas Valatka, editor-in-chief of Lrytas.lt, Vilnius, June 2011.

again, the impact on the newsroom and journalists is minimal, since the e-version is actually the same print publication packaged into a single downloadable file.

The journalists most affected by the "digital change" were those choosing to work for online media organizations. Some news sites have a print publication background (e.g. Lrytas.lt), some came from broadcasting (e.g. LRT.lt), and others still are "pure" online establishments (e.g. Delfi.lt, Alfa.lt, and Balsas.lt). There are also many specialized online publications, the most popular of them writing about business or sports.

Mr Valatka, who has long-time experience in print, notes that digitization and working online had dual impact on journalists. "Journalists now have more freedom, more rights to make their own decisions, but also more responsibility. And—what is very important—they have to be much more versatile compared to their colleagues in print media. That means that, on the one hand, digitization produced more journalists and editors who have basic knowledge in many areas, including sports, politics, or the economy, while, on the other hand, it considerably reduced the number of journalists who specialize in one particular area, like energy or health care."

A significant divide in daily work practices exists between journalists working in the first group (mainly traditional, with web presence) and the second group (mostly online). Whereas journalists in the first group mostly continue to work in a traditional way using more modern tools (e.g. digital cameras and notebook computers), the work routine of the second group was influenced by many factors, born of the internet media environment:

Story cycle instead of finished story. The possibility of editing live news changed and extended the cycle of news stories. The online story can be expanded, provided with additional information, illustrations, and video, and corrected at any time. Work on an online story often continues as long as the story is on the front (home) page.

Live web metrics. Since online news editors have tools to monitor the "performance" of published material in real time, this heavily influences the workflow and editing practices at such news organizations.[36] Every news story has a popularity target, based on the average readership of the website. Those underperforming usually require the boost of a rewritten headline, added material, and/or a more prominent position in the general layout of the home page of the publication.

Monika Garbačiauskaitė, who has been working as an editor-in-chief of the largest news website Delfi.lt for 10 years, says that the goal is not only to attract the reader to the website, but "to take him by the hand and lead him through it." "In order to do that we have to react to what readers do: what they read, how they comment, where they stay longer, and when do they read only the headline, without entering the story," Ms Garbačiauskaitė says.[37]

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36. Interview with Žilvinas Pekarskas, chief editor of 15min.lt, Vilnius, September 2010.

37. Interview with Monika Garbačiauskaitė, editor-in-chief of Delfi.lt, Vilnius, June 2011.

Digital selection. Another effect of direct readership statistics is the influence on news selection on the front page. Until very recently, most news sites had prominent sections featuring popular content—"most read" or "most commented" lists. These lists mostly feature such reader "favorites" as criminal reports, entertainment news, scandalous celebrity stories, and stories on price inflation. Since editors tend to preserve the traditional news layout starting with politics and business news, opinion, and analysis, such readers' top 10 lists clashed with headlines promoted "above the fold". Eventually they were removed from several sites (notably Alfa.lt), while others (Balsas.lt and 15min.lt) still have "most read" or "most commented" lists, but place them lower on the page.

"We release some 300–400 stories a day and we want them all to be found by readers. It is difficult and requires a lot of effort,", says Ms Garbačiauskaitė.

Mr Valatka agrees and stresses that the main goal is to reach as many different readers as possible:

> That's why a website differs from the newspaper, where you usually have political or economic stories on the front page. We may have politics, sports, entertainment, and even religion at the beginning and this is because we want every single one of the approximately 750,000 readers coming to our website to find something for him. Sometimes I am asked why we publish stories which are read by only a few hundred readers, while others generate some 50 or 80 thousand. My answer is that maybe those few hundred came to us for this one story only.

For now, editorial decisions seem to adhere to the publication's ethos and editors' understanding of what constitutes the most important news of the day. But reading statistics do influence journalists' daily work as they might get a bonus payment for a very successful story, and reporters are constantly reminded that a good headline might be more important than the story itself.

Headline dynamics. The importance of headlines on news sites grew proportionally with the density of content on the first page. Often the headline is the only means for journalists to present their story to readers. For example, the news site Balsas.lt has only 34 lines of lead text on the front page for 14 stories, out of more than 300 represented only by a headline and a photo or headline only. Recent makeovers of news websites (e.g. Balsas.lt in 2009–2010 and Delfi.lt in February 2011) made the photos much more prominent at the expense of a more informative lead text. Most of these photos are syndicated—bought from agencies such as Scanpix or other sources—and are rarely original, taken by a staff reporter or photographer. The journalist is at a double loss; there's no more lead text to introduce the story and the reporter often does not control which photo will illustrate her or his story. In such circumstances, editors tend to encourage "creative" headlines with bold, expressive statements.

Mr Valatka, however, stresses that the ability to manipulate headlines can help journalists reach readers. "We are perhaps the only website in Lithuania which changes headlines after a story has been published," he says. "And I can tell that sometimes it works—the story, which had a few hundred readers, suddenly attracts tens of thousands."

Complaints by readers in the comments sometimes accuse journalists of overselling a story, or misrepresenting the narrative or even the facts. These cases, however, are never reported to the Journalists' and Publishers' Ethics Commission.

"Headlines have become much more important than five or 10 years ago. This is mainly related to competition, as there are more news websites and more information and the number of readers has not grown. If a headline is attractive, the reader will click on it and clicks are the main goal of all websites," Ms Garbačiauskaitė says.[38]

At the same time, she stressed that headlines are becoming important from a technological point of view. "When writing headlines we now start to think how it will be indexed in search engines, like Google, because it means more readers coming from there," she stresses. "And we understand that this hurts from a journalistic point of view."

Mr Valatka agrees that headlines are one of the main weapons in the competition between websites and that this competition sometimes forces journalists to pay more attention to the headline than to the story itself. "Some other websites pay more attention to technologies and if you want to survive, you have to follow this line. That's why we would use the name of the prime minister or the president instead of saying just "premier" or "president" in the headline. But we still write for people and not for search engines," he says.

Live writing. Live reporting, or "live blogging" as the process is called in international media, is very rare on Lithuanian news sites, but the most important breaking news might receive several updates throughout the day or even during a single hour. Editors discovered that extended headlines with status reports ("breaking", "updated photos", "added video" etc.) are very popular among readers and encourage repeated visits to the site. Since newsrooms consider being first to report as one of the most important issues, "hollow" stories with preliminary reporting and template text are quite frequent, accompanied by a headline promise to "follow up". Such reports lack the coherence and style of a finished article (especially compared to print reports) but are considered an acceptable trade-off in the race to report as fast as possible. Sometimes a more comprehensive story is published later, when the news in question starts to lose its "breaking" status.

Media mix. Most news is either illustrated with a photo or has no additional media features at all. Some stories, especially in the more leisurely paced entertainment or sports news sections, do include video clips. Surveys and other interactive content sometimes accompany major political or business stories, but these almost always are separate from the story with special placement on the front/home page.

Mr Valatka stresses that pictures on the home page are very important—according to him, a headline combined with a picture creates about 50 percent of the value. "It is simple marketing and every marketing specialist would say that a picture of a person everybody knows is better than a picture of a stranger, that a picture of a woman is better than a picture of a man, and that a picture of a younger woman is better than a picture of a middle-aged woman," he says.

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38. Interview with Monika Garbačiauskaitė, editor-in-chief of Delfi.lt, Vilnius, June 2011.

When a story has more photos and video material, the reporter should be able to construct a coherent, flowing narrative from them, yet (in contrast with blogs or specialized websites) this is not the case on major news sites. Geared for the fast publishing cycle, news-site templates do not allow much flexibility. They have fixed places for photos and photo galleries, fixed places for video, and the journalist cannot change them, except in very special cases. The journalist either adapts to whatever requirements the templates have or risks having a disjointed narrative or a story told backwards (if video with comments is placed before the copy, for example). Because of the disruption to the usual reporting process, video news rarely comes together with a written story and usually has a special "video news" or "TV" section on the site with sparse copy or no text beyond the headline. Experiments with "convergence" tend to be relegated to student trainees in the more relaxed summer months.

Ms Garbačiauskaitė says that the tradition to give more attention to visuals came to Lithuania from Estonia, which in turn followed the Scandinavian example.

Delfi.lt used to have a few lines of text beneath the headline, but changed the design at the beginning of 2011, leaving only headlines and adding more pictures. "It is a global tendency, maybe related to the growing flows of information and lack of time to read. A picture is more attractive than a few lines of text and we save space too," says Ms Garbačiauskaitė.

Tools. Web journalists tend to use more technologically advanced tools for reporting than their colleagues in print, but the principal tools are the same: digital recorder, digital camera, and notebook computer. Smartphones were experimented with but made little impact on daily work mostly because of very limited text input capabilities and relatively slow data upload rates. Most notebook computers, however, are equipped with 3G or WiMAX wireless connections. This connectivity allows relative independence from the amenities (WiFi, wired internet) at news or event sites, increases speed of reporting, and allows constant monitoring of both parent and competitor publications. At the Nmedia awards ceremony in 2010 (a competition to encourage use of new technology tools in reporting), most nominations were for new media coverage, web video, and interactivity on the web.[39]

Dialogue with readers. Even though the interactive nature of web news encourages dialogue with the reader, in practice it is mostly one-sided. The reporter publishes a story, the reader comments on it, but the reporter rarely answers questions or gets involved in a discussion with readers on the site. This is mostly because of tight schedules of working journalists and also because comments on stories are unmediated or self-moderated at best.

But both Ms Garbačiauskaitė from Delfi.lt and Mr Valatka from Lrytas.lt say that readers are important and contribute to the content. "We now have editors who work only with readers—they read letters, they check information sent to us. We have a special column created by the readers only. It is new and it is directly related with digital era," says Ms Garbačiauskaitė.

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39. The 2009 Nmedia awards for innovative journalism (in Lithuania), available at http://www.lzs.lt/lt/naujienos/ziniasklaida_lietuvoje/archyvas/p46/nmedia_2009_novatoriskos_ziniasklaidos_apdovanojimai.html (accessed 2 March 2011).

Mr Valatka points out that about 50 percent of the stories on car accidents and natural disasters come from readers: "They take pictures or videos, send them to us, and we have a story."

But, at the same time, many comments are abusive and insulting to the author, people mentioned in the story, or even other readers. There were some criminal cases reported to the police (and a few successfully prosecuted) regarding comments against ethnic minorities, but no civil case of personal insult in comments was ever brought to court and won by a complaining party (as it was in Estonia, for example). So comments are considered a "necessary evil" by reporters and are mostly ignored.

Blogs and 24/7 journalism. Even though there are very few editorial blogs in web media in Lithuania, both reporters and editors of web news sites stay "on topic" long after the news has been submitted. According to web media editors, this is a major stumbling block for journalists unaccustomed to working on the net. There's always something to be done to make a story better, something to add or to amend, to the point of "always feeling guilty"[40] when leaving for home at the end of day. Web metrics might become addictive and dominate decisions when writing headlines or selecting stories for publication.

4.1.2   Ethics

Despite a more intensive news publishing schedule, live editing, and reliance on headline impact, web news media in Lithuania are rarely the topic of debate or reprimanded by the Journalists and Publishers Ethics Commission (*Žurnalistų ir leidėjų etikos komisija*, LŽLEK). Less than a third of the approximately 130 cases discussed by LŽLEK in 2010 involved web media. None of these cases are directly dependent on digital media as a format: most are "typical" less-than-perfect-journalism issues of fact and source checking, mixing fact and opinion, making assumptions and, occasionally, being too graphic in the portrayal of criminal events. There were some reports of plagiarism, but they were too few to consider the wide availability of content on the internet as a deciding factor.

4.2   Investigative Journalism

4.2.1   Opportunities

Digitization has vastly improved access to information from all sources, particularly public data and documents. This has created the *opportunity* to greatly improve journalistic investigations but, as discussed in the next section, this opportunity is being missed by journalists and media owners.

4.2.2   Threats

"Investigative journalism is dead in Lithuania," claimed Rūta Grinevičiūtė, the popular and controversial host of several television shows back in 2005.[41] Even though Ms Grinevičiūtė used this claim to promote her

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40.   Ž. Pekarskas, chief editor of 15min.lt, in a lecture to Vilnius University students, September 2010.

41.   "Rūta Grinevičiūtė moves to LNK TV," Vtv.lt, April 2005, available (in Lithuanian) at http://www.vtv.lt/content/view/3589/66/ (accessed 2 March 2011).

switch to the LNK channel and a new show, there was some truth in the statement. Highly regarded after the restoration of Lithuanian independence in 1990, investigative journalism declined by the middle of the last decade and suffered even more after the global economic crisis hit the media. Editors stress that above all investigative journalism is expensive.

"A journalist writes an average of 2–4 stories a day, so it is easy to count how much it costs to have a editor who would sit on one story for two weeks or a month," says Ms Garbačiauskaitė, adding that investigative journalism needs support.

Media experts also speculate that the decrease of investigative journalism may be related to the risks of alienating powerful economic and political interests, always a risky enterprise particularly in a new democracy, and in the midst of an economic downturn.

Originally mostly associated with print journalism, the term "investigative journalism" is more often heard on television or on radio today. Claims of such reporting are not always substantiated—a variety of television and radio shows use the term very liberally to describe broadcasting of any scandalous news and accusations. Some of them were warned by LŽLEK but continue the practice nonetheless. Lists of nominees for prestigious journalism awards in Lithuania (e.g. the Vinco Kudirkos and Vito Lingio awards) do include more and more television and radio journalists, however. Many print publications do not have budgets affording serious investigative news any more, and net-only news media are favoring quantity over quality because of the extremely fast news turnaround on the front page and limited income from advertising per single story.

But Ms Garbačiauskaitė adds that investigative journalism had not completely disappeared and may have a future. "We have three journalists, out of about 40, who do investigative journalism, as we understand that ultimately it is not only clicks that matter. Good investigative journalism stories may pay back: in reputation, influence, access to sources. However, it is a long-term investment," she says.

Considering all this, online journalism has hardly helped to increase the amount and depth of investigative stories. Online news has the largest audience of all text-based media ever published, but the process is based on a huge, constant stream of relatively short news reports and not on investigation. The liberty to have a staff journalist work on an article or series of articles for several months (e.g. Valdas Bartasevičius for *Lietuvos rytas* in 1996) is unheard-of in today's media.

The increasing influence of media ownership on news reporting is also limiting journalistic investigations into politicians and businesses from the "enemy" or "free-for-all" lists.[42] The latter often include populist politicians in Parliament whose misconduct becomes central news for a large section of the media in huge campaigns to depose them (as in the case of MPs Linas Karalius and Aleksandras Sacharukas). Further discussion of the influence of media ownership on reporting can be found in section *6.1.3*.

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42.   D. Jastramskis, "The Relationship between the Ownership Structure of the Media Organization and the Expression of Media Partiality (Research of Lithuanian National Dailies throughout the 2004 Lithuanian Presidential Election Campaign)," doctoral thesis, Vilnius University, 2010.

The reader is hard pressed to choose "for" or "against" but must choose to favor shorter non-committal news streams on websites, with longer, better investigated, and more thoughtful stories becoming nearly extinct in mainstream media.

4.2.3 New Platforms

Digitization in general has had a positive effect on dissemination of news on the one hand and access to the news on the other. The growing number of news websites, user-generated sites, and internet television has considerably widened the choice of sources for the public.

However, as said above, media digitization, with its competition in speed and pressure to release the news immediately, hardly contributed to the quality of news, including the quality of investigative reporting.

4.2.4 Dissemination and Impact

Despite the fact that the web in effect became an open publishing platform for everybody, the emergence of blogs, various forums, and specialized websites hardly helped journalistic investigation. Few professionals chose to adopt blogging and none of them consider blogs as an alternative means for publishing investigative work.

One interesting case of a media-insider blog was published anonymously from January 2007 to March 2009. The blog—Dievų žiniasklaida (Gods' Media)[43]—became a popular source of inside news from the television, radio, publishing, and internet media business as well as commentary and criticism. The author in the first post indicated that people in Lithuania trust media more (48.9 percent) than the Constitutional Court (40.4 percent),[44] finding this surprising, especially as media are heavily influenced by political agendas and business interests, and themselves influence politics and markets. The author deemed these pressures on the media highly undesirable.

During the two-year run (there was a long pause in the second half of 2008) the blog paid a lot of attention to the rapidly growing online media, sometimes exposing dubious efforts to increase readership numbers, competitive tactics, and media associations with politicians and business groups. Most of this reporting was not proper journalistic investigation, but the blog provided its readers with the news and commentary on topics that the media never reports—the media themselves. The blog was obviously written by a well-informed insider whose identity was never revealed; neither were the motives to cease publishing it in March 2009.

The wider blogger community rarely discusses political news. This might change with new generations of blog authors. First adopters of the blog format were mostly young technology enthusiasts and marketing people, who found motivation in the platform itself, in community, and sharing of knowledge of their primary field of interest.[45]

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43. See http://Dievuziniasklaida.blogas.lt/ (accessed 31 August 2011).

44. The blog's author quotes the Vilmorus poll, January 2007. See http://dievuziniasklaida.blogas.lt/kai-dievai-raso-apie-dievus-dievu-ziniaskla-ida-58.html (accessed 10 August 2011).

45. In 2008, most popular blogs were on advertising, technology, and entertainment. See Blogologas.lt, available at http://www.blogologas.lt/ (accessed 2 March 2011).

Later adopters came from a variety of fields and occupations; some of them are journalists or activists. The awareness of wider access to primary Parliament, Government, and municipal documents, direct involvement in civic issues, active participation, and crowd-sourced analysis of publicly accessible data may offer more involved and thoughtful blog content in the future.

4.3   Social and Cultural Diversity

4.3.1   Sensitive Issues

"Answering the question which neighbors would be the most undesirable for Lithuanian people, more than half of the respondents indicated Roma people (57.1 percent), former prisoners (55.3 percent), and homosexual persons (55.1 percent); half of Lithuanian citizens wouldn't want to live in a neighborhood of people with mental disorders (49.7 percent) … One person in four or five would shun the proximity to Jews (23.8 percent), Kazakh people (21 percent), Turks (20.1 percent), and people of a different race (skin color) generally (19.4 percent)."[46]

This quotation should explain the context for news reporting in the "sensitive" areas of gay and minority rights and problems. In May 2010, Lithuania briefly appeared in the spotlight of international news media—not because the first gay pride march took place in Vilnius, but because of violent protests against it, involving two infamous Members of Parliament: Petras Gražulis and Kazimieras Uoka.[47]

4.3.2   Coverage of Sensitive Issues

Despite research data, such as those cited above, showing that a significant number of people in Lithuania are xenophobic and homophobic, the news media generally avoid reflecting such prejudices in a thoughtful, analytical way. Instead, they fall back on a notional application of the journalistic formula of "fairness"; when issues involving the gay community or ethnic minorities come up in news reports, reporters provide a voice to all concerned, including gay rights activists, representatives of ethnic minorities, and non-governmental rights organizations, without further in depth-coverage of the context or the reasons behind the tensions. In newspapers, the issue seldom appears on op–ed pages; it is avoided in in-depth interviews or discussion programs on television and radio.

There are, however, several extreme exceptions. The tabloid *Vakaro žinios* and publications of the Respublika publishing group were involved in many controversies centering on gay rights and minorities. In February 2004, the *Respublika* daily printed an editorial accusing gays and Jews of conspiring to usurp power in the

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46.   "Lietuvos gyventojų nuomonės apklausos (2010 m. liepos 15 d.—rugpjūčio 2 d.) rezultatai" (Results of a Survey of Lithuanian Public Opinion, 15 July—2 August 2010), Institute of Ethnic Research of Lithuanian Social Research Center, Vilnius, July–August 2010, available at http://www.ces.lt/2010/09/lietuvos-gyventoju-nuomones-apklausos-2010-m-liepos-15-d-rugpjucio-2-d-rezultatai/ (accessed 23 March 2011).

47.   E. Digryte,"Lietuva užsienio spaudoje: akmenys prieš taikias gėjų eitynes ir ašarinės dujos prieš protestuotojus" (Lithuania in the Foreign Press: Stoning the Peaceful Gay March and Tear Gas Against Protesters), Delfi.lt, 9 May 2010, available at http://www.delfi.lt/news/daily/lithuania/lietuva-uzsienio-spaudoje-akmenys-pries-taikias-geju-eitynes-ir-asarines-dujos-pries-protestuotojus.d?id=32060255 (accessed 23 March 2011).

world, Lithuania included. Such opinions are not unknown on the internet, but emerging in a national daily they alarmed both Lithuanian society and international observers.

In February 2009, the Lithuanian Gay League (LGL) approached LŽLEK regarding a *Respublika* article about a controversial "Gender Loops" program for the pre-school curriculum, which introduces children to the idea of sexual diversity in society. LGL maintained that the *Respublika* writer used the story as part of a smear campaign against gay people, insulting their dignity. LŽLEK, however, both in this case and another brought by the editor-in-chief of the news site Bernardinai.lt, decided that the publications in question did not break the rules of journalistic ethics, labeling them as *feuilleton* or commentary.

LŽLEK came under criticism itself with a blogger suggesting that whenever a complaint involves protests against journalism promoting xenophobia, homophobia, or racism, the Commission never finds fault with the outlet involved.[48] The criticism was justified; while the amount of complaints to LŽLEK rose between 2005 and 2009, the amount of actual cases condemned steadily decreased.

Media researchers and various NGOs involved in work with minorities often accuse media of forming a negative image "out of habit".[49] Suspects of criminal activity are always identified by their nationality, if that nationality is not Lithuanian. Stories about Roma people rarely fail to mention the Kirtimai enclave near Vilnius, which is notorious as a center for illegal drug distribution and is believed to be run by a "renegade Roma community". Events involving racial tension abroad receive significantly more coverage in the media than regular foreign affairs except, possibly, natural disasters and plane crashes.

4.3.3   Space for Public Expression

In the critical piece on media and xenophobia mentioned above, *Dansu Dansu* suggests that ethnic and cultural controversies are good business for media. This can, in part, be confirmed by the online comment count for such stories. Whereas a typical front-page news story on the most popular news site Delfi.lt might attract several hundred comments, stories involving gays, ethnic minorities, and refugees in Lithuania attract tens of thousands of comments. The majority of them are part of a legitimate online discussion of issues, but a strident minority expresses racist and xenophobic views.

The response by news sites was mostly "technical"—they just implemented a complaint form, allowing readers, by clicking on a button on the page, to correct or challenge facts that appeared in comments, so some can be removed. Readers were also informed on such pages that in the event of criminal offenses and a police inquiry, the website publisher would share personal data to assist the police. Personal insults and racist and xenophobic comments caused at least one news site (Bernardinai.lt) to introduce registration and active

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48. "e.f.i. Apie gėjus, žydus ir politines technologijas" (EFI on Gays, Jews and Political Technologies), *Dansu Dansu*, 9 April 2010, available at http://www.dansu.lt/2009/04/09/efi-apie-gejus-zydus-ir-politines-technologijas/ (accessed 2 March 2011).

49. "Žiniasklaida turi galios keisti žmonių pasaulėjautą" (Media Has Power To Change Human Perceptions), *Media Forumas*, 11 November 2008, available at http://www.mediaforumas.lt/index.php?s=98&m=1&t= (accessed 1 April 2011).

comment moderation. The analysis of these comments does indicate that either survey figures of xenophobia and racism in Lithuania are vastly understated, or that the part of the community with such beliefs is much more vocal than the more tolerant section of the public. These instruments have helped reduce these types of negative comments over the past years.

Discussions in the blogger community also confirm the danger of "comment overload" whenever the post includes references to sexual, ethnic, or racial questions. Sometimes post authors even remove the posts or close comments on them to avoid inflammatory debates.

The tone of the comments on news websites and in the outlets mentioned here can hardly be described as good news for a tolerant and diverse modern society. Consistent and impartial media coverage of the topics might eventually help progress—some studies such as the Lithuanian Social Research Center (CES) study quoted in this chapter indicate that xenophobia and racism is less pronounced among younger people who travel extensively and often study abroad. Even though 57 percent of Lithuanians do not want to live near Roma people, this figure in 2010 is less than the 63 percent reported in 2004.[50]

The only other significant online presence by ethnic minority groups is by Polish groups, such as Wilnoteka. lt. There was also a government-sponsored House of National Communities website Tbn.lt/en, which became inactive in 2011 after the Department of National Minorities and Lithuanians Living Abroad was reorganized and integrated into the Lithuanian Ministry of Foreign Affairs.

With limited presence in mainstream media, the Green movement and gay community have several websites, including Zalieji.lt and Atviri.lt, a European Commission and OSI-supported website, maintained by the Lithuanian Gay League.

There are no studies that examine whether the space allowing greater expression by minority groups or the content targeting them has been altered in recent years. It is true that minority groups have more media resources at their disposal than in the past, but there are no objective studies that would link this with digitization.

4.4   Political Diversity

4.4.1   Elections and Political Coverage

In late 2010 and early 2011, ahead of the February 2011 municipal elections, the news media were full of reports about candidate activity on the social networks, primarily Facebook. *Lietuvos žinios* reported that candidates saw social networks as a perfect means to evade stricter political advertising rules which, as of November 2010, prohibit all unpaid political advertisements and mandate the clear indication of

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50. *Kauno diena*, 20 February 2004.

such advertising as well as the source of its financing.[51] The head of the Chief Electoral Committee (CEC), Zenonas Vaigauskas, said the Committee had not considered social networks, even though the general election communication rules extend to "traditional" websites. The CEC does not have the monitoring capacity to check all the activity on social networks and was "hoping" that candidates would indicate political advertising as appropriate by themselves.

Since this issue is more related to political advertising than journalism, it is fair to say that regulation of the coverage of elections and political affairs has not been affected by digitization so far.

4.4.2   Digital Political Communications

Even though the popularity of the internet was already significant during earlier presidential and parliamentary elections, the presidential elections of 2009 brought more attention to the candidates' web presence than ever before. The country had a clear favorite in the person of current President Dalia Grybauskaitė, but online activity by all candidates was monitored both by news media and blogs. Everything came under scrutiny— from website layout, slogans, and logos to social network activity and speculation about direct involvement of the candidates as opposed to their staff.

The blog RedTape.lt speculated that candidates' web presence was driven by staff responsible for social media and the internet in general.[52] The same blog made an overview of candidates' web presence.[53] Ms Grybauskaitė was singled out as having the most professional website and well-maintained Facebook profile, but someone else appeared to be "squatting" on the candidate's Twitter account.

All seven of the candidates had some form of web presence, except for Valdemar Tomaševski, whose site automatically redirected requests to the Polish presidential website. This peculiarity could be explained in part by the fact that Mr Tomaševski is one of the leaders of the local Polish community.

Given the lack of regulation of political activity on social networks described in section *4.4.1*, political agitation thrives on social networks, some of it not really directly related to the candidates. For example, an independent profile on Facebook, "Municipal Elections 2011", had more than 10,000 fans even though its owner denies any personal political activity or affiliations. The casual practice of "friending" and "liking" on social networks is considered a fertile environment for spreading political messages. Foreign-based social networks (Facebook, in particular) seem to be favorite tools since they are outside the CEC's jurisdiction and present a more-or-less level playing field, where a candidate with better web public relations and more initiative gains an advantage.

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51.   T. Basarovas, "Internete jau medžiojami rinkėjų balsai" (Votes Hunted on the Net Already), Lzinios.lt, 11 October 2010, available at http://www.lzinios.lt/lt/2010-10-11/dienos_temos/internete_jau_medziojami_rinkeju_balsai.html (accessed 23 March 2011).

52.   R. Petruškevičiūtė, "Kandidatai į prezidentus ir jų pilkieji kardinolai" (Presidential Candidates and Their Gray Cardinals), *redtape*, 17 April 2009, available at http://www.redtape.lt/blogas/kandidatai-i-prezidentus-ir-ju-pilkieji-kardinolai.html (accessed 2 March 2011).

53.   M. Kuitniauskas, "Rinkimai 2.0: Kandidatai į Prezidento postą internete" (Election 2.0: Presidential Candidates on the Net), *redtape*, 6 May 2009, available at http://www.redtape.lt/blogas/rinkimai-20-kandidatai-prezidentas-internete.html (accessed 2 March 2011).

The web serves as a medium for tackling election apathy (the voter turnout for European Parliament elections fell from 48.38 percent in 2004 to 20.91 percent in 2009), as well as for explaining multiple political agendas to the public. Various government agencies and political activist organizations are launching campaigns to increase voter activity such as "Man ne dzin" (I Do Care)[54] especially targeting younger voters. The Mano Balsas (My Vote) website collects candidate manifestos and opinions on a variety of public issues and prepares "quizzes" to compare personal voter views to those of candidates.[55] The results are often unexpected and reveal that candidates are not focusing on issues the public sees as important.

The web is popular among dissenting political groups or activists without representation in Government. The equivalent of the Swedish Pirate Party never quite materialized in Lithuania, but the website of self-proclaimed anarchists (Anarchija.lt) is very much alive, trying to attract young people disillusioned by the traditional political system and parties.

Scattered among many established media websites and blogs, one popular political topic re-emerges before every election: the topic of internet voting. Lithuanians closely watched the Estonian experiment in internet voting in both the 2005 municipal elections and the 2007 parliamentary elections, and have debated it ever since with passion both among proponents and opponents of the idea.

Even though internet voting is popular among the net community and was supported by a petition to the CEC back in 2006,[56] the counterarguments by opponents regarding the constitutional right to anonymity of the vote are too important to ignore. The current Transport Minister, Eligijus Masiulis, had promised internet voting for the 2011 municipal elections[57] and the CEC was in the process of adapting the "Estonian model", but the municipal elections ended up being held the traditional way. The discussion continues, and will probably remain unresolved for the time being.

Several prominent politicians have their own websites and/or blogs—notably Prime Minister Andrius Kubilius, who ceased to post after becoming the head of Government (the site Kubilius.lt appeared to be offline in April 2011), and the Minister of Justice, Remigijus Šimašius (Simasius.blogas.lt), who was also writing for the Lithuanian Free Market Institute website (Lrinka.lt) long before he became a minister in the current cabinet. The consistency of an internet presence both by politicians and activists, as a rule, follows the ebbs and flows of political activity, unless they do it as a personal initiative, usually having started long before public relations "require" their involvement.

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54. See http://www.mannedzin.lt/ (accessed 31 August 2011).

55. See http://manobalsas.lt/index/index.php (accessed 31 August 2011).

56. "Lietuviai nori balsuoti internetu" (Lithuanians Want to Vote on the Net), Lrytas.lt, 28 November 2006, available at http://www.lrytas.lt/-11647245231162766869-lietuviai-nori-balsuoti-internetu.htm (accessed 23 March 2011).

57. "E.Masiulis: balsavimas internetu turėtų veikti jau 2011 m. savivaldos rinkimuose" (E. Masiulis: Internet Voting Should be Ready for 2011 Municipal Elections), Vtv.lt, 23 September 2009, available at http://www.vtv.lt/naujienos/rinkimai/e.masiulis-balsavimas-internetu-turetu-veikti-jau-2011-m.-savivaldos-rinki.html (accessed 23 March 2011).

4.5 Assessments

This is a troubling period for all kinds of media, and online media are not excluded even though the online advertising market suffered less after the onset of the economic crisis. In addition, a survey by the Lithuanian Marketing Association promises an increase of business marketing budgets in 2011 (47 percent of businesses will increase their budgets vs. 26 percent who will cut them), especially for internet (73.68 percent of companies surveyed).[58] The prevalence of "infotainment" on television and radio, a significant drop in the circulation of printed publications, and the dominance of very short factual stories in online media raise concerns about the survival of in-depth journalism.

Payment systems for digital news are not in place and questions about their feasibility remain unanswered. Every new technological device, including smartphones and tablet computers/readers, is seen as a potential savior, but only for global media, at least in the foreseeable future. Local online media enjoy unprecedented popularity and reach among internet users, and they remain largely profitable, but the profit is not substantial enough to sponsor more serious and involved investigative journalism.

Despite the dominance of several well-established online news companies, the web is a more open medium for all kinds of activism, civic initiatives, and the spread of ideas than any non-digital media. Social network profiles are fast becoming the very popular "second generation" web for many such activities, as they facilitate faster and easier spreading of news than typical website information, accessible only from search engines and by incoming links.

Even though many conferences, seminars, workshops, and publications are dedicated to the new "journalist 2.0", the actual number of those who could call themselves digital journalists in Lithuania is very small, with most of them employed by a handful of specialized online news businesses. The rest are wary of the new developments. They are also uncertain about the future of journalism in the digital age as each passing day robs them of yet another story which could have been successfully published before but is these days questioned, now that print media are suffering and digital media want very different products.

The promise of the internet as described by its proponents is always more enticing than reality, but the impact it made on public discourse of national and local political issues, on involvement in social issues on all levels is growing, and the potential remains largely untapped. A small proportion of journalists working at the internet news sites and some web offshoots of "traditional" media are quite active and skilled in using new media. The rest, however, are either practically untouched or even negatively affected by the transformations.

Even though during elections voters report their complaints and observations directly to electoral officers or media without using social media tools, the general debate on the future of elections (should there be

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58. "Kitais metais marketingo biudžetas didės" (Marketing budget will grow next year), Ekonomika.lt, 6 December 2010, available at http://ekonomika.lt/naujiena/kitais-metais-marketingo-biudzetas-dides-2424.html (accessed 8 January 2011).

internet voting? how can anonymity of votes be ensured?) continues both in mainstream media and in the blogosphere.

Some previously marginalized groups (i.e. the gay community) have embraced digital tools on the internet for wider reach and discussion. While the net benefits of digital media for investigative reporting in Lithuania can be debated, many new citizen initiatives and efforts by NGOs both provide new tools to directly access and analyze government data and also pressure mainstream media to move with the times.

Despite some of the opportunities, investigative journalism, which flourished briefly after the restoration of independence, never had time to gain a foothold in this new democracy before it was overtaken by economic and cultural developments faced even in wealthier and more mature democracies. It was always an expensive, often loss-making, activity for media, and the reluctance to irritate powerful political interests probably played a part. However, this can only be speculation as no objective research has been conducted on this.

During the presidential elections of 2009, all candidates were embracing social media, starting blogs and opening direct communication channels on Twitter etc. Hope that this activity will carry on vanished soon after the election—none of the blogs remain active, although some social network profiles are periodically updated.

5. Digital Media and Technology

5.1   Spectrum

5.1.1   Spectrum Allocation Policy

The Government adopted a Strategy of Allocation of Radio Frequencies for Broadcasting and Transmitting Radio and Television Programmes (hereafter, the Strategy on Spectrum Allocation) on 27 March 2003.[59] Section V of the Strategy on Spectrum Allocation defines principles for network development, which are weighted in favor of:

- radio programs from Lithuanian regions
- broadcast of informational, educational, and ethnic programs
- radio programs covering Lithuanians in neighboring countries.

At the same time, the Strategy on Spectrum Allocation sets a target that the first and second programs of Lithuanian Radio should be available on FM frequencies for 99 percent of the Lithuanian public. This principle and target are mandated by the National Table of Radio Frequencies, a regulatory document recording all radio signal frequencies and containing guidelines ensuring that broadcasters meet Strategy targets on availability of airtime and "must carry" requirements.[60]

5.1.2   Transparency

Licenses are issued by the Lithuanian Radio and Television Commission in a public tender (several exceptions are available for educational institutions, cable and data networks, and satellite transmissions). The Commission evaluates formal criteria, but also considers quality factors set out in the Licensing Rules

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59. *Dėl Radijo dažnių skyrimo radijo ir televizijos programoms transliuoti ir siųsti strategijos patvirtinimo* (Strategy of Allocation of Radio Frequencies for Broadcasting and Transmitting Radio and Television Programmes), Republic of Lithuania, 10 October 2008, available at http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=328354 (accessed 27 December 2010) (hereafter, Strategy of Spectrum Allocation).

60. *Dėl Nacionalinės radijo dažnių paskirstymo lentelės patvirtinimo* (National Table of Radio Frequencies), Republic of Lithuania, 9 May 2009, available at http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=275788 (accessed 27 December 2010).

for Broadcast and Transmission Activities (hereafter, the Licensing Rules).[61] Paragraph 25 states that the Commission favors those participants, which commit to:

- provide original cultural, informational, and educational programs;

- guarantee dissemination of true and unbiased information, respect personal dignity and private life;

- protect minors from potential dangerous influence of public information for their physical, intellectual, and ethical development;

- distribute programs, alternatives to which are not available from other broadcasters in the same area.

At the same time the Commission also takes into consideration (paragraph 26):

- potential to create more locally produced cultural, educational, and informational programs to develop citizenship and love for the Motherland;

- potential to broadcast more cultural and informational programs produced in Europe for the development of general principles of diversity and to permit self-expression by diverse groups;

- composition of multichannel packages offered to subscribers (ensuring linguistic diversity);

- importance of a project for the development of program broadcasting and (or) transmission;

- whether a proposed technical solution is optimal and has future potential;

- financial situation and funding sources of the subject;

- prior experience in similar projects;

- deadlines of project implementation;

- tariffs for services;

- references from supervising State institutions on subject's past activities in the field of broadcasting and (or) transmission.

These criteria appear to be generally followed, as there have been no revelations or public debate of any violations.

5.1.3 Competition for Spectrum

The competition environment changed recently, when LRT announced that it wants a separate LRTC-operated digital broadcast network (i.e. multiplex) to be allocated only for LRT needs, as today state-owned LRTC operates two digital terrestrial networks, but this entity is legally separate from content-creating LRT (television and radio). LRT aims to develop a new network, separate from LRTC (also discussed in chapter 2). Commercial broadcasters (the Association of Lithuanian Radio and Television[62]) opposed such a proposal,

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61. *Dėl Transliavimo ir retransliavimo veiklos licencijavimo taisyklių patvirtinimo* (Licensing rules for broadcast and transmission activities, Republic of Lithuania, 20 December 2006, available at http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=289391&p_query=&p_tr2= (accessed 20 December 2010).

62. See http://Lrta.eu/.

seeing it as a major threat to fair competition.[63] The leading Lithuanian blog about television, Uagadugu.lt, has even suggested that this new network initiative is merely an attempt to consolidate the separate branches of state-owned enterprises (LTRC and LRT), which is a plausible interpretation.[64]

On 30 June 2011, Parliament amended the Law on Lithuanian National Radio and Television. Specifically, section 5 of paragraph 5 was changed, stating that National Radio and Television should be availed of radio frequencies (channels) sufficient for one terrestrial digital television network of national coverage. Such a network can be used only for broadcast of radio and television programs created by National Radio and Television, and it is forbidden to use it for other commercial activity, or retransmission of alternative radio and television programs.

The number of programs is fixed by the Commission of Lithuanian Radio and Television according to the request presented by the Board of the National Radio and Television which is based on an already approved budget allocation.

Such a move may have a negative impact on competition, putting commercial broadcasters at a disadvantage as no other channel besides LRT will have its own digital broadcasting network.

At the same time, some indirect competition may be emerging from other transmission technologies. For example, the wide adoption and development of WiMAX (4G) technology and further implementations of 3G solutions undermine the domain of digital terrestrial television since these technologies can also provide adequate signal quality in "almost real-time". In the WiMAX case, the local provider has even successfully carried out some public test broadcasts of all major national television channels.

5.2   Digital Gatekeeping

5.2.1   Technical Standards

The decision to adopt the MPEG–4 (H.264) standard has not been publicly discussed. Since MPEG–4 supporting television sets became widely available only 1–2 years ago (i.e. in 2009–2010), it became necessary for owners of sets made in 2005–2008 to obtain a special MPEG–4 kit. The decision on digital video broadcasting (DVB) standard was also made without public discussion—it was a decision of "closed circuit" experts

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63.   "Komerciniai transliuotojai teigia, kad valstybė turėtų skatinti konkurenciją, o ne suteikti išskirtines sąlygas LRT" (Commercial Broadcasters Claim the State Should Promote Competition Instead of Giving Preferential Treatment to LRT), 15min.lt, 19 December 2010, available at http://www.15min.lt/naujiena/aktualu/lietuva/komerciniai-transliuotojai-teigia-kad-valstybe-turetu-skatinti-konkurencija-o-ne-suteikti-isskir-tines-salygas-lrt-56-129712 (accessed 27 December 2010).

64.   "LRT—Kam reikalingas atskiras transliavimo tinklas?" (LRT: What is an Independent Broadcaster Needed For?), Uagadugu.lt, 20 December 2010, available at http://uagadugu.lt/2010/12/lrt-kam-reikalingas-atskiras-transliavimo-tinklas/ (accessed 27 December 2010).

5.2.2 Gatekeepers

Currently, "must carry" obligations exist for all free national television channels (i.e. all broadcasters, including digital versions, must make these programs available). On 30 September 2010, Parliament adopted an amendment to the Information Law, which defines that from 1 July 2011 only two public service channels (LTV and LTV2) remain on "must carry" status.[65] This creates a competitive advantage for LRT.

The Association of Lithuanian Cable Television Operators adopted a digital broadcast-related resolution[66] after its yearly conference on 8–10 June 2011. Members of the association agreed to continue cable analog transmission after the switch-over date (29 October 2012) as long as its 350,000 (out of 650,000) user base (using analog signal) requested such a service. Moreover, the Association calls for a rule that the cable signal should be free of charge as long as similar terms are applied to terrestrial broadcasts.

Meanwhile, state-owned LRTC is the main player in "free channel" provision. Although "must carry" requirements apply to all market players, the rules' implementation at the Teo LT and Balticum television networks makes them second-choice at best, because there is no reason for viewers to pay extra for relatively little added value (in comparison to the 14 free channels provided by LRTC).

Other fields of possible gatekeepers' mismanagement:

- Conditional Access Systems (CAS)—not a major concern in Lithuania, because only a minor fraction of users use paid services; moreover, it has no impact for public service media;

- Multimedia Interface (API)—no issues reported in Lithuania due to low adoption (if any) among the user base;

- Subscriber Management Systems (SMS)—employed by Teo LT and satellite broadcaster Viasat, but has no effect on public service media as those channels are in the "free" package;

- Electronic Program Guide (EPG)—a minor issue for the user base, as EPG service is seldom used due to low competence of the users. Meanwhile, not all networks provide EPG data for all channels; some of them provide partial data (e.g. special Lithuanian symbols are not used for all the channels)[67];

- Multiplex (MUX)—no issues reported in Lithuania.

5.2.3 Transmission Networks

There is no evidence that transmission network operators have in any way interfered with the distribution of spectrum resources. The distribution protocol is quite transparent and competitive.

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65. Law on change and amendment of Articles 2, 22, 24, 27, 27(1), 33, 36 of the Information Law, 18 October 2008, available at http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=382801&p_query=&p_tr2= (accessed 27 December 2010).

66. Resolution of the Lithuanian Cable Television Association, 14 June 2011, available at http://www.lkta.lt/lt.php?Naujienos?51;1 (accessed 10 August 2011).

67. For more television programs with Electronic Programming Guide (EPG) on the first LRTC DBV–T network, see http://antzemine-skaitme-nine-tv.blogspot.com/2011/03/i-ame-telecentro-dvb-t-tinkle-padaugejo.html (accessed 10 August 2011).

The state-owned LRTC is the main player in the market for television transmission. Until telecoms operators stepped in, it had the transmission monopoly. Therefore, recent commentary (see the remark above on Uagadugu.lt) on the attempt to join up the public broadcaster and network owner, if accurate, suggests a serious threat to the competitive environment. On the other hand, relations between LRT and LRTC are tense, mainly because of a legal dispute on broadcasting tariffs, despite the fact that both LRT and LRTC in fact are state-owned institutions.[68]

5.3   Telecommunications

5.3.1   Telecoms and News

Cable television companies do not provide a full package of telecommunications services (such as fixed lines, internet services, and mobile networks), only the infrastructure for bringing content from the broadcasters to the customers. Therefore, this section looks at the fixed-line monopoly Teo LT and mobile operators Bitė GSM, Omnitel, and Tele2.

The first public tender for digital television licenses began in February 2004. Local telecoms companies took part almost from the very beginning, but mainly as carriers. Teo LT operates two digital networks (or multiplexes) which carry television programs and, as a result, today the former state-owned Teo LT network is the main telecoms player in provision of various digital television-related services. Among them are:

- **IPTV**—Branded as Interaktyvioji GALA. It provides up to 80 television channels, which are divided into "basic packages" of 50 channels and additional packages such as "Cinema", "Education", "Leisure", "Sports", "Children", and "News". Four of these are in high definition (HD) format. Additional services available: video rental, television recording, games, radio (11 Lithuanian stations), and karaoke.

- **DBV–T**—Commercial service packaged as Skaitmeninė GALA.[69] Currently it contains 45 television channels (available in part of the country, around 30 everywhere), out of which three ("Discovery Showcase HD", "National Geographic HD", and "Eurosport HD") are HD.

Teo LT in both above cases only delivers the programs, it does not create them.

The availability of fixed-line offers is basically limited to the cable available. Lithuania is one of the leading countries in the world in fiber cable-to-end-consumer penetration. According to Fibre-to-the-Home (FTTH) data, in June 2010, 284,000 households (20.96 percent penetration) had fiber-to-the-home connection, which puts Lithuania in first place for the whole EU.[70]

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68. "Teismas sustabdė bylą dėl 5 mln. litų LRT skolos, lauks sprendimo kitoje byloje" (The Court Paused Trial On LTL 5 million LRT Debt, Waiting For Decision In Another Case), Alfa.lt, 29 March 2010, available at http://www.alfa.lt/straipsnis/10338193/ (accessed 27 December 2010).

69. See http://www.gala.lt/skaitmenine (accessed 27 December 2010).

70. "Europe's New Member States continue to dominate the FTTH Rankings," Fibre to the Home—Council Europe, press release, 26 October 2010, available at http://www3.ftthcouncil.eu/documents/press_release/2010/PR2010_EU_Ranking_mid_2010_Final.pdf (accessed 27 December 2010).

While Teo LT is the only telecoms provider of fixed-line services, there is a far greater choice available among mobile operators. As of 30 September 2010, mobile operators had 187,100 broadband users—approximately 21.9 percent of all broadband connections, clearly offering a viable alternative to the fixed-line monopoly option.

Almost none of telecoms operators are currently involved in news content production. The only exception is Teo LT, which owns the news website Zebra.lt, which is among the top 10 most popular Lithuanian news websites.

Table 22.

Growth of broadband penetration level in Lithuania, 2005–2010

	Number of broadband users	Penetration level, %
2005	197,300	5.8
2006	315,400	9.3
2007	517,700	15.4
2008	668,000	19.9
2009	775,500	23.2
2010	853,500	26.2

Note: This table includes mobile broadband users.

Source: Report on Electronic Communications Sector (Q3 2010), RRT, Vilnius 2010.

5.3.2 Pressure of Telecoms on News Providers

In 2003–2005, the then-leading mobile operator Omnitel invested heavily in content-rich mobile applications and was a driving force behind mobile internet development. Now, however, the development of news and information is left to newsgathering companies and is not of interest to data carriers, who appear content to concentrate their business on communications services.

5.4 Assessments

In November 2010, the LRT Commission issued an overview of the "status of digital television".[71] It states that terrestrial digital television is available to almost all Lithuanian citizens. Terrestrial digital stations are in operation in 29 cities, and viewers can access 14 free television channels—12 local plus BBC World News and TVP Polonia—which is much more than in neighboring countries and the majority of EU member states. Commercial terrestrial digital television services are provided by two companies. The Teo LT offer has

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71. "Skaitmeninės TV diegimo raida" (Development of Digital Television Adoption), The Radio and Television Commission of Lithuania, available at http://www.rtk.lt/lt/skaitmenine_televizija/skaitmenines_tv_diegimo_raida (accessed 27 December 2010).

a package of 26 paid channels and three HD channels in the Vilnius region. Balticum TV offers a package of nine paid channels. According to Commission data, 10 percent of viewers used digital terrestrial television services in January 2010.

Spectrum allocation in Lithuania did not raise any serious doubts due to poor commercial prospects in the coming years. Some companies even withdrew from the process due to the economic downturn and weak economic prospects. Policy decisions to lower the "must carry" threshold are unlikely since this would probably raise costs for viewers. It is not connected to the process of spectrum allocation, where a healthy level of competition is assured in the public tender procedures. Nevertheless, accessibility of services will most probably suffer, when fewer and fewer channels will be provided for free after 1 July 2011.

An existing legal framework includes many safeguards for the protection of the public interest and minority groups. On the other hand, the lack of watchdog organizations makes it almost impossible for the public to monitor the switch-over process, which is effectively controlled by a small group of officials. Thus there is concern that the process may be unduly influenced by equipment producers or television programming distributors to benefit them commercially.

6. Digital Business

6.1 Ownership

6.1.1 Legal Developments in Media Ownership

The Lithuanian media market is governed by Law I–418, the Information Law, adopted in 1996 and revised in 2006.[72]

The Law does not include specific provisions on media concentration, but requires reporting when at least 10 percent of any broadcaster's shares change hands and requires written consent from the regulatory body—the Radio and Television Commission—when the owner of a controlling share of a broadcaster changes (Article 22).

Article 29 of the Law says that the State ensures fair competition and that the "dominant position in the field of provision of information to the public shall be determined in conformity with this Law and the Law of Competition." The Law of Competition does not have special provisions concerning media. It means that general provisions of the law are applied to concentration in the media market just as in any other sector.

Under the Law on Competition No. VIII–1099 of 1999, a dominant position "means the position of one or more entities in the relevant market facing no direct competition or able to have a unilateral decisive influence in the relevant market by effectively restricting competition. Unless proven otherwise, a single entity with a market share of over 40 percent is considered to have a dominant position in that market. Unless proven otherwise, each of a group of three or fewer entities that jointly hold the largest share, totaling more than 70 percent of a given market, will be considered to enjoy a dominant position."[73] A company found to have a dominant position may be fined by competition authorities (up to LTL100,000 (US$40,983) and may be ordered to reduce their market share. Generally this is determined by an investigation by the Competition Council. No investigations of the media market have been conducted to date.

The two laws have not been revised in relation to the regulation of media ownership in the last five years.

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72. Republic of Lithuania, Law on Provision of Information to the Public, No. I–1418, Vilnius, 2 July 1996, available at http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=286382 (accessed 5 November 2010).

73. Republic of Lithuania, Law on Competition, No. VIII–1099, Vilnius, 1999, available at http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=354686 (accessed 5 November 2010).

6.1.2 New Entrants in the News Market

The Lithuanian media market has been fiercely competitive since the country regained its independence in 1990.

A number of media groups had been established during the 20 years since, the market saw many new entrants and dropouts, but no group comes close to dominating in any of the media segments.

The Norwegian Schibsted Media Group probably was the most important foreign player among all those that appeared on the Lithuanian media market in the period of 2005–2010. It began by publishing a free daily, *15 minuciu* (15 Minutes)*,* in September 2005, which was followed by the 15min.lt news website, launched in August 2008. In June 2010, 15min.lt began offering live broadcasts of all Lithuanian television channels.

In 2006, Schibsted also acquired a 51 percent share in the daily *Ekstra zinios* (Extra News) from the local media group Lietuvos rytas. It was renamed *LT* and positioned to compete with the most popular tabloid, *Vakaro zinios* (Evening News), published by the local Respublika group. However, Schibsted failed in this challenge and closed the newspaper in October 2008.

Another Norwegian media group, Orkla Media, which had owned the daily *Kauno diena* (Kaunas Daily) since 1998, sold it in 2006 to the local investment group Hermis Capital. The latter soon acquired the regional daily *Klaipeda* and in 2007 started a Vilnius newspaper, *Vilniaus diena* (Vilnius Daily). The group also launched the Diena.lt news website in 2009, which was listed among the top 10 Lithuanian websites at the end of 2010. All three newspapers and the website were united in the media holding Diena Media News, and the controlling share in this holding was sold in May 2010 to the Baltijos imoniu finansai company, which previously mainly acted as a financial consultancy and was a complete newcomer to the media market. Its revenues in 2009, before the acquisition of Diena Media News, were a mere LTL154,000 (US$63,155), while shares of Diena Media News were bought for LTL24 million (US$9.84 million). The transaction was reportedly financed by the Kaunas-based local bank Ukio bankas and some experts believe that in fact it was the bank that took control of the Diena group.[74] The main shareholder in Ukio bankas is a local Lithuanian businessman, Vladimir Romanov, who also owns a basketball club in Lithuania, a football club in Scotland, and different companies including an investment group in Lithuania, Bosnia and Herzegovina, Belarus, and other countries.

Another new entrant in the market was the news website Alfa.lt, which launched in August 2006. This was an important step by the local group MG Baltic, which also owns the second most popular television channel LNK and a number of magazines. MG Baltic also owned a controlling 57.92 percent share in the news agency ELTA, but sold it to the Respublika media group in October 2005.

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74. D. Radzevičius, "Kas laukia žurnalistų pasikeitus leidinių savininkams? Tikiuosi, nieko blogo" (What a Change of Publishers Means to Journalists? I Think, Nothing Bad), Dainius.org. 7 June 2010, available at http://dainius.org/?tag=baltijos-imoniu-finansai' (accessed 26 March 2011).

August 2008 saw the launch of a new news website, Atn.lt. The media reported that the owners of the website are "Dutch investors";[75] however, these reports were subsequently not confirmed by official data. The website itself did not report its owners to the Ministry of Culture, as required by law, despite being in operation for three years, with no repercussions since the law does not provide for any sanctions.

The Lietuvos rytas media group also witnessed major developments in 2005–2010. The group, which had been publishing one of the leading dailies, *Lietuvos rytas* (Lithuania Morning), and one of the most popular websites, Lrytas.lt, as well as several different magazines, launched a new television channel, Lietuvos rytas televizija (Lithuanian Morning Television), in October 2008.

It turned out that the new project was poorly timed as Lithuania entered a period of severe economic crisis in 2009. The impact of the crisis on the group, which also owns a large printing press, was substantial. Economic conditions forced it to sell 34 percent of its shares to Bank Snoras in June 2009. It also ceased to publish the magazines *Ekstra* (Extra) and *Ekstra pana* (Mr. Extra) at the beginning of 2010. The largest shareholder in Snoras is Russian businessman Vladimir Antonov, who owns various assets in Russia.

6.1.3   Ownership Consolidation

New entrants and media consolidation in Lithuania during the last five years had a range of different effects on pluralism and diversity in Lithuanian media.

While the arrival of Schibsted certainly broadened the choice for different news and opinions, other new media outlets may have added to the scope of news, but not necessarily to news pluralism.

Lietuvos ryto televizija, for example, offered the audience a new understanding of news reporting with a daily hour-long newscast and daily topical interviews with politicians and key actors from other areas. This definitely contributed to the overall quality of news in the television market.

However, since the channel has basically been following the ideological line of the daily *Lietuvos rytas* and website Lrytas.lt, it doesn't contribute to the pluralism of perspectives.

The fact that Bank Snoras obtained a 34 percent share in the Lietuvos rytas group can also be seen as a threat to diversity, as it is very likely that news related to Snoras in all of the group's media will be covered less objectively, in a more favorable light than before the transaction.

Similarly, the website Alfa.lt is owned by the large business group MG Baltic, which has interests ranging from property to retail to alcohol production. Since MG Baltic also owns LNK television, it is unlikely that, as in the case of the Lietuvos rytas group, the website will contribute to the diversity of opinions. While no

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75. A. Gintautaite, "Startavo naujas žinių portalas" (A new news portal was launched), *Verslo žinios*, No. 154, 18 August 2008, available at http://archyvas.vz.lt/news.php?id=1852867 (accessed 11 November 2010).

quantitative studies confirming this kind of bias exist, it is the experience of many journalists interviewed in the course of this report.

There is also significant media ownership concentration by the Achema business group, which owns the television channel Baltijos televizija, daily *Lietuvos zinios*, and radio stations Radiocentras and Russkoje Radio Baltija. So, the tendency toward horizontal concentration in the media market creates a threat of media outlets being used as tools in promoting business interests instead of providing independent news, and informal analysis of these outlets does in fact confirm such fears. They frequently and prominently report positive stories related to Achema and its CEO Bronislovas Lubys's business interests, while omitting news that threaten these interests.

The possible implications of such a scenario were demonstrated in the case of the daily *Kauno diena* after its owner, Diena Media News, was taken over by Baltijos imoniu finansai group, linked to the bank Ukio bankas. Among its other interests, this bank owns the basketball club Zalgiris and has won a concession to operate a sports arena in the second-largest city, Kaunas.

In October 2010, two *Kauno diena* sports journalists, Dovile Kamarauskiene and Mindaugas Augustis, resigned, claiming that the leadership of the Zalgiris basketball club demanded that all reports about the club had to be cleared with the club's leadership prior to publication. "We see this as an attempt by the club's authorities and owners to censor the free press and trample on the basic principles of objective media," said the two journalists in their statement.[76]

Horizontal concentration of media outlets has made possible the cross-subsidization of non-profitable companies in the portfolio by the profitable ones, distorting the real situation in the market. For example, in the case of the MG Baltic-owned LNK television channel and website Alfa.lt, the *losses* of the latter may be covered by the profitable operations of the former. The same may be said about the Lietuvos rytas media group, which includes a daily paper, television channel, website, and printing house (before the crisis started, the newspaper was profitable and the television channel was not), and the media group owned by the Achema group, embracing a television channel, daily paper, and several radio stations.

6.1.4 Telecoms Business and the Media

The Lithuanian fixed-line operator and internet provider Teo LT is majority-owned by the Scandinavian TeliaSonera group. It entered the media market as early as 1998 when it launched one of the first internet news websites, Takas.lt. The website was later renamed Zebra.lt. Until 2009, the website was among Lithuania's top 10 websites, while in 2010 it ranked 12th.

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76. "Žurnalistai teigia paliekantys darbą dėl Romanovo aplinkos spaudimo" (Reporters Tell of Romanov Pressure on Work Environment), *Sporto savaite* (Sports week), 21 October 2010, available at http://www.sportosavaite.lt/index.php/Straipsniai/Zurnalistai-teigia-paliekantys-darba-del-Romanovo-aplinkos-spaudimo.html (accessed 18 November 2010).

In 2005, Teo LT participated in a tender for establishing a digital television network and won a license to establish one of two networks. It started to operate the network in July 2006. On 1 October 2006, Teo LT launched an IPTV-based digital television channel called Gala TV, so entering the Lithuanian television market. Gala TV does not produce its own programs but serves as a distributor of Lithuanian and foreign television channels using Teo LT's infrastructure.

In December 2006, Teo LT made a deal with multichannel cable television operator Mikrovisatos TV to purchase a 100 percent share in the company which then accounted for about 8 percent of the cable television market.[77]

In January 2008, Teo LT concluded a deal to obtain a 100 percent share in Nacionaline Skaitmenine Televizija (National Digital Television), which had a license for rebroadcasting television programs via terrestrial digital networks. The transaction turned Teo LT into the owner of two out of four digital networks in Lithuania, the only telecoms company with media holdings.

6.1.5   Transparency of Media Ownership

The Information Law requires media organizations to report their owners and governing bodies. Article 24 of the Law requires that all those holding more than a 10 percent share in any media should be reported. The data is collected by the Ministry of Culture, which makes it public on its website.

The requirements of the Law were not implemented immediately; in 2006, only 36 media organizations out of more than 500 reported their owners. Since then, the number has increased steadily; in 2007, ownership data on 197 media organizations was available, increasing to 468 in 2008.[78] One explanation for this improvement may be that the Ministry, despite having no formal sanctioning power for non-compliance, has been proactively encouraging the media outlets to register.

Despite the fact that most media organizations now report their ownership, current legislation does not provide for any sanctions for the abuse of this requirement.

Another problem is that, in some—albeit isolated—cases, formal ownership does not necessarily reflect the real situation, as in the case of the Diena Media News holding mentioned above and websites Balsas.lt and Atn.lt.

Even with these limitations, media ownership in Lithuania in general can be considered transparent.

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77.   "TEO ir 'Mikrovisatos TV' sujungs pajėgas plėtodamos skaitmeninę televiziją" (Teo and Mikrovisatos TV Have Joined Forces Through the Development of Digital Television), Tel LT, press release, 20 December 2006, available at http://www.teo.lt/press-archive/2006/523 (accessed 18 November 2010).

78.   Lithuanian Ministry of Culture, *Visuomenės informavimo politika* (Public information policy), available at http://www.lrkm.lt/go.php/lit/Visuomenes_informavimo_politika/206/6/179 (accessed 18 November 2010).

6.2 Media Funding

6.2.1 Public and Private Funding

The main source of media income in Lithuania is advertising. The total advertising spend increased steadily from 2001 to 2008, with some 40 percent annually going to television. Spending contracted sharply in 2009, when Lithuania entered a deep economic crisis and the print media suffered the heaviest blow.

Table 23.

Advertising spending in Lithuania (net, LTL million)

Media channel	2005	2006	2007	2008	2009	Change 2009/2008, %
Television	155	187	227	231	145	−37.2
Newspapers	106	120	124	135	72	−46.7
Magazines	44	53	63.5	70	36	−48.6
Radio	25.5	28	34	39	28	−28.2
Outdoor	25	29.6	32	36	23	−36.1
Internet	8	12	16	30	20	−33.3
Total	363.5	429.6	496.5	541.0	324.0	−40.1

Source: TNS annual media survey, 2010.

The advertising market appeared to be recovering slowly in 2010, compared to the previous year.[79] But advertising is not returning to all media channels. While the volume of advertising in television, radio, and on the internet grew by 21.4 percent, 12.2 percent, and 34.1 percent respectively, advertising space in newspapers and magazines contracted further by 6.8 percent and 5.1 percent respectively.

Based on the above data, one can presume that print media not only suffered the most during the crisis, but also that they are unlikely to recover to pre-crisis levels and some of their earlier income will be redirected to internet media.

There are no data on how much advertising revenue comes to media organizations from the state budget; media do not investigate this and no other party seems interested in finding out. It is speculated that amounts may range from LTL30–60 million (US$12.3–24.6 million) per year, but there are no hard data. However, the 2009 advertising survey showed that public institutions ranked eighth among advertised product groups, led by retail networks, mobile operators, and yogurts.

Direct state support to media organizations in Lithuania is distributed via the Press, Radio and Television Support Fund (*Spaudos radijo ir televizijos rėmimo fondas*, SRTRF). The Fund mainly finances cultural projects and projects aimed at children, allocating money to all kinds of media based on applications.

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79. TNS, "Reklamos apimčių apžvalga, 2010 sausis-birželis" (Advertising Market in January–October 2010), available at http://www.tns.lt/lt/
ziniasklaidos-tyrimai-reklamos-monitoringo-tyrimas-duomenys-reklamos-apimciu-apzvalga-2010-sausis-birzelis (accessed 22 November 2010).

Figure 8.

Distribution of state support to Lithuanian media via SRTRF (LTL million) in 2006–2010
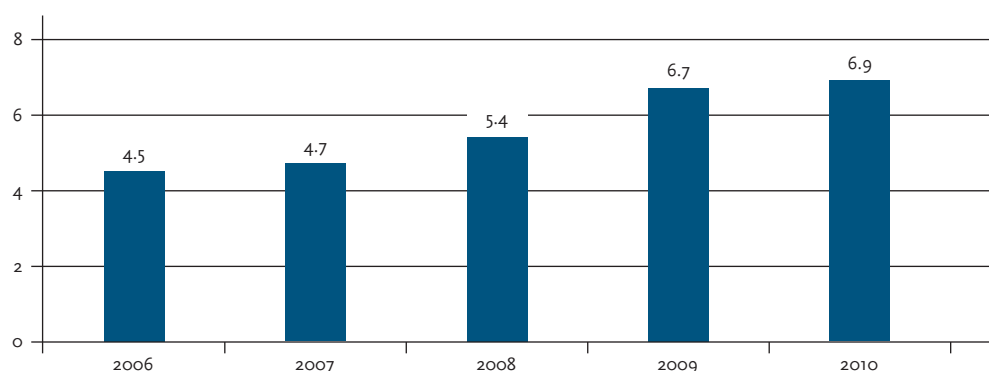
Source: SRTFR data.[80]

Since 2008, internet projects have received LTL0.7–1.0 million (US$286,885–409,836) each year. The news portal Bernardinai.lt enjoyed the largest support, with allocated funds ranging from LTL155,000 (US$63,524) to LTL175,000 (US$71,721) per year.

In addition to support for culture and education projects, SRTRF distributed sums of LTL4.3 (US$1.76 million) and LTL1.0 million (US$409,836) to newspapers in 2009–2010, to compensate for the losses incurred by increased VAT and delivery costs respectively.

The public broadcaster draws its funding from all the State budget, advertising, and EU funds.

Table 24.

Structure of LRT revenues[81] (LTL million)

	State budget funds	EU funds	Advertising revenue	Total
2007	39.5	2.1	31.4	73.0
2008	44.2	1.9	35.3	81.4
2009	36.7	2.1	21.0	59.8
2010f	35.0	n/a	n/a	n/a
2011f	42.0	—	—	—

Note: f: forecast

Source: Report of State Audit of LRT.

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80.   See the website of Spaudos radijo ir televizijos rėmimo fondas (Press, Radio and Television Support Fund), available at http://www.srtfondas.lt/ (accessed 26 March 2011).

81.   *Valstybinio Audito Ataskaita Viesosios Istaigos Lietuvos Nacionalinio Radijo ir Televizijos Veikla* (Report of the State Audit on the Activity of the Public Organization LRT), National Audit Office of Lithuania, 26 March 2010, available at http://www.vkontrole.lt/auditas_ataskaita. php?4090 (accessed 21 December 2010).

6.2.2 Other Sources of Funding

EU support has been another considerable source of media income in the last few years. Although no figures are available on how much money different ministries and other public institutions spent on publicity out of the EU funds, some experts say that the total annual amount spent on different media projects exceeds LTL50 million (US$20.5 million).

The news website Bernardinai.lt also tries to raise money from its readership through donations. The amount of donated money is displayed on the Bernardinai.lt front page and averages about LTL10,000 (US$4,098) per month.

6.3 Media Business Models

6.3.1 Changes in Media Business Models

The rapid growth of internet penetration and the development of the digital television platform in Lithuania combined with the deep economic crisis in 2009 had an impact on media business models. The most noticeable was the migration of print media to the internet.

The web news market is shared between pure online news businesses and publications that formerly were print-only, with pure online news being more popular in general. Not all "conversion" attempts by print publications were successful. Some (*Lietuvos rytas*, Lrytas.lt) and the free metropolitan newspaper, *15 minuciu* (15min.lt) did very well (second and fifth most popular news websites in the country, respectively), some (*Respublika*, Respublika.lt; and *Lietuvos žinios*, Lzinios.lt) failed to capture a web audience. The widely publicized entry into the digital market by the Diena Media Group (Diena.lt) met with mixed success, establishing itself at the bottom of the top 10 Lithuanian websites, as tracked by gemiusAudience.[82]

Most of these transitions took place at the expense of the print operations of these outlets. For example, newspapers owned by the media holding Diena Media News and the dailies *Lietuvos rytas* and *15 minuciu* which already had websites prior to the economic slowdown, began cutting their print output and investing in the websites. *Lietuvos rytas*, for example, stopped publishing several of its print supplements and added more video reports and other features, such as lectures and book reports, to its website Lrytas.lt. *15 minuciu* stopped publishing as a daily and now comes out three times a week, but at the same time it started television broadcasting on its website 15min.lt.

The largest news website, Delfi.lt, has been expanding its content sections and plans to modernize its interface in 2011.

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82. Gemius Baltic, gemiusAudience, available at http://www.audience.lt/ (accessed 1 April 2011).

It was widely expected in 2010 that the business daily *Verslo zinios* would introduce a paywall around its web content sometime this year. The publisher decided, however, to postpone paid access; for now, readers are only required to register for free access to web content.

The weekly magazine *Veidas* also strengthened its website in 2009, offering real-time news. At the end of 2010, the monthly magazine *IQ* announced plans to start its website in early 2011. It is difficult to assess from these recent reports how much these examples will turn out to be viable business models, because of 1) the major impact of the crisis, and 2) they do not separate income from web and print.

However, it is worth noting that the internet advertising market has recovered in 2010 and continues to grow in 2011, while advertising in print has been stagnating or even further shrinking, as in the case of newspapers.

The contraction of advertising revenues and additional tax burdens on journalists and media businesses in 2009 (various print media faced VAT increases ranging from 5 to 21 percent, and for all media outlets the tax on journalists' salaries and an additional 30 percent of social tax were imposed) were accompanied by salary cuts and massive job losses among print media editorial staff. *Lietuvos rytas* and *Verslo zinios* reportedly made up to 25 percent of their journalists redundant during 2009.

The development of the digital television platform has been steadily increasing the number of households using digital television, and has offered new and cheaper—compared to terrestrial broadcasting—possibilities for new broadcasters. The example here may be *Lietuvos ryto televizija*, which uses the digital network of Teo LT instead of the network operated by the state-owned Telecentras company.

Gala TV, operated by Teo LT, offers not only the possibility to watch television channels, but also to rent a movie online, with payment added to the bill.

6.4 Assessments

Digitization did not dramatically change the Lithuanian media market, which for a long time offered a wide range of resources with no section monopolized by any larger media group.

However, the development of internet and digital television eased the entrance of new players and without doubt expanded the choice of news and diversity of opinions.

No direct political involvement in media and its content has been observed in Lithuania in recent years, at least in national media. Some regional media outlets, however, are indirectly owned by politicians, which raises doubt about the plurality of opinions there.

The transparency of ownership in the media market has been increasing in the last few years, although this is not directly linked to digitization. One reason for this is the development and improvement of the overall business culture.

In recent years, the media market has seen continuing attempts at horizontal concentration by local business groups. This process sometimes had detrimental effects on media pluralism and ethics.

However, the new entrants to the market and the rapid development of internet media compensated for these negative effects and had a positive impact on media diversity in Lithuania.

Advertising revenue has remained the main source of income for all kinds of outlets. The sharp decline of advertising revenue in 2009 had a negative impact on all media outlets; however, 2010 brought the first signs of recovery for television and internet advertising. In print, advertising in 2010 continued to shrink, raising doubts about the sustainability of print media in the future.

Horizontal concentration creates conditions which allow potential politically motivated cross-subsidization among its components. In effect, if one part of a media company in the larger media holding operates with continuous losses, but is a useful property to hold on to from a political perspective, the owners may let another part of the same group, one that makes a profit, help cover these losses.

Large amounts of money related to promoting EU financial support, coming to media from public institutions, may also have a detrimental effect on pluralism as media institutions seeking this particular kind of public support may turn a blind eye to the institutions which are in charge of the distribution of the funds.

7. Policies, Laws, and Regulators

7.1 Policies and Laws

7.1.1 Digital Switch-over of Terrestrial Transmission

7.1.1.1 Access and Affordability

Lithuania plans to switch off analog television broadcasting on 29 October 2012. Preparations for digital switch-over started in 2003 when the Government adopted a Strategy on Allocation of Radio Frequencies for Radio and Television Broadcasting (hereafter, the Strategy on Spectrum Allocation).[83] The Strategy on Spectrum Allocation describes how the digital networks should be developed and provides for changes of legislation required for the switch-over.

On 27 November 2004, the Government confirmed the Model for the Installation of Digital Television (hereafter, the Model for Installation),[84] which provided that at least five television programs should be accessed by the public without charge, including two channels of the public broadcaster. It was also stated that the analog signal may be gradually switched off when 90 percent of households in the territory covered by the analog transmitter to be switched off are able to access digital television.

The Program for the Analog Terrestrial Television Switch-off and Development of Digital Television (hereafter, the Program),[85] adopted by the Government on 24 September 2008, repeated the above requirement on coverage and set the exact date for the analog television switch-off. The Program also requires that 95 percent of households with access to television are able to see programs delivered by cable or digital terrestrial television. Another target was to ensure that the public's expenses related to switch-over are effectively compensated and that 95 percent of households are technically equipped to access digital television.

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83. Strategy on Spectrum Allocation.

84. *Dėl skaitmeninės televizijos diegimo Lietuvoje modelio patvirtinimo* (Model on Installation of Digital Television in Lithuania), Republic of Lithuania, available at http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=245942 (accessed 12 December 2010).

85. *Dėl analoginės antžeminės televizijos išjungimo ir skaitmeninės televizijos skatinimo Lietuvoje programos patvirtinimo* (Program for Analog Terrestrial Television Switch-off and Development of Digital Television in Lithuania), Republic of Lithuania, available at http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=386199&p_query=skaitmenin%EBs%20televizijos&p_tr2=2 (accessed 12 December 2010) (hereafter, Program for Development of Digital Television).

The Program also charged the Ministry of Transport with preparing and implementing an information campaign in 2009–2011 and required that special legislation on levels of compensation for digital television equipment should be ready in 2009.

7.1.1.2 Subsidies for Equipment

The above-mentioned special legislation on payment of subsidies for equipment required to access digital television was not adopted until 20 January 2010.

Not all households will be entitled to receive compensation for digital television equipment.[86] The subsidies are to be paid only to persons on low income upon proof that they are entitled to receive public benefits. It also requires that payment of compensation will start six months prior to analog broadcasting switch-off and will end three months after the transition.

The legislation does not provide for the amount of money needed for compensation. According to Rimvydas Vastakas, Vice Minister of Transport, some LTL25 million (US$10.3 million) will be needed,[87] which is to be paid by municipalities.

The problem, however, remains whether information on compensation will reach the public in time. The information campaign, originally planned to start in 2009, started very slowly in early 2011.

Nerijus Maliukevicius, the head of LRTK administration, points out that according to data available to LRTK, were analog broadcasting to be switched off at the beginning of 2011, some 30 percent of Lithuanian households would not have been able to access digital television,.[88]

A survey, released by the company Socialines informacijos centras in February 2011, also showed that "one third of Lithuanian households are technically not ready for the transition to digital television".[89] This raises doubts as to whether all households will be prepared to access the digital signal by 29 October 2012.

The problem seems to have become even more urgent as it was reported that the Ministry of Transport is considering plans to make the transition to digital television ahead of time—on 1 July 2012. Even though the law requires 90 percent capacity as a condition for switch-off, assessing that level with certainty will be difficult, so there will be a lot of room for speculation.

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86. *Dėl išlaidų, skirtų skaitmeninės televizijos priėmimo įrangai įsigyti, kompensavimo mažas pajamas gaunančioms šeimoms ir vieniems gyvenantiems asmenims tvarkos aprašo patvirtinimo* (Decision on Compensations for Digital Television Equipment), Republic of Lithuania, available at http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=364380&p_query=&p_tr2= (accessed 16 December 2010).

87. R. Vastakas, "Susisiekimo ministerija: Skaitmeninės televizijos erai esame pasiruošę" (Transport Ministry: We Are Ready For Digital Television Era), *Pinigų karta*, 5 March 2010, available at http://www.pinigukarta.lt/naujienos-nuomones/makroekonomika-naujienos/technologijos-naujienos/susisiekimo-ministerija-skaitmenines-televizijos-erai-esame-pasiruose (accessed 16 December 2010).

88. Interview with Nerijus Maliukevicius, head of administration, Lithuanian Radio and Television Commission, Vilnius, 20 December 2010.

89. "Dauguma šalies gyventojų teigiamai vertina Lietuvos perėjimą prie skaitmeninės TV" (Majority of Population Welcomes Lithuania's Transition To Digital TV), Lithuanian Transport Ministry, press release, available at http://www.transp.lt/lt/naujienos/10878 (accessed 17 February 2011).

7.1.1.3 Legal Provisions on Public Interest

Legislation describing the switch-over of terrestrial platforms in Lithuania in general does not have provisions regarding the public interest. It usually refers to the EU aim of abandoning analog broadcasting in member states and says that switch-over from the analog to digital platform aims at "ensuring more effective use of radio frequencies," "allowing the provision of more and more diverse services," and "creating better conditions for competition in the audiovisual services market."[90]

The Program set up the initial funding of LTL10.5 million (US$4.3 million) for the implementation of an information campaign with no specific details. The Program did not sufficiently provide for funding needed to compensate the public for the expenses on equipment related to switch-over.

7.1.1.4 Public Consultation

The initial legislation on switch-over of analog broadcasting was adopted without any public consultation or noticeable input from civil groups or non-governmental organizations. The Government mainly consulted with the Radio and Television Commission—a government institution, responsible for regulating the radio and television market—and the state-owned company Telecentras, operating the analog network and one of the two digital networks. The private telecommunications company Teo LT has also been involved in the consultation process after it won the tender to establish a second digital network in Lithuania.

On the other hand, there was no resistance to government switch-over plans and no viable proposals and initiatives had been presented by the public or civil society for public debate. While no hard data exist on why the public has not assertively pursued this issue, the answer may be as simple as the existence of a relatively immature and feeble civil society in Lithuania's young democracy.

7.1.2   The Internet

7.1.2.1 Regulation of News on the Internet

There are no special regulations on news delivery on the internet and mobile platforms. Provisions of the Information Law describe the basic requirements for news delivery, distribution, and content regulation in all media outlets including the internet. There are no provisions that with little adjustment might be inappropriately applied to the internet, such as defamation provisions. There have been no legal actions specifically against bloggers, which would have been different from complaints against mainstream media journalists.

7.1.2.2 Legal Liability for Internet Content

The legal liability for internet content is the same as for content in print media, television, or radio. Under the Information Law, the liability for content rests not with the author, but with the editor-in-chief, the head

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90.   Program for Development of Digital Television.

of the particular media outlet, or another person to whom the media outlet delegates the responsibility of creating content. The same regulations are applied to internet media. The Information Law also provides that when a person is the author and owner of the media outlet, he or she is responsible for the content. The latter provision formally would apply to authors of blogs.

Internet media also have an obligation to disclose the information to readers, who in their comments violate legal provisions on defamation or instigation of ethnic, racial, sexual, or religious hatred. Usually in such cases the internet media are required to report IP (internet protocol) addresses to the police.

The Information Law is basically liberal, ensures the independence of all media outlets, and protects it from interference by politicians or businesses.

Internet media have the same responsibilities as other media, which include a duty to publish a correction or to provide a reason for not doing so. The final rulings in conflicts between media (including internet media) and those demanding the right to publish a denial or correction are taken up by the courts.

7.2 Regulators

7.2.1 Changes in Content Regulation

The legal environment for media operations generally did not change over the past five years. Although the Information Law has been amended a few times during this period, those amendments did not include substantial changes on media content regulations.

The structure of media content regulators did not change in the last five years and no changes are being discussed in relation to the planned digital switch-over.

Basic regulation and licensing of broadcasters is concentrated primarily in the LRTK. Some regulatory functions in the area of advertising are attributed to the National Consumer Rights Protection Board (NVTAT), the Competition Council (*Konkurencijos taryba*), and the State Medicines Control Agency (VVKT).

The LRTK is responsible for organizing tenders for broadcasting and rebroadcasting licenses, as well as granting and setting fees for them. It also supervises whether broadcasters fulfill their license conditions and follow the requirements of the Mass Media Law. The LRTK is also authorized to monitor whether broadcasters follow the regulations on protection of minors and on hidden advertising. The perception of the media community is that the LRTK is not active enough in executing its powers and controlling the market.

However, the LRTK has no say in the monitoring of print and internet media content, which is overseen by self-regulating bodies and general legislation.

One of the problems in Lithuania's regulatory system is the separation of powers among regulators. While the LRTK can impose sanctions for violation of rules related to the protection of minors and some advertising rules, it does not have powers to punish violations of alcohol and medicine advertising regulations or misleading advertising. While this is not a major problem, it would be better if monitoring and control were concentrated in one institution. Then the procedures would be clearer and faster; currently, institutions sometimes do not agree which one has jurisdiction and it takes months to resolve. However, the LRTK has better tools for monitoring television programs compared to other institutions.

The National Consumer Rights Protection Board is responsible for overseeing the regulations on alcohol and hidden advertising.[91] As of September 2006, the Competition Council has been in charge of supervising deceptive and comparative advertising, which was previously within the realm of the consumer board.

The Council of Lithuanian Radio and Television (LRTT) is involved in the regulation of the public broadcaster. It has a formal obligation to approve the scope and structure of public broadcasting programs and to decide on the number of channels and their broadcasting time.

All decisions by the regulators on sanctions against broadcasters are published on their websites and available to the public.

7.2.2 Regulatory Independence

Although most of Lithuania's media regulators technically report to Parliament, in general they retain independence from politicians.

As described in section *2.1.1*, the 13 members of the LRTK are appointed as follows: one by the president, three by Parliament, and eight by non-governmental organizations (NGOs). The legitimacy of the NGOs in delegating representatives to the LRTK has been questioned because of their lack of representativeness. For example, the Lithuanian Journalists' Union (LŽS), which has the right to nominate members to this body, is not seen as representative of the journalism community, as many journalists are not members of the union. Another questionable example is the Lithuanian Congregation of Bishops, which is the only NGO with representatives in both the LRTK and the LRTT. The Congregation is also the only religious body that has been granted the right to nominate its representatives to the regulators.

On the other hand, the diversity of organizations nominating representatives to the LRTK limits any form of direct political influence—one member of the LRTK is appointed by the president, three by the Parliament, and the remaining nine by different NGOs.

The LRTK's managing director plays a key regulatory role, with responsibility for monitoring broadcasters' programs, implementing the LRTK's decisions, and drafting the institution's budget. The incumbent, Nerijus Maliukevičius, has been in office since 2002 and there are no term limits for the post.

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91. Commercial or political advertising disguised as editorial content.

The LRTK is financed by a levy of 0.8 percent on the total income of commercial broadcasters. According to some experts, this financing model forces the LRTK to take a soft and sometimes even compromising position toward commercial broadcasters, especially over compliance with advertising rules, because its interest is to help commercial broadcasters attract a higher income. The LRTK admits that it is not quick in applying financial sanctions against commercial broadcasters, but claims that it first tries to advise and warn them.

All regulatory authorities are theoretically independent from Government. But most of them are required by law to present their annual report to Parliament, which has no authority to reject or question the report. Two controversial decisions by the LRTK in the past two years showed the regulator coming under political pressure. On 29 March 2006, the LRTK banned all cable television operators from rebroadcasting Belarusian television programs. The decision followed reports on the first national channel of Belarusian television claiming that riots in Minsk in the aftermath of the country's presidential elections were organized at the behest of the EU, including the then Lithuanian Foreign Minister, Antanas Valionis.

The LRTK argued that it made this decision based on the Mass Media Law prohibiting disinformation and incitement to hatred. It also said that it took into account a resolution by Parliament at the time, which did not recognize the results of the presidential elections in neighboring Belarus. Cable television operators appealed the decision in court. A Vilnius administrative court rejected the appeal on 22 September 2006, bowing to the political climate of the day.

Another controversial decision was related to the animated series *Pope Town* which was broadcast by MTV Lithuania. On 22 March 2007, the LRTK imposed a LTL3,000 (€868) fine on the channel's director Marius Veselis, accusing the channel of airing "controversial" cartoons about Catholic clergy and the Pope. The LRTK's decision was based on the conclusions of the Journalists' Ethics Inspector, who found that the cartoons portrayed the clergy as "destructive", since they incited religious discrimination. However, a Vilnius court in December 2006 rejected the request of the Lithuanian Catholic Church to ban the broadcasting of the series. MTV's representatives said that they were surprised by the LRTK's decision, stressing that broadcasting the series in Latvia and Estonia had not provoked the same reactions as in Lithuania, where 80 percent of population is Catholic.

7.2.3 Digital Licensing

The general licensing rules are defined in the amended Mass Media Law, while the LRTK's Rules on Licensing of Broadcasting and Re-Broadcasting Activities provide a more detailed description of the licensing system.

Licensing procedures are generally clear and transparent. The LRTK's decisions can be appealed in court. The LRTK monitors how broadcasters fulfill their commitments under the license rules, but in reality no data are available on the outcome of its monitoring process. The licensing system itself does not present any major deficiencies, but in reality we do not know whether it is respected.

The only new element in the system since 2007 is an amendment to the Mass Media Law, authorizing licenses to be issued without a tender for "broadcasting and/or rebroadcasting of programs by electronic

communications networks, the main purpose of which is not the broadcasting and/or re-broadcasting of programs". In brief, that means that broadcast licenses can be awarded without a tender to companies that do not specialize in broadcasting, such as the telecommunications company Teo LT.

7.2.4   Role of Self-regulatory Mechanisms

The members of the self-regulatory body the Journalists and Publishers Ethics Commission (*Žurnalistų ir leidėjų etikos komisija*, LŽLEK) are appointed under a similar system as those of LRTK. However, only media institutions and non-governmental bodies delegate their members to LŽLEK.

The Journalists' Ethics Inspector—another self-regulatory office—is appointed by the national Parliament for a five-year term.

LŽLEK performs self-regulatory functions and monitors compliance with ethical standards. Its decisions on ethics are seen as guidance as it has no enforcement powers; however, if a media organization is found to violate ethics twice in a single year, it is denounced as unethical. Such a decision restricts the media outlet from applying for government support or participation in public tenders announced by government institutions.

Digitization has had no impact on self-regulatory mechanisms.

7.3   Government Interference

7.3.1   The Market

There is little interference from state authorities in the media market.

Tax reforms at the end of 2008, when VAT privileges for print media were revoked and taxes on authors' fees were increased, had a very negative impact on media finances. However, these measures were not directly aimed at hurting the media; the Government also abolished other tax privileges and increased taxes on other sectors in an attempt to consolidate the public finances.

State funding in the form of advertising and especially in distributing EU money does lack transparency and clear rules, and creates doubts about preferential treatment of particular media. For example, the Lithuanian Public Procurement Office said in April 2010 that the Ministry of Agriculture had violated the Law on Public Procurement when it bought advertising in three different outlets without an open tender.

At the end of 2010, the parliamentary Anti-Corruption Commission started an investigation on alleged violations of public procurement procedures conducted by few ministries for a total value of a few million Lithuanian Litas.

7.3.2 The Regulator

Different players on the media market have different views on the regulator's role. Zita Sarakiene, head of the commercial television channel LNK, sees the LRTK as an "unbiased institution, which in general conducts its duties well." Ms Sarakiene also points to the fact that decisions related to licensing must be approved by two thirds of the LRTK's members, which "basically rules out the possibility of abuse of power".[92]

On the other hand, Laura Blaževičiūtė, head of the commercial television station TV3, says that the composition and competence of the LRTK should be discussed. "It was established as a self-regulating institution, but now it is more regulator and controller than 'self-regulator'," Ms Blaževičiūtė says. She also raises doubt about the composition of the LRTK, noting the need for rotation and more explicit criteria for appointments.[93]

Edmundas Jakilaitis, head of the commercial channel Lietuvos Ryto Televizija, also says that the composition of the LRTK may need to be reviewed; he finds the appropriateness of organizations which nominate their candidates and the candidates' competence questionable. He also mulls the possibility of transferring the control of the content from the LRTK to some self-regulatory organization. In general, however, Mr Jakilaitis also agrees that the LRTK operates as an institution independent from the Government, and does not abuse its powers.[94]

However, speaking off the record, a few representatives from Lithuanian commercial television channels raised doubts as to whether the LRTK is needed. "It was created more than 10 years ago as an institution responsible for distributing state property, that is, frequencies. Now, when almost everything has been distributed, the existence of the LRTK makes no sense," said one representative, who like other experts, believes that the LRTK, which lives on donations from commercial channels, has become irrelevant and that its functions should be distributed among other existing institutions. They believe that regulation in respect of adhering to license conditions etc. is not needed.

7.3.3 Other Forms of Interference

As already stated, in general, state authorities in Lithuania do not exert pressure on media. The situation did not change with the arrival of digital media.

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92. Interview with Zita Sarakiene, General Director, LNK, Vilnius, 24 January 2011.

93. Interview with Laura Blazeviciute. General Director, TV, Vilnius, 27 January 2011.

94. Interview with Edmundas Jakilaitis. General Director, Lietuvos ryto televizija, Vilnius 27 January 2011.

7.4   Assessments

The overall framework of policy, legislation, and regulation ensures fair competition for all types of media in Lithuania. Licensing policy is fair and transparent; decisions by regulators may be disputed in courts.

The overall policies did not change with the arrival of digital media. Existing legislation has been applied to new types of media, and in general it guarantees the conditions for free and independent news production and dissemination.

The state authorities in general do not interfere with media content. However, distribution of EU money and public funds via advertising lacks clear rules and transparency, raising doubts about equal treatment of different media. This problem was particularly relevant during the economic crisis of 2009–2010, when the Lithuanian media faced particularly difficult financial circumstances.

The arrival of digital media and new technologies did not increase the number of public consultations. However, the Lithuanian authorities rarely use public consultations as a means for finding better solutions prior to taking decisions.
Digitization in Lithuania has not provoked major changes in legislation; in general, the same rules are applied for both traditional and digital media. Therefore, there has been no direct or indirect impact on pluralism, diversity, or dissemination in digital broadcasting.

However, it remains unclear whether the population will be equipped with the equipment needed to access digital broadcasters when analog broadcasting is switched off on 29 October 2012.

8. Conclusions

8.1   Media Today

Digitization in general positively contributed to overall diversity and pluralism of media in Lithuania. It also instigated a dialogue between media and their audience and encouraged dialogue between the public and authorities.

However, combined with the economic crisis of 2009–2010, digitization had a very negative impact on print media.

At the same time, although increasing the variety of news resources, the process of digitization did not contribute to the quality of news.

8.1.1   Positive Developments

- Growing internet penetration as well as development of mobile platforms and internet television have eased public access to news.

- Wider public access to internet and other digital platforms has increased the choice between different media and news resources, so expanding the variety of news on offer.

- Development of news websites initiated a dialogue between media outlets and readers, usually in the form of comments and forums.

- Free access to the internet and the low cost of it, together with the development of user-generated content (UGC), allowed the appearance of "social media" news, which contribute to the variety of news resources.

- Digitization and UGC served as a basis for online projects encouraging dialogue among the public and between the public and authorities.

- New entrants in the news market, i.e. internet news websites, internet television, and internet radio, contributed to media pluralism and diversity.

- Lower costs of internet media, compared to print media or television, decreased media dependence on advertising, purchasing capacity of the population, or public subsidies.

8.1.2   Negative Developments

- Migration to the digital platform and development of free internet news sites have considerably decreased readership of print media.

- Low costs and easy access to the internet allowed for continuation of horizontal concentration in the Lithuanian media market, with larger media groups aggressively increasing their presence, sometimes via cross-subsidizing.

- Internet media's striving for larger audience and poorly mediated UGC (e.g. comments) have a negative impact on content, which includes personal insults, and racist/xenophobic comments.

- A public notion of "free internet" and free content leaves internet media dependent solely on advertising revenues and projects subsidized by the Government, with no other sustainable and predictable source of financing.

- Anonymity in social networks and other UGC allows manipulation of content for business and political reasons.

- The online regime of news reporting and the urge to constantly produce new stories in order to attract readership has a negative impact on news content and does not encourage journalists to conduct more in-depth investigations.

- The role of headlines and pictures and the readership's attention to entertainment news in internet media has a negative impact on overall content.

- The legislation process lags behind speedy development of digital media leaving many sectors of it to complete self-regulation.

8.2   Media Tomorrow

The media environment has changed very rapidly over the last five years, so it would be difficult to predict what will be the developments in the future. However, based on statistical data and the findings of this report, it is possible to discuss the most likely developments in the Lithuanian media market during the next five years.

It must first be noted that developments in the media market will be closely linked with the technological developments and primarily with those related to digitization.

So, because of the analog broadcasting switch-off in 2012, it would be reasonable to anticipate growing competition in the television market as all channels will be equally available to the majority of the public at the same price. It is also likely that the television market will see some realignments in popularity ratings, as digital broadcasting allows for easier measurement on a broader basis compared to diaries currently filled in by a few hundred viewers.

Taking into account the rapid growth of internet penetration in Lithuania and the increasing number of internet users who use the web as a main source of news, it is reasonable to predict that news websites will continue to grow and that the competition among them will intensify. New internet news sites may appear and more "traditional" media will go online.

This will no doubt add to media diversity and pluralism overall. However, considering that the internet aims for the highest number of clicks, one can expect that the quality of content will deteriorate further. It is a well-established fact that it is scandals, sexualized content, and celebrities that generate clicks. The change in the design of internet websites such as 15min.lt, Delfi.lt, and Diena.lt in 2010–2011, where the stress was put on pictures and headlines, confirms this.

Technological progress will enable websites to offer their readers not only text news but also video, audio, and direct broadcasts on a regular basis. In turn, it will mean that the internet in the very near future should be seen as more of a competitor to television than print media.

At the same time, it would be reasonable to expect that internet media will start exploring how to generate income from users to ensure more sustainable models of financing. It is possible that the market will see attempts to charge readers, if not for all news, then at least for some parts of it.

The outlook for print media looks gloomy. Internet media have already taken over a large part of the newspaper readership and the economic crisis has cut income from advertising. In the future—with the arrival of technology-friendly customers—this process will become faster. It may sound wistful, but it may be that print media will lose its position and become a niche product over the next five years.

9. Recommendations

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

List of Abbreviations, Figures, Tables, Companies

Abbreviations

3G	Third-Generation Mobile Communications
API	Multimedia Interface
CAS	Conditional Access Systems
CEC	Chief Electoral Committee
CES	Lithuanian Social Research Center
DTT	Digital Terrestrial Television
DVB	Digital Video Broadcasting
EBU	European Broadcasting Union
EPG	Electronic Program Guide
EU	European Union
FTA	Free-To-Air
GDP	Gross Domestic Product
GNI	Gross National Income
HD	High Definition
IMF	International Monetary Fund
IP	Internet Protocol
IPTV	Internet Protocol Television
LGL	Lithuanian Gay League
LR	Lietuvos radijas (Lithuanian Radio)
LRT	Lietuvos nacionalinis radijas ir televizija (Lithuanian National Radio and Television)
LRTC	Lietuvos radijo ir televizijos centras (Lithuanian Radio and Television Centre)
LRTK	Lietuvos radijo ir televizijos komisija (Lithuanian Radio and Television Commission)
LRTT	Council of Lithuanian Radio and Television
LTL	Lithuanian Litas
LTV	Lithuanian Television
LŽLEK	Žurnalistų ir leidėjų etikos komisija (Journalists and Publishers Ethics Commission)

LŽS	Lithuanian Journalists' Union
MMDS	Multichannel Multipoint Distribution Service
MTG	Modern Times Group
MUX	Multiplex
NGO	Non-Governmental Organization
NVTAT	National Consumer Rights Protection Board
PBK	Pervyj Baltijskij Kanal (First Baltic Channel)
SMS	Subscriber Management Systems
SRTRF	Spaudos radijo ir televizijos rėmimo fondas (Press, Radio and Television Support Fund)
UGC	User-Generated Content
VVKT	State Medicines Control Agency

Figures

Tables

Companies

Achema

Balticum

Baltijos imoniu finansai

Bank Snoras

Bitė GSM

Bonnier

Diena Media News

ELTA

Facebook

Gemius

GfK

Google

Hermis Capital

Lietuvos rytas

Lietuvos Telekomas

LinkedIn

Lithuanian Radio and Television Centre

MG Baltic Group

Mikrovisatos TV

Modern Times Group

MTV Lithuania

Nacionaline Skaitmenine Televizija

Omnitel

Orkla Media

Respublika

Scanpix

Schibsted Media Group

Socialines informacijos centras

Teo LT

Tele2

Telecentras

TeliaSonera

TNS

Twitter

Ukio bankas

Viasat

YouTube

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

Open Society Media Program

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

Open Society Information Program

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

Open Society Foundations

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

OPEN SOCIETY
FOUNDATIONS