

# MAPPING DIGITAL MEDIA: **SLOVAKIA**



# Mapping Digital Media: Slovakia

A REPORT BY THE OPEN SOCIETY FOUNDATIONS

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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 policymakers, activists, academics and standard-setters across the world. It also builds policy capacity in countries where this is less developed, encouraging stakeholders to participate in 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 switch-over 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 **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: Slovakia

## Executive Summary

There have been waves of change in the provision of news and information services in Slovakia in recent years. Digitization has been variously implicated as a cause, catalyst or coincidence of such change. Some of the developments have been to the benefit of both consumers and citizens while others have come at a substantial cost to them.

In this context, the most definable and singular event was the digital switch-over of television, completed in 2012. However, in so far as enhancing and broadening access to free-to-air television was a key public policy goal, the digital transition was a failure. The proportion of television households that rely on the terrestrial platform fell from one-half to one-quarter during the transition period, between 2008 and 2012. Dynamic growth and competition in satellite made it a more attractive platform both in terms of cost and content. By 2012, the two terrestrial multiplexes offered only six free-to-air channels, all of them available on other platforms.

Public broadcasting has been the main loser, unable to meet the competitive challenge posed by rival commercial broadcasters on both terrestrial and pay-TV platforms. This is at least partly due to insufficient funding, and partly also to poor management, resulting in missed opportunities to broaden the reach of public service media in the digital age. The only new public service offering on television was a sports channel launched in 2008 but folded in 2011, and the quality of its online presence has remained poor in comparison with other broadcasters.

A more successful story has been the roll-out of broadband which in 2011 accounted for 99 percent of all internet households. These in turn had grown as a proportion of the population from one-tenth in 2005 to almost one-half in 2010. But Slovakia has yet to overcome significant digital divides along lines of demographics, education, and income, and there are signs that some of them may be deepening—especially digital literacy.

Nevertheless, the reach of online news is increasing year on year. In 2008, 12 percent of the population was already using the internet as their main source of news and information. Five news providers are consistently ranked among the 10 most visited websites, and of these, two are pure-play services independent of legacy media.

Much of the growth of internet news has come at the expense of radio and newspapers which are used as a main source of news and information by only around 10 percent of people, according to recent survey data. The decline in newspapers has disproportionately affected the good-quality and regional press, whose circulations have fallen by up to 25 percent and 30 percent respectively between 2005 and 2011.

Television still remains the dominant source of news and information and on this platform the flagship bulletins of commercial broadcasters have the broadest reach. One significant change coinciding with the digital transition has been an increase in the duration of the main evening news programs on commercial channels. The extended duration enabled commercial broadcasters to capitalize on deregulation in 2009, permitting the inclusion of advertising breaks within news bulletins. The public broadcaster's retention of shorter, ad-free news programs did not stop its audiences from haemorrhaging.

At the same time, however, the increased duration of commercial news programs did not coincide with improvements in quality. Nor did it turn the tide of a long-term trend of tabloidization in television news. At the same time, the rapid growth of online news has so far failed to significantly diversify the overall news offer. Much of online news content is recycled from press agencies or other outlets, with little if any investment in original news gathering.

The distribution channels for media content have diversified more broadly, creating new spaces for the expression and representation of minorities. A range of initiatives run by civil society groups have proved effective in widening the public sphere, crucially by establishing links between online and conventional media platforms. A current series produced by the Roma Press Agency for public television is exemplary in this respect, capitalizing on multi-platform strategies and the reduced costs of audiovisual media production.

Digital media have also enhanced political diversity and reduced entry barriers to mainstream politics. The Freedom and Solidarity Party was dubbed the internet party after it came third in the 2010 general elections. This followed just two years of existence, building grassroots support almost exclusively through digital channels.

Digital media have also to some extent re-energized civil society activism, largely dormant since the fall of Soviet communism in 1989. Social media in particular have been instrumental in generating and mobilizing waves of protest against political corruption as part of a broader civic initiative. Despite its eventual disintegration, this initiative directly influenced the results of the last parliamentary elections.

But there have also been notable failures in the context of digital activism. Recent attempts to mobilize direct action in line with the global Occupy movement, for instance, have not gained much traction in Slovakia.

This suggests that digital communications may not be as significant as political and cultural contexts in determining the outcome of activist initiatives.

Whilst digital tools of communication have not been particularly instrumental in fueling direct action and social movements, they have proved very effective in enhancing transparency, accountability, and citizens' engagement. Several non-governmental organizations have created projects that capitalize on digital tools in order to make information about public finances and government decision-making more accessible to an ever wider audience.

Such projects have served to broaden the scope and definition of investigative journalism, and have both drawn on and fueled a watchdog culture aimed at exposing political corruption. The opportunities for source anonymity and data storage online have encouraged whistleblowing and new platforms inspired by the WikiLeaks model. But the actual work of investigative journalism remains largely the preserve of newspapers. Exceptional outlets in the blogosphere producing in-depth and analytical content have tended to focus on critically evaluating mainstream media output rather than conducting original investigations. On television, the last five years has seen a marked decline in investigative reporting, manifested in the closure of one flagship current affairs program and a gradual move away from serious political topics in other outlets. There is little evidence that the longer-form news bulletins have since picked up the slack in investigative reporting.

Journalists in print news have been quick to develop new multimedia skills and this has made online news content more accessible. But increasing time pressures have militated against editorial input. As a result, fact-checking and source verification have been significantly compromised in online news. This has meant that the space for good-quality, in-depth journalism has been increasingly restricted to non-tabloid newspapers that confront long-term decline in their market share.

Attempts by newspapers to navigate themselves out of the funding crisis have demonstrated some, albeit limited, potential. This is mainly in the provision of specialist news content via a collaborative pay-wall. The key distinctive feature of this pay-wall is that it enables providers to continue to offer daily news content for free, while restricting certain features to paid-up subscribers only.

But new business models are of no consequence to public service broadcasting, which is facing an unprecedented budgetary crisis. The decision to switch the conditions for license-fee payment from the ownership of devices to the use of electricity in the household did not offset the shortfall caused by the banning of advertising on public service television. Late in 2012, Parliament passed legislation that preserves the license fee as the foundation of public service funding.

State regulators of the media, for their part, have proved vulnerable to commercial capture, particularly in digital licensing. This has produced a monopoly in the operation of television multiplexes and a de facto duopoly in commercial terrestrial broadcasting. At the same time, there has been somewhat of a policy vacuum over the distribution of white spaces. Meanwhile, self-regulatory institutions remain generally

weak, particularly in newspapers. Since its inception, the press council has been constrained by low levels of publicity, a protracted decision-making process, and only limited participation among the major players.

Clearly then, with digital switch-over out of the way, there remains an urgent need for reform in a number of areas. A renewed policy focus is warranted in order to meet the continuing and evolving challenges that digital media pose to the provision of accessible, sustainable, independent, diverse, and good-quality news.

For the sake of effective and public-spirited use of the frequency spectrum, decision-makers (such as the Telecommunications Office or the cabinet) should heed the overriding objective of maximizing its economic and content value in terms of the plurality of offered content and the diversification of its providers, when deciding on how to use the digital dividend.

From the public service viewpoint, the government should develop a model for funding Radio and Television of Slovakia (*Rozhlas a televízia Slovenska*, RTVS) that complies with legal content recommendations and is financially sustainable. RTVS management should carry out in-depth organizational and economic restructuring, and elaborate and implement a program development strategy with special emphasis on new media that provide new content, as well as opening new distribution channels.

Media effectiveness and quality depend directly on the legislative environment, which is why this report calls on government and parliament to uphold the public interest and the rules of fair economic competition over the political and economic interests of particular stakeholders. Regulatory bodies should respect the same principle, and prioritize professional over political criteria in personnel appointments.

## Context

The Slovak Republic emerged as an independent state on 1 January 1993, following the dissolution of the Czech and Slovak Federal Republic. The country is a multinational and multi-religious country dominated by Slovak and Roman Catholic population segments. Over half of its total population lives in towns with more than 5,000 inhabitants. Ethnic Hungarians represent the strongest national minority and the only minority with meaningful political footing at the national level: its leaders have been constantly represented in the country's parliament throughout its modern history. Between 1998 and 2006 and from 2010 until April 2012, parties representing ethnic Hungarians have been part of government.

The majority of the Slovak population belongs to the Catholic Church (Roman Catholics and Greek Catholics combined account for 66 percent) and the Evangelical Church (6 percent).

Slovakia developed a standard market economy by implementing fundamental structural reforms, especially between 1998 and 2006. Following its accession to the European Union (EU) and the North Atlantic Treaty Organization (NATO) in 2004 and further economic consolidation, the country adopted the single European currency effective since 1 January 2009. Between 2002 and 2006 it ranked among the fastest growing economies in the Eurozone.

These structural reforms, including the introduction of flat-rate income tax and investment incentives, boosted the inflow of foreign direct investments into Slovakia and subsequently catalyzed strong employment growth. Still, the main problems for the economy include high unemployment (particularly the high proportion of long-term jobless) and generous public expenditures that are reflected in constant state budget deficits.

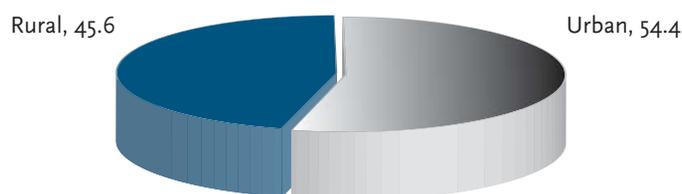
From the viewpoint of demographic development and its impact on the country's national economy, the principal challenge is reforming the pension system. Due to the steeply aging population, the pension system is unable to provide dignified social security to people who expect to retire over the next several decades.

# Social Indicators

Population: 5.44 million (2011)<sup>1</sup>

Number of households: 1.64 million<sup>2</sup>

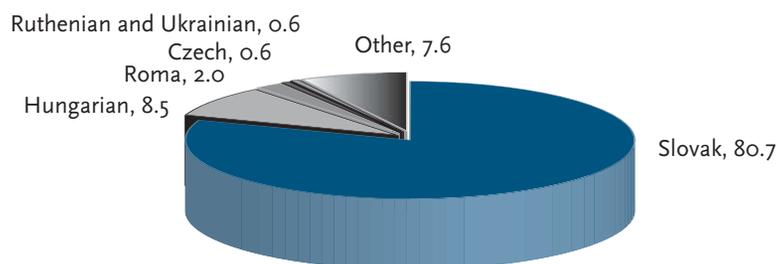
*Figure 1.*  
Rural–urban breakdown (% of total population), 2011



*Note:* Urban population is defined as population that lives in cities with over 5,000 inhabitants. The remainder is defined as rural population

*Source:* Statistical Office of the Slovak Republic, Population and Housing Census 2011, Bratislava, 2011

*Figure 2.*  
Ethnic composition (% of total population), 2011

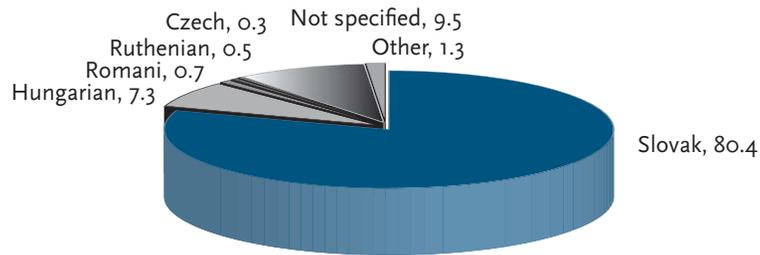


*Source:* Statistical Office of the Slovak Republic, Population and Housing Census 2011, Bratislava, 2011

1. See Statistical Office of the Slovak Republic, Population and Housing Census 2011, Bratislava, 2011 (hereafter Statistical Office of the Slovak Republic, Population and Housing Census 2011).  
2. Statistical Office of the Slovak Republic, Population and Housing Census 2011.

Figure 3.

Linguistic composition (% of total population), 2011

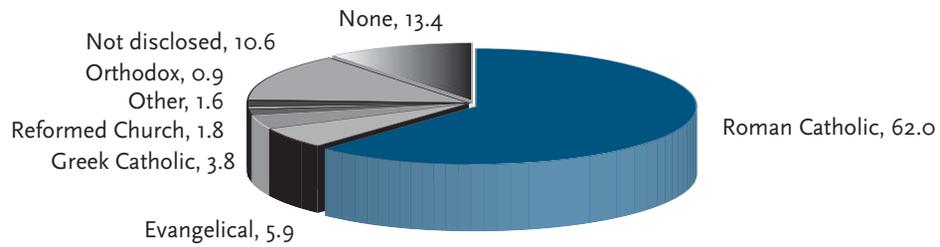


Note: The question in the census was about the language most used in public

Source: Statistical Office of the Slovak Republic, Population and Housing Census 2011, Bratislava, 2011

Figure 4.

Religious composition (% of total population), 2011



Source: Statistical Office of the Slovak Republic, Population and Housing Census 2011, Bratislava, 2011

# Economic Indicators

*Table 1.*  
Economic indicators

	2005	2006	2007	2008	2009	2010	2011	2012 <sup>f</sup>
GDP (current prices, US\$ billion)	47.9	55.9	75.1	94.7	87.4	87.2	96.0	91.1
GDP (current prices, US\$), per head	8,902	10,366	13,912	17,499	16,122	16,049	17,6430	16,726
Gross National Income (GNI), (current US\$), per head	15,720	17,810	20,220	21,680	21,340	21,880	22,230	n/a
Unemployment (% of total labor force)	16.1	13.3	11.0	9.5	12.0	14.3	13.5	13.7
Inflation (average annual rate, % against previous year)	2.7	4.2	1.8	3.9	0.9	0.6	4.0	3.6

*Notes:* f: forecast; n/a: not available

*Sources:* International Monetary Fund (IMF) (GDP, unemployment, and inflation); World Bank (GNI)

# 1. Media Consumption: The Digital Factor

## 1.1 Digital Take-up

### 1.1.1 Digital Equipment

Slovak households are well equipped for receiving media content. Almost every household owns a television set or a radio, and equally the proportion of households which have a PC and internet access has been rising year by year to reach the current level of more than two-thirds of all households.

*Table 2.*

Households owning equipment, 2005–2011

	2005		2006		2007		2008		2009		2010		2011	
	No. of HH ('000) <sup>3</sup>	% of THH <sup>4</sup>	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH
TV set	1,623	99.0	1,623	99.0	1,623	99.0	1,623	99.0	1,623	99.0	1,623	99.0	1,623	99.0
Radio	1,640	100.0	1,640	100.0	1,640	100.0	1,640	100.0	1,640	100.0	1,640	100.0	1,640	100.0
PC	770	47.0	820	50.0	902	55.0	1,036	63.2	1,049	64.0	1,184	72.2	1,236	75.4

*Sources:* Calculations by OSF editors based on data from Ministry of Culture, Eurostat, and Statistical Office of the Slovak Republic

### 1.1.2 Platforms

The key year for digital switch-over was 2011, when the vast majority of analog frequencies were turned off. In reality, most households had started receiving digital television signals several years earlier, when they were switching to satellite reception. In the first half of the 2000s, satellite reception (now fully digitized) played only a minor role, with only two platforms offering these services. One of them—namely Skylink, formerly known as Slovak Link—offered only five basic channels available via antenna for a high entry fee with

3. Total number of households owning the equipment.

4. Percentage of total number of households in the country.

no recurring monthly fees. The other service, UPC Direct (today freeSat) offered a set of (mostly foreign) channels for a monthly payment.

The number of satellite households started increasing in the year 2006 when the Romanian operator Digi TV entered the market. Digi TV's product strategy has been based on a low monthly fee (approximately €10), a wide channel portfolio and no or very low entry fees on a one-year contract. Within a few years the operator's client base rose to about 250,000 households.

In the following years existing satellite operators started offering new channels and lowered their prices. New services entered the market (CS Link, Slovak Telekom's Magio Sat), creating greater competition leading to a growing channel offering (with and without monthly or other payments) and immediate rapid satellite take-up. Satellite became the dominant platform as the proportion of households which use it jumped from 37 percent to 49 percent between June 2009 and December 2011.<sup>5</sup>

Despite the fact that all satellite services offer channel packages for a fee, most customers opted for a package that includes about 20 TV channels with an initial entry payment and no further charges. The most successful operator offering this kind of service (in terms of customer numbers) has been Skylink, owned by the dominant digital terrestrial television (DTT) distributor Towercom, which reported 555,000 active decoding cards in August 2011. About 80 percent of these customers opted for a basic channel package without monthly fees.<sup>6</sup>

Digital transition on the cable television market has been slow and steady. Cable's market share decreased slightly from June 2009 to December 2011, from 42 percent to 39 percent, while internet protocol television's (IPTV) share declined from 14 percent to 10 percent.<sup>7</sup> The biggest cable operator, UPC Broadband Slovakia (with over 200,000 cable households), started offering digital cable services in 2007. Customers have been motivated to switch to digital by new channels or new services (such as high-definition television, HDTV). By the end of September 2011, 48 percent of UPC's cable households were digital.<sup>8</sup> The company lost only a small number of customers in the transition. The biggest competition to existing cable operators are the new IPTV services that usually have a lower penetration than cable services (due to the new infrastructure).

With the take-off of satellite, the introduction of digital cable services, and new IPTV services, the digital terrestrial platform, launched in late 2009, had very little to offer. By the end of the switch-over process the two multiplexes offered only six free-to-air channels, available on any other platform, although this number is higher in many areas with cross-border reception. The main advantages of DTT compared with other platforms are the low cost of necessary equipment and no charges for any decoding card.

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5. Data from the evaluation report for the information campaign to support the process of transition to DVB-T. The report was discussed by the government on 1 August 2012.

6. I. Krasko, "Skylink Satellite is going to beat cable" (Skylink: Satelit porazí káblovku), at <http://medialne.etrend.sk/televizia-spravy/skylink-satelit-porazi-kablovku.html> (in Slovak) (accessed 2 January 2012).

7. Data from the evaluation report for the information campaign to support the process of transition to DVB-T. The report was discussed by the government on 1 August 2012. (Note that the sum is more than 100 percent because many households use two or more platforms.)

8. T. Czwickovics, "In the third quarter more than 5,000 households switched UPC's analog cable TV for digital" (V treťom kvartáli vyše 5-tisíc domácností vymenilo analógovú káblovku od UPC za digitálnu), at <http://medialne.etrend.sk/digitalne-spravy/v-tretom-kvartali-vyse-5-tisic-domacnosti-vymenilo-analogovu-kablovku-od-upc-za-digitalnu.html> (in Slovak) (accessed 2 January 2012).

Towercom has two more vacant multiplexes to use. It is likely that the company will use the frequencies to launch new paid services,<sup>9</sup> because existing broadcasters may start or plan new program services, but due to high costs they do not intend to distribute them via digital terrestrial multiplexes. This is the case with the Slovak news channel TA3 which did not sign a contract with Towercom for digital terrestrial broadcasting due to its high costs and decreasing demand, as over 80 percent of households can already receive the news program. TA3 finally joined the digital terrestrial multiplex (as a fifth channel alongside TV Markiza, Doma, TV Joj, and Joj plus) after three years, in April 2013.

At the beginning of 2011, about a quarter of all households were using analog terrestrial television only. As the process of switching analog broadcasting off commenced in March 2011, most of these households did not prepare for digital reception before this date. Whereas these are primarily households in smaller municipalities, that is the economically weaker ones, the information about the increase in number of sold set-top boxes seems significant: according to information from retailers, there was a more than 100 percent year-on-year increase in sales. This reflects the fact that households reliant on terrestrial signals were forced to pay for the purchase of new equipment in order to receive digital signals. But many households simply made the switch at this point to satellite reception on the basis that they would get more channels for comparable set-up costs. By December 2011, digital terrestrial broadcasting was the main platform in only 6 percent of households.<sup>10</sup>

Table 3.

Platform for the main TV reception and digital take-up, 2006–2010

	2006		2007		2008		2009		2010	
	No. of HH <sup>11</sup> ('000)	% of TVHH <sup>12</sup>	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH
Terrestrial reception	724	44.9	619	38.3	585	36.2	442	26.8	n/a	n/a
– of which digital	n/a	n/a	n/a	n/a	29	1.8	17	1.0	n/a	n/a
Cable reception	611	37.9	691	42.8	658	40.7	187	42.4	n/a	n/a
– of which digital	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Satellite reception	76	4.7	305	18.9	221	13.7	324	19.6	n/a	n/a
– of which digital	n/a	n/a	n/a	n/a	15	0.9	48	2.9	n/a	n/a
IPTV	1,402	5.6	2,657	10.6	3,686	14.4	4,944	18.6	6,378	23.9
Total	1,612	99.0	1,615	100.0	1,616	99.0	1,651	100.0	n/a	n/a
– of which digital	n/a	n/a	n/a	n/a	404	25.0	601	36.4	n/a	n/a

*Notes:* The figures on television coverage exceed 100 percent in some years because a number of households in Slovakia have more than one main TV reception platform; n/a-not available

*Source:* Médiamétrie/Eurodata TV Worldwide, and calculations by OSF editors for the years 2006–2009; OSF editors' calculations based on data from Screen Digest and European Audiovisual Observatory for 2010

9. Towercom plans to launch paid services in the MPEG-4 compression format as part of its fourth multiplex in May 2013; however, this multiplex does not include new channels of established Slovak broadcasters but rather Slovak-language versions of foreign channels that have been available in Slovakia for several years via satellite, cable, or IPTV.

10. Data from the evaluation report for the information campaign to support the process of transition to DVB-T. The report was discussed by the government on 1 August 2012.

11. Total number of households owning the equipment.

12. Percentage of total number of TV households (TVHH) in the country.

The possibility of receiving digital content also depends on broadband internet access. In the last five years the share of connected households increased significantly from one-tenth of the population in 2005 to almost one-half in 2010. As many as 99 percent of all internet households used broadband connections in 2011.

*Table 4.*

Internet subscriptions and mobile phone connections (% of total population), 2005–2011

	2005	2006	2007	2008	2009	2010	2011
Internet	9.6	16.8	29.6	37.9	40.8	53.1	66.6
– of which broadband <sup>13</sup>	26.0	38.6	41.5	56.9	93.1	82.8	98.9
Active mobile broadband	84.2	90.8	112.5	101.9	101.5	109.0	110.8
Mobile telephony	n/a	3.5	7.7	14.9	20.0	n/a	n/a
– of which 3G <sup>14</sup>	0	0	0	0	n/a	n/a	n/a

*Note:* The figures on television coverage exceed 100 percent in some years because a number of households in Slovakia have more than one main TV reception platform; n/a: not available

*Source:* Calculations of OSF editors based on data from the Ministry of Transport, Posts and Telecommunications of the Slovak Republic, *National Survey*, at <http://www.telecom.gov.sk/index/index.php?ids=56452> (accessed 7 November 2012)

The main issue in Slovakia is the deepening of the digital divide, that is, the division of society into those who have access to information communication technologies (ICTs) and have corresponding levels of digital literacy on the one hand, and on the other, those who have neither the access nor the literacy. Data from a digital literacy study carried out in 2005, 2007, 2009, and 2011 show that the digital gap is gradually deepening. “On the one side there is the younger, more educated and qualified, socially stronger and mostly urban part of the population. On the other side there is the older, less educated and qualified, economically inactive (pensioners, the unemployed), socially weaker and mostly rural part of the population. While the first group constantly learns and improves, the other is practically in a state of standstill.”<sup>15</sup> Approximately three-quarters of the population is classified as digitally illiterate. According to the most recent data, from March 2013, the overall level of digital literacy has begun to increase again, at a moderate and gradual pace.

## 1.2 Media Preferences

### 1.2.1 Main Shifts in Media Consumption

Extensive changes in the media market in the years 2005–2010 have also changed the structure of the main news sources. These changes were caused both by the increase in the number of privately owned media, electronic and print, and by the development of information technologies and the change of content and services presented. Television news still remains the main source of information; however, there is a

13. Broadband internet access = high-speed access  $\geq$  256 kbit/s.

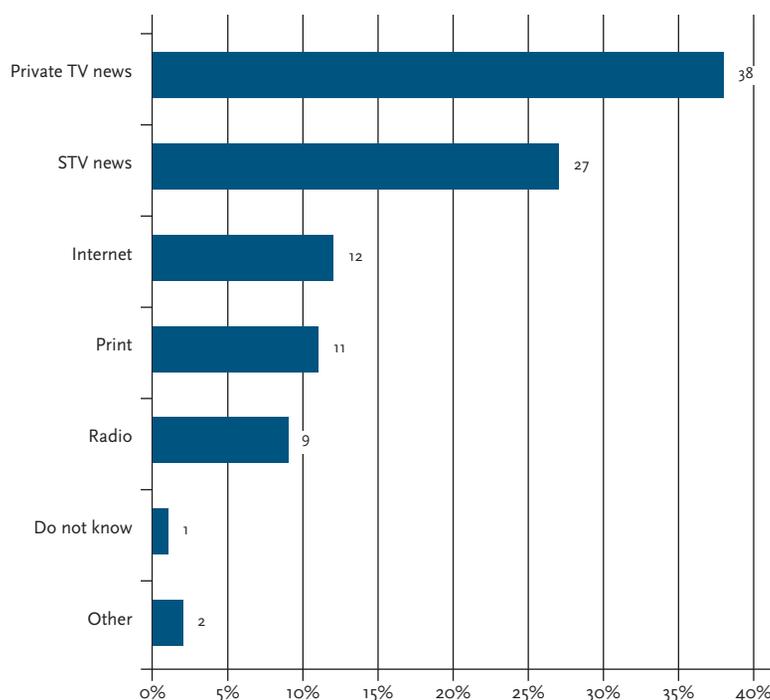
14. 3G services were launched in 2006. With the expansion of 3G coverage, the number of active mobile SIM cards in the distribution of 2G and 3G has not been monitored separately since 2010.

15. M. Velšic, *Digital Literacy in Slovakia 2011*, Institute for Public Affairs, Bratislava, 2012.

significant difference between the private broadcasters and the public service broadcaster Slovak Television (STV). According to research carried out by the Institute for Public Affairs in 2008, the news programs of the privately owned television companies were the main source of information for up to 38 percent of the population, while the news coverage of STV reached only approximately 25 percent of the population.<sup>16</sup>

The significance of alternative news sources (especially the internet) is increasing every year. In 2008, as much as 12 percent of the population was using this source of local and global news as their main source of information, and the proportion keeps growing. This is related both to the development of internet media and to the growth of the internet population (while in 1998 only 8 percent of the adult population was using the internet, in 2010 it was 50 percent). On the other hand, the two key media that used to dominate the news business for decades, press and radio, are used as the main source of information only by roughly 10 percent of the respondents to a survey carried out in 2009 (see Figure 5). At this time, the reach of broadcasters' websites was marginal, so the figures for STV and private television news reflect consumption of television only.

Figure 5.  
Preferred sources for obtaining local and global news (%), 2009\*



Note: \* Each respondent was permitted one answer per questionnaire

Source: M. Kollár and M. Velšic, *Názory na televíziu verejnej služby II (Opinions on the public service broadcaster II)*, Institute for Public Affairs, Bratislava, 2009

16. M. Kollár and M. Velšic, *Názory na televíziu verejnej služby II (Opinions on the public service broadcaster II)*, Institute for Public Affairs, Bratislava, 2009 (hereafter Kollár and Velšic, *Opinions on the public service broadcaster II*).

The social and demographic analysis shows that while the news coverage of STV is being mentioned as the main source of information more by women, senior citizens, and the less educated rural part of the population, the news coverage of the privately owned TV stations is usually preferred by younger people, respondents with secondary education, qualified manual workers, and citizens of Hungarian nationality.

There are similar differences when it comes to press and radio preferences. While the press is preferred as a source of information by the more educated and qualified part of the population, radio is typically a source of information for the older, rural part of the population. From the social and demographic viewpoint, the internet is a key source of news for the younger, more educated and qualified, well-off part of the population and inhabitants of large cities. From the political viewpoint, the internet as a source of information is more often used by undecided voters.<sup>17</sup> The trends in media preferences described thus far are also mirrored by the trends in readership, viewership, listenership, and online audiences.

Table 5.

Readership, viewership, listenership, and online audience data, 2005–2011

	2005	2006	2007	2008	2009	2010	2011
Daily newspapers reader share (%) <sup>18</sup>	52	46	42	45	43	42	39
Radio listener share (%) <sup>19</sup>	70	72	71	70	74	72	72
TV viewer share (%) <sup>20</sup>	87	88	88	87	87	90	91
No. of internet visitors <sup>21, 22</sup>	1,509,306	2,160,205	2,839,815	2,238,004	2,488,485	2,838,906	2,631,035

Note: The table describes access to these platforms as such, not access for news in particular

Sources: MML-TGI (Market & Media & Lifestyle: Target Group Index) 2005–2011, conducted by Median SK (print, TV and radio); TNS (online data 2005–2007); Mediaresearch (online data since 2008)

## 1.2.2 Availability of a Diverse Range of News Platforms

Changes in the structure of the main channels through which consumers receive news are the result of both technological advances and changes in the behavior of news content consumers.

In recent years the distribution channels for news content have become significantly diversified and have expanded in the media market, with an increase in the number of internet news portals, and significantly longer news programs of both private televisions and the public service broadcaster, yet there was no groundbreaking change in terms of the overall scope and diversification of news content. The increased number of diversified channels has extended the availability of news, without fundamentally changing the quality (see sections 1.3, 4.1, and 4.2).

17. Kollár and Velšić, *Opinions on the public service broadcaster II*.

18. % of population between 14 and 79 years who answered the question: “Read the last issue.”

19. % of population between 14 and 79 years who answered the question: “Listened to it yesterday.”

20. % of population between 14 and 79 years who answered the question: “Watched yesterday.”

21. For period 2005–2007 (data from TNS): unique visitors per month, total of .sk servers.

22. For period 2007–2011 (data from Mediaresearch): number of real users per month, total of .sk servers.

## 1.3 News Providers

### 1.3.1 Leading Sources of News

#### 1.3.1.1 Print

Newspapers used to be the traditional source of news. In the last five years, newspapers have suffered from a loss in popularity, with many readers swapping newspapers for the internet, which can supply more up-to-date information much faster (even though the information is not always more precise or of higher quality).

This trend is reflected in the decreasing circulation of Slovak daily newspapers in the last five years. In the cases of the good-quality news providers (*SME* and *Pravda* daily papers and the economics daily *Hospodárske noviny*), there was a decrease of roughly 20–25 percent during the period. For the mass market providers (*Nový Čas* daily and since 2006 *Plus Jeden deň* daily) the decrease was not as significant as with the good-quality papers.

A significant decrease (by up to 30 percent) was recorded by the network of regional *Korzář* dailies. The most stable sales results are constantly achieved by the *Új Szó* daily, published in Hungarian, which only shows a minimal decrease in sales figures. This has presumably something to do with both the uniqueness of this daily (there is no competition for it in Slovakia) for its target group and its socio-demographic structure—members of it use the internet comparatively less frequently as a source of information.

Table 6.  
Sold circulation of daily newspapers, 2005–2011

	2005	2006	2007	2008	2009	2010	2011	Publisher
<b>Nation-wide dailies</b>								
<i>Nový Čas</i> *	197,694	183,531	177,217	161,170	145,890	139,577	127,480	Ringier Axel Springer SR
<i>SME</i> **	73,532	76,590	69,870	63,381	60,763	60,164	50,462	Petit Press
<i>Pravda</i> **	76,376	73,190	70,519	58,083	51,141	57,359	55,104	Perex
<i>Plus Jeden deň</i> *	—	57,155	63,318	63,618	58,901	54,764	60,730	Spoločnosť 7 Plus
<i>Hospodárske noviny</i> **	20,312	18,470	17,790	18,329	18,175	17,006	16,812	Ecopress
<b>Regional dailies</b>								
<i>Korzář</i>	32,459	31,774	28,649	25,856	23,853	21,718	19,450	Petit Press
<i>Új Szó</i> ***	24,997	25,514	25,186	24,604	23,409	22,899	22,327	Petit Press

Notes: Data based on the month of December for each respective year. \* Mass-market news providers. \*\*Quality news providers. \*\*\* The daily is published in Hungarian for the largest national minority in Slovakia (according to the 2011 population census the Hungarian minority formed 9.7 percent of the total Slovak population).

Source: Audit Bureau of Circulation, Slovakia

### 1.3.1.2 Online

In contrast, a significant increase in users can be seen among the most popular Slovak news websites. Five news providers are consistently among the 10 most visited websites, some of whom were originally created as online versions of printed dailies, though later they gradually began to add exclusive content created specifically for the internet. These are Sme.sk, Pravda.sk, and Aktuality.sk as good-quality news providers; and Topky.sk and Cas.sk as mass market providers. Of these, Topky.sk and Aktuality.sk are originally created online websites with no offline equivalent. Gradually all other providers of other services ranking among the top 10 most visited sites added some form of news content to their homepages. In this case the news published is usually just recycled content available on dozens of other websites, primarily originating from news agencies and published without any added value.

Table 7.

10 most frequently visited websites, by real users\*\* in December, 2008–2012

Portal	Dec 2012	Dec 2011	Dec 2010	Dec 2009	Dec 2008
Azet.sk	2,195,760	1,748,655	1,678,465	1,628,903 (1)	1,390,573 (1)
Zoznam.sk	2,167,400	1,714,241	1,638,026	1,484,437 (2)	1,335,542 (2)
Sme.sk*	2,005,553	1,523,271	1,371,056	1,248,914 (3)	1,001,438 (4)
Atlas.sk	1,852,676	1,342,481	1,310,588	1,220,318 (4)	1,140,174 (3)
Aktuality.sk*	1,747,054	1,257,697	841,921 (6)	777,114 (6)	626,444 (7)
Topky.sk*	1,550,407	1,140,638	952,246 (5)	864,655 (5)	750,925 (5)
Cas.sk*	1,372,094	988,524	786,894 (8)	533,080 (10)	332,065 (13)
Heureka.sk	1,336,722	858 030 (9)	562 023 (11)	n/a	n/a
Pravda.sk*	1,306,776	942,417	795,349 (7)	604,659 (9)	452,906 (9)
Centrum.sk	800,478	780,690	736,063	743,640 (7)	690,961 (6)
Markiza.sk*		665,300	645,585	626,330 (8)	574,154 (8)

Notes: \*\* Gemius measures internet traffic with real user methodology. \* News portals. Numbers in round brackets show rankings in that year

Sources: AIM monitor 2011–2013, conducted by Gemius Slovakia in co-operation with Mediaresearch Slovakia

### 1.3.1.3 Television

During the last five years, the most significant trend in the television market was the plunge of the public service broadcaster's market share. This was caused by a combination of several factors. On the one hand, there was the launch of new program services by the two largest private broadcasters, and on the other an increase in the number of multi-channel households, and thus also an increase in the program offering to households in general. The main reason, however, was insufficient funding and the inability of the STV management to react appropriately to the current trends since 2007.

In connection with the growing number of multichannel households, the largest private broadcaster (TV Markíza) is struggling to retain its dominant market share, although, with the exception of a few weaker

programmed periods, it is still a strong market leader (see Table 8). The second-largest commercial broadcaster (TV Joj) has been reinforcing its market position in the last two years through massive investments in its program offerings. The first year when the company made a small profit was 2010, which was used to cover losses from previous years.<sup>23</sup>

The news programs with the highest viewer share more or less replicate the average viewer shares of the broadcasters as a whole. The all-news channel TA3 has seen a slight increase in its market share, which can be attributed to households switching to non-terrestrial TV platforms where the channel is included in the free or entry TV packages (the channel was available via analog terrestrial broadcasting only in the area of Bratislava; it does not pay for DTT broadcasting). The greater penetration of the channel is especially visible on special occasions, such as political debates, press conferences, and coverage of breaking news, when it has repeatedly managed to be on par (in terms of viewership) with STV.

*Table 8.*  
The largest television stations by average weekly market share (%), 2005–2011\*

	2005	2006	2007	2008	2009	2010	2011
Markíza	30.9	33.7	35.5	35.0	31.2	31.1	29.6
Doma <sup>24</sup>	n/a	n/a	n/a	n/a	1.9	2.5	5.1
Joj	14.8	15.7	15.8	16.8	20.0	22.2	21.4
Joj Plus <sup>25</sup>	n/a	n/a	n/a	n/a	2.8	3.3	4.9
Jednotka <sup>26</sup>	19.2	18.5	17.7	16.3	15.0	12.1	7.8
Dvojka <sup>27</sup>	5.7	6.2	5.1	5.9	4.0	2.3	2.1
Trojka <sup>28</sup>	n/a	n/a	n/a	n/a	1.0	n/a	n/a
TA3 <sup>29</sup>	1.3	1.6	1.4	1.6	1.6	1.7	1.9
Czech stations	11.3	10.0	10.2	8.8	7.5	7.1	9.7
Hungarian stations	8.1	7.2	6.7	5.6	4.7	4.3	3.5
Other	8.7	7.3	7.7	9.3	11.8	12.5	13.8

*Notes:* Most of these channels air newscasts. \* Population above 12 years of age, data for 12 months. n/a: this channel did not broadcast

*Source:* PMT, 2005–2011. Electronic television audience measurement was conducted by TNS Slovakia

23. “Joj has published its revenues after years” (Joj po rokoch zverejnila tržby), at <http://medialne.etrend.sk/televizia-spravy/joj-po-rokoch-zverejnila-trzby.html> (accessed 7 November 2012).

24. TV Doma, the second channel of TV Markíza, launched in 2009.

25. Joj Plus, the second channel of TV Joj, launched in 2009.

26. First channel of Slovak Television (STV).

27. Second channel of STV.

28. Third channel of STV, shut down in 2011 due to lack of funding.

29. All-news private channel.

### 1.3.1.4 Radio

The news content of radio broadcasters is primarily distributed in the form of short flash news in all privately owned (commercial) radio stations, outsourced to specialist radio news providers. Among commercial broadcasters, only Rádio Expres, which is the market leader, has its own team of news editors. The only radio station devoting significant space to news in its broadcasting is the public service broadcaster Slovak Rádio. Its first channel, Rádio Slovensko, broadcasts four extended news programs a day in addition to regular updates, and a daily political debate devoted to current events. The regional broadcast channel, Rádio Regina, devotes more space to regional news. The broadcast channel intended for national minorities, Rádio Patria, broadcasts news in the languages of national minorities in proportion to the share of each minority among the population.

The positions of the first three commercial broadcasters have been relatively stable for the last five years in terms of listener share. Slovak Rádio's (SRo) first channel similarly saw only slight changes in listener share.

Table 9.  
Radio listener share (%), \*\* 2005–2012

	2005	2006	2007	2008	2009	2010	2011	2012
Rádio Expres	19.5	20.1	23.2	21.7	21.5	20.0	21.2	21.2
Rádio Slovensko*	17.8	18.5	18.2	17.4	18.1	16.9	19.6	19.8
Fun radio	10.2	9.7	10.6	13.1	15.7	13.4	12.9	12.5
Jemné melódie	—	8.7	9.4	7.9	7.6	7.2	9.1	9.0
Okey/Europa 2	7.1	6.5	5.9	6.6	5.2	6.3	8.2	8.3
Rádio Regina*	5.2	7.8	7.7	6.6	6.7	6.1	8.6	7.4
Viva	3.5	3.1	4.0	3.8	3.7	3.9	6.2	7.2
Rádio_FM*	4.0	3.5	2.0	1.6	1.9	2.0	1.9	1.9
Lumen	4.4	2.4	1.9	2.6	3.0	2.9	n/a	n/a

Notes: \* Program of Slovak Rádio. \*\* Percentage of the population aged 14–79 years who answered the question “listened to yesterday.” Data based on the last quarter for each year. n/a: not available

Source: MML-TGI (Market & Media & Lifestyle: Target Group Index) conducted by Median SK

### 1.3.2 Television News Programs

The news program with the highest viewer share in Slovakia is “*Televízne noviny*” (Television News) from the market leader, TV Markíza. It mixes a good-quality and tabloid journalistic approach, and in terms of relevance it can be assessed as the most important news program on the TV market. The second-ranked and the most tabloid oriented news program in the TV market is “*Noviny TV Joj*” (TV Joj News). Among the main news programs the biggest loser in recent years is the public service broadcaster STV. Since 2005, the main news program “*Správy STV*” (STV News) has lost two-thirds of its viewers (see sections 2.1 and 2.2).

Overall, the viewer numbers of the main news programs of all Slovak TV stations have not decreased significantly in the last five years (digitization failed to introduce a competitor to the main daily news programs). The only significant change was migration of audiences between individual broadcasters, chiefly in 2008 after TV Markíza began experimenting with the duration of the main news program (it was expanded to a whole hour). The market share dropped but still remained well above the average of the station, which means that the broadcaster can monetize the audience over a longer period, especially after a change of law in 2009 which allowed the channel to insert an ad break in news programs.

After two years of experiments, the contents of the news hour (7–8 p.m.) slowly stabilized and all major broadcasters basically fill an entire hour with some kind of news program.

Only STV broadcasts news in Hungarian every day in prime time, but the audience of this program is very small, consisting of only a few thousand viewers.

*Table 10.*

Viewer share of the main news programs broadcast by the most popular TV stations (%), 2005–2011

	2005	2006	2007	2008	2009	2010	2011
Markíza	71.6	72.8	74.2	58.9	53.5	49.6	46.8
Joj	33.4	33.5	33.0	32.4	34.8	33.8	31.5
Jednotka (STV)	28.7	26.4	22.8	19.5	15.9	13.6	12.0

Source: PMT/TNS SK audience research, 2005–2011

### 1.3.3 Impact of Digital Media on Good-quality News

Technological advances have brought additional news distribution channels and new ways of making news more attractive. On the one hand, it is true that the number of distribution channels has increased, and that news is spreading much more through the internet compared with five years ago. But there are indicators that quantity is replacing quality. While this cannot be directly attributed to digitization, the strongest indicator is the declining circulation of newspapers, which is more significant in the case of good-quality papers than of the tabloids.

Traditional media, in particular the TV broadcasters, which remain leaders in news distribution, have only reacted to the pressure of the new media in the last two or three years and increased the share of news programs in their broadcasting. This is true of both the commercial broadcasters and the public service broadcaster. However, there was no positive development in terms of the number of news program viewers: by introducing new formats and extending the duration of news programs, the TV broadcasters have been unsuccessful overall in retaining their audiences but have extracted more commercial value from them through the inclusion of advertising.<sup>30</sup>

30. A similar development follows the print media market, which is struggling with the overall decline of the sold circulation, even the tabloids. As a result, the content of the opinion-forming newspapers is more and more tabloid, and due to reducing costs the quality of editorial coverage in the print media is decreasing too.

The increased duration of news programs also failed to improve the quality and amount of provided information. In the case of commercial broadcasters this is mainly due to the long-term trend of transforming news programs into infotainment where most of news broadcasting is filled with tabloid news rather than good-quality information. In addition, investigative journalism disappeared from Slovak televisions in 2010, when the most watched TV Markíza canceled its current affairs program “*Palba*” (Fire) (see section 4.2).

In the case of the public service broadcaster the main problem is the lack of relevance of the information provided: the number of viewers of news programs of STV is decreasing constantly and has basically dropped below a level which can be considered relevant in terms of providing information to the public (see sections 2.1 and 2.2).

Most of the content of online news is just recycled and slightly modified or expanded, usually originating from news and press agencies with no actual added value. This practice is shared by both the websites of legacy media and pure-play news websites with no associated offline editions. It is, among other things, due to the cost of obtaining original news content and the poor performance of the Slovak media market not just in this segment (see section 4.2).

## 1.4 Assessments

Despite television remaining the main channel for reception of news content, the biggest changes in the last five years have taken place in print media and radio (as the traditional sources of news) and the internet (as a new distribution channel for news). Over the last two or three years, the internet began to gain the upper hand over print media and radio as a news source, and is becoming a serious rival to television. The number of visitors to news portals is increasing, while the number of sold circulation of newspapers is declining, as is the number of viewers of the main news programs on television.

This change in consumer behavior and choice of news platforms is the result of social and demographic development and the improved accessibility of new technologies. The press is preferred as a source of information by the more educated and qualified part of the population, while radio is typically a source of information for the older, rural part of the population. The internet is primarily used as a main source of news by the younger, more educated and qualified, well-off part of the population and inhabitants of large cities.

The digitization of distribution channels has influenced the offer of news content mainly in terms of the number and scope of channels used to distribute the news, which in this respect became much more accessible for the consumer. Despite that, most new internet news sites only recycle the same content usually originating from news agencies without any own unique contribution to the overall news offer.

The improvement in the quality of news services, which was widely expected as a side effect of digitization, has not materialized. The main result is an effort to make the news more attractive (e.g. online video in the last two years and access to information using mobile devices), rather than to improve the content and quality.

## 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

Before 31 December 2010, Slovak law provided for the separate existence of two public service broadcasters, namely STV with three program channels and SRo with nine stations. In December 2010, Parliament passed a law that has merged both institutions to create from 1 January 2011 a single public service broadcaster under the name of Radio and Television of Slovakia (*Rozhlas a televízia Slovenska*, RTVS).

With respect to the ongoing digitization process, we shall focus primarily on the news and current affairs content of the public service television. This strand makes up a substantial share of STV's program structure (averaging approximately one-quarter of its overall output), partly due to its mission and obligations stipulated by law.

Table 11.

Share of news and other broadcasts in STV's output (%), 2007–2011

Type of broadcast	2007	2008	2009	2010	2011
News	14.0	13.1	10.1	11.1	12.4
Current affairs	14.3	16.2	30.4	14.8	13.2
Documentary	11.9	12.3	6.3	10.0	10.5
Religion	1.0	0.8	9.9	0.8	1.0
Drama	42.3	33.0	2.0	29.0	31.0
Entertainment	6.5	7.5	14.4	4.8	8.3
Sports	5.4	13.1	23.2	22.7	15.0
Education	0.9	1.6	0.8	2.9	4.5
Music	3.4	2.1	2.4	3.0	3.8
Total	100.00	100.00	100.00	100.00	100.00

Source: Council for Broadcasting and Retransmission (*Rada pre vysielanie a retransmisiu*, RVR), *Správa o stave vysielania v Slovenskej republike 2007—2011* (Report on Broadcasting in the Slovak Republic, 2007–2011)

Despite introducing new news formats between 2007 and 2008 (e.g. daily news flashes) and strengthening regional news reporting, the overall share of news broadcasts in STV's program structure declined steadily until 2010. However, the decline was caused partly by increasing the total volume of broadcasting following the launch of Trojka, a specialized sports channel, the content of which was classified by the regulator and in the license conditions as news), in the second half of 2008. It was cancelled in 2011 due to lack of funds.

But perhaps the greatest problem is the insufficient relevance of public television's news broadcasts. On one hand, public opinion polls suggest that STV news broadcasts have been the most trusted;<sup>31</sup> on the other, STV viewer ratings have declined by two-thirds since 2005. The drop in viewer ratings of "*Správy STV*" (STV News), the main evening news program, has been even more dramatic than the overall decline in viewer ratings of STV broadcasts. STV annual reports as well as reports on broadcasting in the Slovak Republic issued since 2007 repeatedly reported historical low viewer ratings. In 2010, the average viewer ratings of STV's main evening news program declined to 5 percent (on certain particular days, they even dropped below 4 percent); in early 2007, they were almost 12 percent.<sup>32</sup>

The main reason for the decreasing viewership has been the successful strategy of the commercial broadcasters. The market leader TV Markíza doubled its main news program to a full hour (7–8 p.m.), thus colliding with the main program on STV starting at 7.30 p.m. The tabloid news program on TV Joj starting also at 7:30 p.m. gained a lot of popularity over the years, which also had a bad effect on STV news ratings.

In the same period STV's news program did not introduce any changes that could counter the growing competition. The news coverage has not become more tabloid, which can certainly be seen as a positive; however, the main news program has often been described by media professionals as boring and static. The head of news, Anna Sámelová (in charge since early 2011), described the lack of dynamic pictures, journalistic courage, and editorial responsibility as some of the key problems.<sup>33</sup>

Because the public broadcaster has been seen as politically controlled for most of its existence, the institution has failed to attract top journalists, and more than 10 journalists left STV after a change of management in 2007 (many of them went to work for commercial broadcasters).

### 2.1.2 Digitization and Services

Digitization of the public service media has been perceived primarily in the context of switch-over (upgrade from analog to digital transmission signals) or in digitizing audiovisual archives. As a result, new possibilities in content provision have been rather neglected; as of today, RTVS continues to lack a digitization strategy for new content.

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31. Most recently it was corroborated by a representative survey by the MVK agency in April 2010.

32. M. Kernová, "Wanted: STV News Viewer" (Hľadá sa divák Správ STV), *SME*, 18 January 2010.

33. M. Kernová, "Sámelová: We change almost everything. I am not interested in numbers" (Sámelová: Meníme takmer všetko. Čísla ma nezaujímajú), at <http://medialne.etrend.sk/televizia-clanky/samelova-menime-takmer-vsetko-cisla-ma-nezaujimaju.html> (in Slovak) (accessed 2 January 2012).

On 8 August 2008, STV did, however, launch a specialized sports channel, Trojka (see section 2.1.1), by telecasting the opening ceremony of the Beijing Olympic Games. Initially, the signal was broadcast via satellite as well as cable and IPTV networks. However, the sports channel was pulled in mid-2011 as the new management did not have the resources to finance it further. The sports channel received only a one-off government subsidy when it was launched; however, the budget of STV was not amended accordingly.

Following the launch of the first Digital Video Broadcasting-Terrestrial (DVB-T) multiplex, STV temporarily switched to DVB-T technology using the transitional multiplex. Currently, it broadcasts terrestrially via the public service digital multiplex that covers more than 90 percent of the population.

Given the currently poor development potential of digital terrestrial radio broadcasting, SRo approached digital broadcasting through building purely digital thematic channels, such as Litera, Klasika, or Junior. Besides internet streaming, they are also broadcast via satellite TV; however, the use of this platform for radio listening is marginal.

Unfortunately, the current internet profiles of STV and SRo do not correspond to modern trends. Besides fulfilling the basic information function (i.e. contacts, relevant laws, annual reports, press releases, and program schedules), both their official websites are a simple, unattractive, and often confusing tool to access analog broadcast content and selected archive broadcasts. The creative and news reporting potential of both public broadcasters' official websites is not realized, which means that their visitors can hardly expect to receive any added value whatsoever.

The main reason for this may be a lack of vision and understanding the importance of the online environment as a means of reaching a new (or lost) audience. RTVS launched a new website for SRo in early 2011, following investment in software and technology, but this site has not introduced a new level of quality: it lacks structure and content.

The new management of the merged public media (whose members were responsible for the public radio website) announced that a new multimedia and news portal would be launched in 2012. After the Director General of RTVS was replaced in August 2012, work on the new web project intensified, but at this time of writing it has still not been launched (the beta version was launched in May 2013).

### **2.1.3 Government Support**

At first glance, government and regulatory organs may have seemed to adopt an accommodating approach to STV when setting the rules for the transition to digital broadcasting. The legislative changes made during the process of passing the Digital Broadcasting Act in 2007 meant that STV was allotted a separate (so-called public service) multiplex (according to the draft of the Act, the public broadcaster's channels would be divided among commercial multiplexes). And according to the approved scheme of state budget compensations, RTVS was among the broadcasters eligible for compensation for simulcasting in 2011.

But the fact is that at this point digitization poses a threat to STV rather than presenting new opportunities. The most significant reason is that the political elite gave control over DVB-T transition to organized interest groups (i.e. private broadcasters and Towercom, the monopolistic provider of digital terrestrial signals).<sup>34</sup> The government has also failed to solve the problem of adequate financing of STV, which ranks economically among the weakest public service broadcasters in the OECD member states, according to its annual budget.<sup>35</sup> Changes in the law on financing STV in 2007 did not bring the expected increase in revenues and only provided partial compensation for the cost of simulcasting. Irresponsible management resulted in a cumulative loss for 2007–2010 of 60 percent of STV’s annual budget.<sup>36</sup> Last but not least, STV (as well as, since 2011, RTVS) has not had a viable strategy for digitization.

#### 2.1.4 Public Service Media and Digital Switch-over

STV is unable to fill the public service multiplex with adequate content.<sup>37</sup> On the contrary, it decided to cancel one of its three program channels. A contract between STV and Towercom stipulates that regardless of its use of allotted capacity, STV will spend approximately 20 percent of its total annual budget on broadcasting via the public multiplex. Between 5 percent and 10 percent of all households in Slovakia were expected to lose terrestrial coverage of national program channels due to the multiplexes’ lower coverage (compared with the analog coverage). However, this does not necessarily mean a real problem in terms of actual reception, given that the households potentially most affected have already solved the reception problem by adopting different platforms, usually satellite, that carry all terrestrial TV channels (for cable and IPTV operators, this is also covered by legal must-carry rules).<sup>38</sup>

The transition to DVB-T has been poorly managed, not only in terms of defending the public interest but also in terms of making terrestrial broadcasting available to a greater number of broadcasters or preserving the value of frequency spectrum as a national resource. Also as a result of this development, the overall share of households that depend on terrestrial reception of the TV signal dropped from one-half to one-quarter between 2008 and 2012. The recently merged public service broadcaster, RTVS, would much more effectively provide television broadcasting to these households via means other than the terrestrial platform. But unfortunately it is prevented from doing so not only by existing law (which stipulates that at least two public service TV channels must be broadcast terrestrially) but also by the 15-year contract with Towercom which commits RTVS to costs that have not proved proportionate to its actual use of digital signals.

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34. This conclusion is based, among other things, on an evaluation of the circumstances when Parliament adopted the Digital Broadcasting Act after amending the original bill (initiated by cabinet) to reflect the preferences of the private broadcasting lobby, leading eventually to the removal of the chairman of the national regulatory organ, who had steered the process contrary to the ambitions and interests of private broadcasters (see sections 5.1.2. and 5.2.1).

35. “EBU Viewpoint: Public Service Media Funding,” European Broadcasting Union, March 2012.

36. Slovak Television (STV), “Annual Report 2007–2010”; RTVS, “Annual Report 2011–2012.”

37. There have been no additional channels after cancelling Trojka; STV broadcasts only two channels in the public service multiplex. Since January 2012, STV has started to broadcast its first channel, Jednotka, also in HD, but due to the MPEG-4 compression standard (this channel is broadcast in MPEG-2, all the other STV channels are broadcasted in MPEG-2) only a proportion of Slovakian households are able to receive it through DVB-T.

38. According to data from Telecommunications Office of the Slovak Republic (*Telekomunikačný úrad SR, TÚSR*), satellite TV is now the most widespread reception platform. As of 30 June 2011, 52 percent of households received television broadcasting via satellite; the second most common platform was cable TV, with a market share of 38 percent.

## 2.2 Public Service Provision

### 2.2.1 Perception of Public Service Media

Popular understanding of the role and purpose of public service media is rather inadequate. This may be illustrated by households' increasing reluctance to finance public service media through direct payments. A survey examining public opinion on the modus operandi of public service media carried out in 2008 by the Institute for Public Affairs<sup>39</sup> suggested that six out of ten Slovaks preferred financing public service media directly from the state budget as opposed to the standing model of public service (previously concessionary) fees. It also revealed that a majority of respondents (59 percent) intended to take part in the referendum on abolishing the fees that was being broadly discussed at that point; a vast majority of them (88 percent) said they would vote in favor of abolishing the fees. These findings indicate that the social consensus over the existence of RTVS as a public service broadcaster financed primarily by direct payments from citizens is not as strong as it is generally assumed and/or declared in expert and political debates.<sup>40</sup>

Over the past three years, the issue of financing public service broadcasters (including their potential preservation or abolishment) has become a frequent topic of political discourse. At the same time, the political elite's understanding of the role and status of public service media is either extremely poor or primarily utilitarian. This is manifested not only through the legislative framework for public service media (which is inadequate in the long term, especially in terms of financing the legally stipulated scope of program services they are required to provide), but also through more or less overt meddling with their functioning in terms of personnel, program, and economic management.

Throughout their existence, public service broadcasters (especially STV) in Slovakia have been repeatedly abused for political goals and have been running at an almost permanent deficit. Perhaps this negative past experience is the main reason why the country's journalist community shows little understanding of the purpose of public service broadcasters. Even the most influential commentators in Slovakia repeatedly and erroneously describe them as government media, as they are unable (or reluctant) to distinguish between public service and government media and acknowledge the importance of public service broadcasters to society. In doing so, they are failing to cultivate either expert or public discourse on this issue.

Well-informed public discourse on public service broadcasters is virtually non-existent. It has been replaced in recent years by ad hoc debates on drafted legislation or conferences.<sup>41</sup>

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39. Kollár and Veľšic, *Opinions on the public service broadcaster II*.

40. Interview with Magda Vášáryová, deputy chair of the Committee for Culture and Media of the Slovak National Council, Bratislava, 17 April 2011. See also the conference "Quo Vadis, Public Service" (Quo vadis, verejnoprávnosť), organized by SRo in 2010, or the conference "Public Service Media: Public Interest and Public Service in the Digital Age" (Médiá verejnej služby: verejný záujem a verejná služba v digitálnom veku), organized in 2009 by the Institute for Public Affairs and the Media Institute.

41. For instance, the conference "Quo Vadis, Public Service" (Quo vadis, verejnoprávnosť), organized by SRo in 2010, or the conference "Public Service Media: Public Interest and Public Service in the Digital Age" (Médiá verejnej služby: verejný záujem a verejná služba v digitálnom veku), organized in 2009 by the Institute for Public Affairs and the Media Institute.

## 2.2.2 Public Service Provision in Commercial Media

Private broadcasters are not specifically required by law to provide public service content and nothing has changed in this respect since 2005. Article 16 of the Law No. 308/2000 on Broadcasting and Retransmission stipulates rather standard obligations for content, including the obligations to:

- guarantee complexity of information and plurality of views as part of broadcasting services;
- ensure objectivity and impartiality of news and journalistic broadcasts;
- broadcast programs forming part of election campaigns in compliance with specific laws;
- provide free broadcasting time to state administration organs in urgent public interest; or
- ensure proper use of state language and national minorities' languages in compliance with specific laws.

This law was amended in 2009 as part of the ongoing transition to digital broadcasting, in order to provide multimodal access to program services. According to the amendment, at least 10 percent of all programs broadcast digitally by private broadcasters must provide closed captions, or subtitles, or be interpreted into sign language for the hearing-impaired; and at least 3 percent of all broadcast programs must be accompanied by an audio commentary for the blind. (These requirements are even stricter for the public broadcaster: at least 50 percent of all programs broadcast digitally must provide closed captions or subtitles, 3 percent must be interpreted into sign language for the hearing-impaired; and at least 20 percent of all broadcast programs must be accompanied with a voice commentary for the blind.) After a short phase of initial problems these provisions are being respected by the public as well as the commercial broadcasters. However, hearing-impaired viewers have complained (e.g. on television networks' and executives' Facebook pages) about the quality of the subtitles. Their main complaints refer to the poor quality of translation (in case of foreign programming) or bad timing.

## 2.3 Assessments

Public service broadcasters are net losers as a result of the digital switch-over, mostly for the following reasons.

- Due to the transition to DVB-T, 5–10 percent of all Slovak households will lose the terrestrial signal of RTVS (see section 2.1.4).
- RTVS continues to lack a strategy for developing program services in the digital age; the only new program service of digital television (i.e. the sports channel launched in 2008) was cancelled in 2011 for economic reasons.
- As a direct result of signing a disadvantageous contract, the costs of broadcasting the digital terrestrial signal are bound to remain an excessive burden on the RTVS budget for 15 years (the length of the contract), which will adversely affect further development of content and undermine attempts to strengthen the credibility and legitimacy of public service broadcasters in the eyes of the public.

- The internet presence of STV and SRo is not well developed; the creative and news reporting potential of both institutions is not realized online, which is why their visitors cannot expect to receive any added value whatsoever.
- The relevance and public acceptance of public service broadcasters (particularly STV) have continuously declined since 2006, mostly as the result of managers' and decision-makers' lack of preparation for changing conditions in the television market brought about by digitization and their inability to react to them. Two major private broadcasters adapted to a multichannel strategy and launched several new channels (three by the end of 2012). All these new channels have after only a few months achieved a higher audience share than the second channel of the public service broadcaster.
- This trend is reflected through a steady decline in viewer ratings of STV broadcasts, particularly of its news programs. This trend continues despite the fact that public opinion polls suggested that STV news programs enjoy high credibility—higher, indeed, than their actual ratings. Apart from the lack of human resources and the limited ability to react to market developments by raising the quality of its news, STV in the long term suffers from technological backwardness, which prevents it from bringing its news production values into line with the state of the art in the 21st century.
- As a direct result, public reluctance to finance public service media through direct payments is growing significantly and its understanding of the justification of public service broadcasters as institutions, as well as public service broadcasting as such, is deteriorating dramatically.

## 3. Digital Media and Society

### 3.1 User-Generated Content (UGC)

#### 3.1.1 UGC Overview

There are several websites containing user-generated content (UGC) that are very likely to be on par with or stronger than the biggest global services. The biggest domestic social website is Pokec.sk (belonging to the online leader, Azet.sk), with an average of 1.2 million unique users per month in 2010. Pokec.sk is a combination of Facebook and chat platforms such as ICQ, with the focus on communication between users of the service. But while Facebook finds its way on to almost any website (e.g. with the “Like” button) and serves as an important source of traffic for other websites, Pokec.sk does not have this overarching capability.<sup>42</sup>

The most prominent blogging platform belongs to the website of the daily newspaper *SME* (at Sme.sk). It was founded in 2004 and was one of the first blogging services run by a traditional newspaper worldwide. With a monthly average of over half a million visiting users in 2010, it is by far the most visited blogging section on the Slovak internet. Blogs are also featured on the websites of the daily newspaper *Pravda* (Pravda.sk) and the weekly *Trend* (Etrend.sk), although both attracted fewer than 50,000 users a month in 2010. While the blogging platforms of Sme.sk and Pravda.sk are open to any user, Trend only features blogs that are approved in advance—contributors are mostly journalists, politicians or economists.

Interestingly, there is no significant independent blog website. Blogs that are not hosted by media websites usually rely on services like Wordpress or Blogspot and have their own domain name.

Other types of UGC include school projects and presentations (Referaty.sk belongs to Centrum Holdings, with 350,000 monthly visitors in 2010; Tahaky-referaty.sk belongs to Azet, with 170,000 visitors per month), recipes (Varecha.pravda.sk, with 140,000 visitors per month), and videos (Free.sk belongs to Zoznam, with 245,000 users per month), and Videoalbumy.sk belongs to Azet, 132,000 visitors per month). The most popular website aimed at teenagers is Birdz.sk (belonging to Perex, with 219,000 visitors per month) which

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42. All traffic data in this chapter are based on the official internet metrics system AIMmonitor, operated by Mediaresearch. Numbers refer to the average monthly number of real users in 2010.

contains blogs, photo and video sharing, and other UGC. The website Porada.sk (410,000 visitors per month) is a platform for those seeking specialist and other kinds of advice. Some questions are answered by professionals.

*Table 12.*

Top 10 most popular websites, by real users, 2011–2012

	December 2012	December 2011
Azet.sk	2,195,760	1,748,655
Zoznam.sk	2,167,400	1,714,241
Sme.sk	2,005,553	1,523,271
Atlas.sk	1,852,676	1,342,481
Aktuality.sk	1,747,054	1,257,697
Topky.sk	1,550,407	1,140,638
Cas.sk	1,372,094	988,524
Heureka.sk	1,336,722	858,030
Pravda.sk	1,306,776	942,417
Centrum.sk	800,478	780,690

*Source:* AIMmonitor 2011–2013, conducted by Gemius Slovakia in co-operation with Mediaresearch Slovakia

Except for Porada.sk, all other internet services mentioned in this section belong to other internet companies or publishing houses. Some of the websites containing UGC started as independent projects (Birdz.sk, Referaty.sk) and were later acquired by larger companies looking for new growth opportunities on the internet and/or to raise existing traffic. The fact that most user-generated websites were created or acquired by larger media houses has to do with the small size of the advertising market. New projects require a lot of investment in technology and personnel, which media companies can provide in a cost-effective way (since they are already equipped with both). In general, investors such as private equity funds are not interested in websites containing UGC since their economic potential by themselves (i.e. when not part of a larger media company or online venture) is small.

Probably the most popular video-sharing website used by Slovak internet visitors is YouTube. Videos hosted by the international online video leader can be found on almost any kind of website. Slovak video-sharing websites have low traffic and videos are shared on other websites only rarely. Since YouTube is not part of the official online metrics system AIMmonitor, the exact number of users in Slovakia is unknown. The international ranking system Alexa.com placed it as the third most visited website in Slovakia behind Google and Facebook (as of December 2011).

### 3.1.2 Social Networks

Facebook has a very strong position among internet users in Slovakia. In January 2011 it claimed about 1.6 million registered users. It is unclear whether this number refers to active users or the overall number of

registrations.<sup>43</sup> As Facebook is not part of the official online metrics system AIMmonitor, the exact number of visitors cannot be estimated. The international ranking system Alexa.com placed the social network as the second-most visited website in Slovakia behind Google (as of December 2011).

As already mentioned, the largest domestic social networking project is Pokec.sk, with a heavy focus on chat functionality. The number of monthly visitors (1.2 million a month on average in 2010) was smaller than the Slovak user base of Facebook for the same date.

Another widely used, mainly by professionals, social network is LinkedIn. Again, as it is a foreign website the number of users in Slovakia cannot be estimated. Twitter is used by some media as a newsfeed; however, this microblogging platform does not appear to have gained great popularity. There are no prominent subscribers and it is very rarely used for marketing. Facebook, on the other hand, is part of the media mix in advertising campaigns on a regular basis.

According to a recent survey carried out by the Institute for Public Affairs,<sup>44</sup> 54 percent of Slovaks older than 14 years of age use social networks on the internet and almost 80 percent of them are aware of their existence; however, there are significant differences between particular population groups and segments. The age of respondents seems to be a strong differentiating factor in the use of social networks. While over 90 percent of respondents between 14 and 24 years of age “have their profiles on social networks,” the proportion rapidly declines with increasing age; among respondents aged 45–54, for instance, it is only 45 percent (i.e. below Slovak average) and among respondents over 60 it is meager, at 8 percent.

Equally steep is the decline curve from the viewpoint of educational status. While three out of four respondents with university educations use social networks, the proportion of users among people with incomplete secondary education (i.e. vocational training graduates) is below the national average (45 percent), and among people with primary education it is even lower (38 percent). There are also differences in terms of type of economic activity or employment. As one would expect, the proportion of social network users is the highest among students (93 percent) and white-collar professionals (75 percent). It is above the national average also among entrepreneurs, tradesmen, and household respondents (especially women on maternity leave). On the other hand, the proportion of social network users among blue-collar workers and unemployed hovers close to the national average, and the proportion among retired persons is way below it.

As one would expect, the most frequent purpose of using social networks is private communication with friends and relatives; one in two respondents uses social networks to establish, maintain or extend their social contacts. In terms of purpose, using social networks for civic mobilization is the least frequent reason, cited by only 14 percent of respondents (among internet users the proportion was 19 percent). According to

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43. F. Hanker and B. Ksenzsigová, “More than 1.6 million Slovaks on Facebook” (Na Facebooku je viac ako 1,6 milióna Slovákov), at <http://www.zive.sk/na-facebooku-je-uz-viac-ako-16-miliona-slovakov/sc-4-a-291957/default.aspx> (in Slovak) (accessed 25 March 2011).

44. M. Velšic, *Social Networks in Slovakia* (Sociálne siete na Slovensku), Institute for Public Affairs, Bratislava, 2012 (hereafter, Velšic, *Social Networks in Slovakia*).

socio-demographic categories, they are mostly people with higher education (i.e. secondary or university), white-collar professionals, respondents from more affluent households, and residents of the largest cities.<sup>45</sup>

### 3.1.3 News in Social Media

Many media outlets use Facebook as a communication channel with their audiences. For news websites Facebook has become a valuable source of traffic; posting links on their Facebook page works as an RSS feed. Many news websites have begun including the “Like” button in order to maximize the viral effect. The number of Facebook friends of news media pages ranges from several thousands to tens of thousands. The most popular is the news website Sme.sk with over 45,000 friends (as of March 2011); the most read tabloid *Nový Čas* has about 35,000 friends; and the business daily *Hospodárske noviny* has 25,000.

The influence of Facebook on website traffic has become an important, but still only supplementary, source of visitors. The percentage of users coming from Facebook to a news website can range from 5 percent to 10 percent or more. Google still accounts in many cases for approximately 50 percent of all visits.

According to a survey (for May–December 2010) by the online marketing company Ataxo, 51 percent of all content shared on Facebook by users in Slovakia are links to news articles or websites, 21.5 percent are comments, 12.5 percent status updates, 9.4 percent videos, and 3 percent photos.<sup>46</sup>

According to research on social networks in Slovakia, more than one-third (34 percent) of the population (up to 49 percent of internet users) also follows news on social, cultural, and political life via social networking sites.<sup>47</sup>

## 3.2 Digital Activism

### 3.2.1 Digital Platforms and Civil Society Activism

Since the change of regime in 1989 Slovakia has not witnessed large civil demonstrations, except for several political protests in the late 1990s and occasional protests by trade unions. Digital communication channels, including email, social networks, and the internet, might have provided a cheap medium for reaching greater masses, but despite a growing potential audience they have not resulted in any significant activist movement.

As a recent example, the civil activist Eduard Chmelár, expressing his views through blogs, online (and traditional) media, as well as on Facebook, organized a protest in late 2011 against big Slovak financial corporations (in line with the Occupy Wall Street protestors). For the first meeting he managed to attract about 100 protesters, on the second only a fraction of that came.<sup>48</sup>

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45. This survey was carried out before these socio-political events; therefore, we may assume that the proportion of people mobilized is probably higher today, and that their socio-demographic structure is also likely to be different.

46. M. Šebo, “How do Slovaks use Facebook?” (Ako používajú Facebook Slováci?), *Stratégia*, 31 January 2011.

47. Velišic, *Social Networks in Slovakia*.

48. S. Harkotová, “Activists came to pick up money from the sharks’ bank” (Aktivisti si do banky žralokov prišli pre peniaze), at <http://aktualne.centrum.sk/domov/zdravie-skolstvo-spolocnost/clanek.phtml?id=1245269> (in Slovak) (accessed 6 January 2012).

At the end of 2011, after the new parliamentary elections had been announced, a new civil initiative called “99 percent” launched a campaign, pointing to its website as its main communication channel in the initial phase.<sup>49</sup> The initiative announced that it would enter the elections to be held in March 2012 as a new political party. Thanks mainly to a massive advertising campaign (using traditional media such as billboards and TV ads), the initiative gained around 50,000 followers on Facebook (as of January 2012). However, political analysts did not give the new party a chance of succeeding in the elections, mainly because of the lack of an agenda and strong personalities.<sup>50</sup> The leader of the party, the manager Alena Dušátková, claimed that she became the party leader after she won an online poll. The analysts were right; in the 2012 parliamentary elections the party failed and received only 1.58 percent of the votes.

Digital media are often used for online petitions and several civil society groups have launched projects that aim to achieve greater governance transparency. Non-governmental organizations (NGOs) have created several civil society projects that use the internet as a key platform for outreach and communication, allowing citizens to monitor and actively participate in public policy. The website ChangeNet.sk collects information on different civil society activities, activists publish their comments on current affairs, and the site also facilitates online petitions that are forwarded to officials.<sup>51</sup> Other civil society activities found on the internet include projects aiming to shed light on the use of public finances.

### **The Gorilla Protest**

The Gorilla protest was the name given to a series of civic, non-political protest rallies that were held in most major Slovak towns and were attended by tens of thousands of Slovak citizens. The main ambition of the initiative was to force responsible authorities to investigate thoroughly the so-called Gorilla scandal, which reportedly implicated leading political parties' officials and their sponsors in corruption, mob practices, and the embezzlement of state property. Quite paradoxically, just as social networks played an instrumental role in sparking off the initiative, spreading it throughout Slovakia, mobilizing supporters and organizing the protests, the information on disagreements among protest organizers that was also disseminated via social networks caused the gradual break-up of the team of organizers as well as a slow fade-out of protests and the eventual failure of the entire initiative. Nevertheless, the Gorilla protest became the largest civic protest the country had seen in at least a decade; for several weeks it was the news of the day for the mainstream media and its reverberations sounded even beyond the country's borders. Most political analysts agree that the scandal's broad publicity and the scope of civic protests also affected the outcome of the early parliamentary elections in March 2012 that marked a fiasco for most of the political parties implicated in the scandal.<sup>52</sup> Some of the protest organizers later announced the Civic Appeal 2012.

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49. See <http://www.99percent.sk> (accessed 6 January 2012).

50. L. Bariak, “Politológovia hodnotia 99 percent a Obyčajných” (Political analysts assess 99 percent and Ordinary People), at <http://aktualne.centrum.sk/domov/parlamentne-volby/clanek.phtml?id=1249244> (in Slovak) (accessed 6 January 2012).

51. See <http://www.changenet.sk> (accessed 6 January 2012).

52. See <http://ireport.cnn.com/docs/DOC-737626> (accessed 6 January 2012).

Another example of the importance of digital mobilization was one of the petitions published on ChangeNet.sk, organized in 2009 by the NGO Aliancia Fair-Play, which had a controversial follow-up. The aim of the petition was to publicly criticize the future head (then candidate) of the Supreme Court, Štefan Harabin, a former politician and minister of justice, who had contacts with an Albanian drug dealer and who sued several newspapers for hundreds of thousands of euros. The office of the Department of Justice sent an email to all the petitioners with the wording, “Thank you for your vote. Štefan Harabin, minister of justice.” The organizers of the petition considered this a veiled threat.<sup>53</sup> The online petition was followed by a public demonstration against Mr Harabin. He was also publicly criticized by other judges, who only rarely speak out and comment on public matters. Mr Harabin still became the head of the Supreme Court, but the online petition was part of the most outspoken criticism on the state of justice in Slovakia so far seen.

Another online petition, also published on ChangeNet, helped to stop the reconstruction of a bridge in Bratislava. The city council of Bratislava organized a public poll that offered three versions of the future look of the bridge. However, the poll was a manipulation: all three versions were from a single architect who was handpicked by the city council. The petitioners demanded a public debate about the reconstruction of the bridge. As a result of this petition the three designs were withdrawn.

Transparency International created the project “Otvorená samospráva” (Open Governance) that ranks the level of transparency and communication of local governments (e.g. the quality of information on city councils’ websites, the willingness to provide information). The project’s website offers detailed information on 100 local governments.<sup>54</sup>

The website Odkazprestarostu.sk (“Odkaz pre starostu,”<sup>55</sup> Message to the mayor), created by the Slovak Governance Institute, an NGO, is a platform for citizens to warn local governments about local problems, such as dangerous or damaged roads and unauthorized construction sites. The website tracks how many of the incentives have been followed and which were ignored.

“Z našich daní”<sup>56</sup> (From our taxes) is an online project based on the database of Aliancia Fair-Play, which enables users to search hundreds of contracts that have used public money. The search engine combines data from the commercial registry and a database of governmental contracts.

A similar project launched in November 2011 by Transparency International and Aliancia Fair-Play called “Otvorené zmluvy”<sup>57</sup> (Open contracts) permits the performance of even more detailed search operations in the database for contracts signed by public bodies. The website encourages users to evaluate the transparency

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53. M. Vagovič, “Harabin writes to people who are not interested in his words” (Harabin píše ľuďom, ktorí o to nestoja), at <http://www.sme.sk/c/4888279/harabin-pise-ludom-ktori-o-to-nestoja.html> (in Slovak) (accessed 26 March 2011).

54. See <http://zupy.transparency.sk> (accessed 6 January 2012).

55. See <http://www.odkazprestarostu.sk> (accessed 6 January 2012).

56. See <http://znasichdani.sk> (accessed 6 January 2012).

57. See <http://otvorenezmluvy.sk> (accessed 6 January 2012).

of the contracts' wording or the reasonability of the contracts' value. Users can also comment on any contract, although this feature did not turn out to be very popular (fewer than 30 contracts out of 120,000 contained at least one comment).

Cenastatu.sk ("Cena štátu,"<sup>58</sup> The price of the state) is a website run by the Institute of Economic and Social Studies (*Inštitút ekonomických a spoločenských analýz*, INESS), comparing the expenses and income of the state, with the aim of visualizing these parameters in a simple, accessible manner. The website also keeps track of all the money that was "wasted" in questionable tenders and contracts, based on news reports (the last report was published for the first quarter of 2010).

There are two online watchdogs that monitor news media and seek out incorrect information. Slovak Press Watch,<sup>59</sup> a blog by the Institute for Economic and Social Reforms (*Inštitút pre ekonomické a sociálne reformy*, INEKO), monitored news media for factual errors and wrong interpretations by news programs and publications. The blog also reported on several problems with journalistic ethics (plagiarism, influence of advertisers on news reporting, etc.). The last post was published in January 2011: the creator of the blog, Gabriel Šípoš, announced a month earlier that the project would end. A follow-up to this project was launched in April 2011 under the name Mediawatch,<sup>60</sup> financed by sponsors (mainly financial institutions) and part of the B2B website Mediálne.sk.<sup>61</sup>

Demagog.sk<sup>62</sup> is a similar project created by students and supported by the Slovak Governance Institute. The website monitors all the political TV debates aired on weekends and checks in a very detailed manner for factual errors.

Digital formats such as blogs and social platforms are also used by some political parties. The youngest party, Freedom and Solidarity (*Sloboda a solidarita*, SaS),<sup>63</sup> can attribute a big part of its success to communication on digital channels. The party (also known as the internet party) was created only one year before the 2010 parliamentary elections, but became the third-strongest party in the parliamentary elections in 2010 and part of the government (see section 4.4.2).

### 3.2.2 The Importance of Digital Mobilizations

No major civil protests were recorded over the past decade. When the situation changed in early 2012, it may have been an indication that online civil action was beginning to shift to the mainstream. Slovakia's political and social life was stirred up by the series of Gorilla protests that were sparked by an initiative that originated on, and was organized primarily via, social networks (see section 3.2).

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58. See <http://cenastatu.sk> (accessed 6 January 2012).

59. See <http://spw.blog.sme.sk> (accessed 6 January 2012).

60. See <http://medialne.blog.etrend.sk/mediawatch> (accessed 6 January 2012).

61. See <http://medialne.etrend.sk> (accessed 6 January 2012).

62. See <http://www.demagog.sk> (accessed 6 January 2012).

63. See <http://www.strana-sas.sk> (accessed 6 January 2012).

Over the past two years, social networks have become an effective means of getting citizens involved in the legislative process. Through them, clusters of concerned citizens manage in real time to muster public support for mass amendments proposed to the official debate procedure regarding bills submitted to Parliament. This facilitates ordinary citizens' participation in the legislative process and increases their chance to influence ad hoc the final wording of adopted laws; the most recent example of social networks' effectiveness was affecting an amendment to the Schooling Act. The Act sought to extend the authority of self-government over the private and church schools and significantly restrict their freedom to decide on the scope and content of education they wish to provide. Social media campaigns mobilized a broad community of experts who then intervened in the legislative process and succeeded in limiting and modifying the scope of the law in respect of these schools.

Depending on the scope and social relevance of activities that originate on social networks, they often become issues of interest for mainstream media, which usually do not limit themselves to informing on these initiatives but often take over in actively monitoring and/or investigating them.

The lack of concrete outcomes of some civic and political activities does not reflect on the inefficiency of digital mobilization, but rather on the discouraging political realities and political culture in Slovakia.

### 3.3 Assessments

The main benefit of online news is that it can reach a bigger audience. It is very likely that many readers who did not use to read a specific (or any kind of) print newspaper now read the content online where it is free.<sup>64</sup> Facebook has become a useful tool to support the viral effect of hot news and it serves as a news feed for those who sign up to the respective fan page of a news website. However, since media can only post a few links a day, to avoid a spamming effect, linking on social networks will remain only a supplementary source of traffic.

Original online content that can be related to news comes mainly in the form of blogs. Many public figures (especially politicians) have their blogs on media websites where they can reach a younger audience and where they can post their views directly without the limitations of print media. But in general, blogs have not become a new source of information and news, but are mainly a popular platform for expressing opinions.

Several NGOs and activists have created projects that make great use of digital media. A general goal of these activities is to make the public finances and the decisions of the state and local governments more transparent. Many of these projects include putting data online and searchable, thus making the results of activists' work universally available.

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64. According to the IVO research on social networks in Slovakia, more than one-third (34 percent) of the Slovak population (up to 49 percent of Slovak internet users) states among their social network activities also following news on social, cultural, and political life.

Digital activism was a relatively late developer in Slovakia, for reasons of political culture. However, significant mobilizations have begun to originate online. Online petitions and Facebook pages have shown their effectiveness for making the masses interested and involved in civil society activism. Social media were instrumental in sparking off and organizing the largest wave of civic protests in the past decade aimed at corruption involving top political figures in Slovakia; despite its eventual disintegration, this civic initiative directly influenced the results of the parliamentary elections and, subsequently, the future course of the country.

## 4. Digital Media and Journalism

### 4.1 Impact on Journalists and Newsrooms

#### 4.1.1 Journalists

In many print media newsrooms the workflow of journalists has not changed drastically over the past five years. Print journalists still focus mostly on delivering content for the print edition; websites are handled by dedicated online staff. Journalists working for the print edition are involved in the online edition mainly for breaking news. Newspapers do not wait for newswires but try to cover these events as quickly as possible on their websites.

The first publisher to fully integrate print and online staff was the media company Ringier Axel Springer, which in November 2011 created a single newsroom for the print edition of the tabloid daily newspaper *Nový Čas*, several print supplements, and a number of online magazines specialized in tabloid news and lifestyle. Journalists working in the newsroom write for both the print and online editions and they share one content management system.<sup>65</sup>

Another example is the economics weekly *Trend*,<sup>66</sup> where journalists are obliged to write a certain amount of copy for the website, some of which is subsequently featured in the print edition. Apart from the goal to deliver exclusive online content not found in the newswires, the main reason for this strategy is that the magazine decided in 2010 not to publish the content of the print edition online, but only a small amount of content from the magazine. This includes selected articles (with extracts offered for free and full articles reserved for online or print subscribers).

Most of the main news media outlets have hired journalists working mainly or exclusively for the online edition. However, most of these journalists do not cover serious news but either tabloid topics (one of the most popular sections of *Pravda.sk*, website of the daily *Pravda*, is the tabloid section) or more specialized topics, such as the automotive sector, IT news, and computer gaming.

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65. E. Vozárová, "Ringier Axel Springer joined the print and online newsrooms" (Ringier Axel Springer spojil redakcie printu a online), at <http://medialne.etrend.sk/internet-spravy/ringier-axel-springer-spojil-redakcie-printu-a-onlinu.html> (in Slovak) (accessed 6 January 2012).

66. Note: The author of this chapter, Tomáš Czwikovics, is an editor at *Trend*.

In general, the main change in newspapers is related to the timing of publication. A few years ago, one of the two general-interest good-quality daily newspapers, *SME*, published all articles from the latest edition at midnight. Over time the strategy has changed. Some articles are published even the day before the print edition comes out, others (interviews, larger texts) are published gradually during the day so that the audience has a reason to visit the website several times a day. The daily *Pravda* used to publish content from the print edition online after 9 a.m., but it has since decided to gradually release the articles on the web or publish a shorter version while advertising the whole piece as available in the print edition.

Also, the growing popularity of online news leads to a much greater exposure of newswire content other than breaking news. A decade ago news agencies were mostly used by journalists, public institutions, and companies. The public consumed only a small portion of the whole agency production that made its way into traditional news media.

The 24-hour news cycle in the digital news environment has created a greater pressure to publish information first. Fact-checking and editing is often done post-publication for breaking news, meaning that inaccurate information may be disseminated. For instance, when a serial murderer shot several people in a neighborhood in Bratislava in August 2010, all the news websites published incorrect information about the number of victims. Yet this is not a new phenomenon—it occurs in electronic media covering live news. But possible mistakes published on news websites can be corrected much faster than in traditional media.

In recent years several websites have started working with video. The most prominent example is *Sme.sk*, which has several journalists producing video news, political debates, and even political satire entertainment shows. Although the quality of video news content has improved over the last two or three years when it became a general trend, due to high costs the presentation in most cases still lacks the level of conventional professional television production.

Although the (to some maybe questionably) positive effect is that the audience gets much more information and more quickly, the main downside is that newswire content is only copy-pasted and published almost without any editorial input by most media outlets. All news websites essentially rely on the production of two domestic news agencies—the public TASR (News Agency of the Slovak Republic, *Tlačová agentúra Slovenskej republiky*), and the private SITA (Slovak News Agency, *Slovenská tlačová agentúra*)—which produce a rather small amount of news compared with agencies in surrounding markets. This leads to a low level of news variety across digital news media. As stated by several editors, the quality of agency news is often inferior, especially in the economic and foreign news departments.

New technologies have brought change to the work of radio and television journalists as well. Like their print counterparts, broadcast journalists must learn new technical skills and they have to provide it under much greater time pressure. Given the low average age of journalists working for print and electronic mainstream media in Slovakia (the overall proportion of middle-aged and older journalists is very low), digitization is not a major problem in terms of digital literacy and most journalists have adapted readily to the need for new skills and to the changing working environment. On the other hand, the global economic crisis has forced

businesses to reduce advertising spend, which has hit media revenues. This has made media owners seek ways to increase effectiveness by reducing the numbers and wages of newsroom reporters while increasing their workload.

The unique feature of the Slovak television market is the significant technological lag of the public service broadcaster, which has negatively affected the quality of its news content in terms of time and technical quality. Technologically, STV is the most backward television station in the country, which harms its competitiveness in terms of news production. This is a direct result of frequent management changes, which formed a distraction from the need to keep updating the technology. The urgent renewal of STV is currently hampered by its status as a public institution, with its concomitant legal obligation to purchase technologies through public procurement, which lengthens the process by months or even years.

#### 4.1.2 Ethics

One important ethical problem in the digital news era concerns copyright infringements and plagiarism. Digital tabloid media in particular often copy foreign or even domestic sources without naming the source of information, and many articles are word-for-word translations. From 55 articles about international celebrities published in the first two weeks of February 2011 on the website Čas.sk, belonging to the most-read Slovak daily *Nový Čas*, 34 pieces had absolutely no indication of a news source in the text itself, while the rest mentioned usually one news source.

Audiovisual content is often taken from video-servers like YouTube (which have their own problems with copyright infringements), include their own voice-over and even brand the video with the name of the website. Hypertext linking to the original source is for many tabloid, but also serious, news outlets not a standard but an exception.

Online editors (i.e. in most cases people who pick news from newswires and copy-paste them on the web) are often people with very little journalistic experience, in many cases students, who are not able to fact-check and edit information from agencies.

The vast majority of online media outlets have no standards for corrections and replies. Many outlets correct mistakes without notifying the readers of the changes in the article, and sometimes even in the case of a serious error the corrected article is not highlighted on the homepage or at the top of the section the article containing the error appeared in.

Online journalism is still not covered by legislation governing the press. A new law passed in 2008 avoided extending the provisions of the Press Act to digital media,<sup>67</sup> as did an amendment to this Act adopted in 2011. One of the negative implications of this is that online journalists do not have the right to protect their

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67. Act 167/2008 on periodicals and agency news service and the amendment and supplementing of certain acts (the Press Act).

sources. On the other hand, the public has no legal means to respond to mistakes published in digital media (see also 7.2.1).

Looking at the codification of journalists' behavior in the context of new media and social networks, the only outlet to react so far has been the online news market leader *SME*. In November 2010, *SME* amended its Code of Conduct (which already included a section on journalist behavior when publishing online) to become the Code of Social Network Usage by the Editors of *SME*.<sup>68</sup> Besides defining how the editors of *SME* should act in this environment, it also specifies the rules for obtaining and using information originating from virtual social networks. On the other hand, the new Journalists' Code of Ethics for Journalists,<sup>69</sup> adopted in January 2011 by the largest professional organization, the Slovak Syndicate of Journalists (*Slovenský syndikát novinárov*, SSN), does not explicitly tackle the new issues arising from the change in journalists' work caused by technological advances.

## 4.2 Investigative Journalism

### 4.2.1 Opportunities

Digitization helps investigative journalism in two ways. It allows journalists better access to a wide range of sources and creates spaces for effective communication with these sources (for example, whistleblowers).

Since some official documents and databases have become available online (e.g. the commercial register, property ownership databases), certain information has become easily accessible. But while it is possible to view and track back the history of ownership changes in companies, important documents like financial reports can still be accessed only in paper form. In 2010, the government of Prime Minister Iveta Radičová passed a law that requires publishing all contracts involving the use of public finances online. The contracts become valid one day after they have been published on the website of the respective institution, city council or a central register for such documents.

While this is a useful tool for the public, including journalists, to keep track of public spending, in many instances uploading contracts on the internet has not led to greater transparency. Media have reported several cases when contracts have been published online without any indication of the content (e.g. by naming the files accordingly) and the documents were scanned images that made it impossible to look for specific information.<sup>70</sup>

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68. The Code of Social Network Usage by the Editors of *SME* (an annex to the *SME* Code of Conduct), at <http://www.sme.sk/c/5711878/pravidla-pre-pouzivanie-socialnych-sieti-redaktormi-sme.html#ixzz1EVf6tz7Q> (accessed 26 May 2011).

69. The Code of Conduct of SSN adopted in November 2010 and valid from January 2011, renamed the Code of Ethics for Journalists, at <http://www.ssn.sk/?id=50&num=10&lang=sk> (accessed 26 May 2011).

70. M. Piško, "Cities publish contracts in a useless format" (Mestá zverejňujú zmluvy v nepoužiteľnom formáte), *SME*, 17 January 2010.

Digitization helps investigative journalism also because of the possibility of anonymous digital communication. There is a much smaller barrier for a possible informant to send a tip from a fake email address or under a nickname in the discussion forum of a news website than to contact the journalist over the phone.

The anonymity of the internet can motivate whistleblowers to contact journalists, and digital communication makes it easier to share information (e. g. send scanned documents, email communication transcripts). Several specialized websites now provide information and documents that make it possible to detect the misuse of public funds, allegations of corrupt practices of politicians, and so forth (such as [WikiLeaks-slovensko.org](http://WikiLeaks-slovensko.org)).<sup>71</sup>

#### **4.2.2 Threats**

There have been no reported cases of legal actions regarding investigative journalism that could be linked to digitization. Certain threats resulting from digitization can be related to changes in workflow and increasing time pressure in publishing exclusive information. This can result in the narrowing of space for verification of relevance and accuracy.

While the rise of digital media has provided additional tools to investigative journalists (such as broader and simpler access to information sources), in general it has not created new opportunities for more investigative journalism; print media keep most of their exclusive content for the print edition and publish it on their websites later or at the same time as the text comes out in the printed version. Owners of digital-only outlets do not invest in good-quality journalism; most news websites that are not owned by print publishers do not try to compete with offline news outlets, because cheap newswire content generates sufficient traffic. The news website [Aktuality.sk](http://Aktuality.sk), run by the online market leader [Azet.sk](http://Azet.sk), ranks as the second-most visited Slovak news website despite the fact that for the largest part of its existence it had basically no original news content (newswire content only). The website started to invest in original content only in the last two years.

Also, while digitization helps to protect sensitive sources through secure channels of communication, there is also a threat that it may enable greater surveillance through hacking. However, no attempts at mass-scale hacker attacks have been reported in Slovakia.

#### **4.2.3 New Platforms**

As discussed in the previous section, there is very little investigative journalism published by digital-only media. Among the new news websites only two occasionally feature investigative pieces (the news website [Aktuálne.sk](http://Aktuálne.sk) belonging to the internet company Centrum Holdings, and [Mediálne.sk](http://Mediálne.sk) belonging to the print publishing house Trend Holding).

Individual bloggers who have personal blogs sometimes do one-off investigative work and manage to attract the attention of traditional media. In April 2010 Silvia Mancelová, a graduate student at the Comenius

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71. The founder and co-owner of ESET, a well-known firm based in Slovakia that specializes in computer security, is preparing to establish a fund for whistleblowers, which would create a platform for reporting their findings and provide legal assistance.

University in Prague, discovered the curious disappearance of a former justice minister, Silvia Petříková. She was believed to be attending a United Nations conference in Brazil, but she could not be found there although she had landed in South America (and returned home).<sup>72</sup> All major media followed up on the blogpost and reported on what appeared to be a state funded holiday for her.

One of the most prominent blogs that has published some investigative work was Slovak Press Watch (Spw. blog.sme.sk), run by the head of Transparency International Slovakia, Gabriel Šípoš. The blog started in 2002 as a media watchdog: the author analyzed wrongly interpreted data, biased reporting, and factual errors in print and television news. He also did some investigative work, for instance publishing information on a serious case of plagiarism in the daily *SME*, which published articles copied from Spiegel Online signed by a fake author. In another case, the blog exposed the fact that a politician from the political party, Direction—Social Democracy (*Smer—sociálna demokracia*, Smer-SD) published under a pseudonym in the monthly *Nové Slovo*, and another when the news television channel TA3 compelled its journalists to cover or to avoid certain companies, based on advertising spend bought on the channel. The blog closed at the end of 2010 because the founder decided to focus on work for Transparency International.

A similar project is the website Demagog.sk supported by the Slovak Governance Institute, which analyzes several political television debates broadcast over the weekends and fact-checks the statements of politicians.

Taking inspiration from Wikileaks, some Slovak film producers created a similar project called Vikiliga.sk, which publishes background information and scanned contracts connected to film projects financed with public money that never were created or that have questionably high budgets.

#### 4.2.4 Dissemination and Impact

Publishing investigative journalism online (written for print dailies or magazines) creates a potential to bring this work to a broader audience that usually does not buy print media. However, the reach of news on the web is still significantly lower compared with that of traditional media. The most read articles, that often include investigative pieces, get about 100,000 views per week on the largest news website Sme.sk. The print daily *SME* has an average readership of about 300,000. The most watched daily news television program on TV Markíza doubles this number.

In this regard it is noteworthy that in the middle of 2010 investigative journalism basically vanished from the Slovak television market. This was after TV Markíza announced in July 2010 that it would stop producing the weekly current affairs program “*Palba*” (Fire).<sup>73</sup> This was essentially the last TV program in Slovakia to regularly produce investigative journalism. TV Markíza indicated that it would like to take advantage of the experience of the reporting team in a new news and current affairs program (the late-night “*TV News*”) and

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72. S. Mancelová, “...Her Excellency Petříková” (...jej excelencia Petříková), at <http://mancelova.blog.sme.sk/c/227039/jej-excelencia-Petrikova.html> (in Slovak) (accessed 20 February 2011).

73. The main reason for cancelling this show was its unstable rating and the high cost of litigation which Markíza faced because of it: interview with Václav Míka, former CEO of Markíza, Bratislava, 24 July 2012.

to boost the investigative side of its prime-time news program. After “*Palba*” was cancelled, however, some of the reporters left, and the daily news programs could not devote as much space to the more complicated issues as a dedicated current affairs program could. Other channels appeared to follow suit: the program “*Reportéri (Reporters)*,” broadcast by STV, began to avoid covering sensitive political issues, the news programs of TV Joj began shifting away from serious news, and commercial interests gained the upper hand in the news television channel TA3.

## 4.3 Social and Cultural Diversity

### 4.3.1 Sensitive Issues

The prevalent ethnocentric view of society ignores the fact of social and cultural diversity.<sup>74</sup> To speak of such matters in Slovakia (including the presentation of these topics in the media) means, to a large extent, balancing on a knife’s edge.<sup>75</sup> On the other hand, if public discourse fails to change, it could jeopardize social cohesion and in effect lower the quality of democracy as well as Slovaks’ overall satisfaction with their lives.<sup>76</sup>

In this regard the chief sensitive issues in the media concern the perception of ethnic minorities (which in Slovakia are predominantly the Hungarian and Romani populations); immigrants; social minorities (in particular the handicapped); sexual minorities; and media presentations of gender stereotypes.

These issues are particularly sensitive because public discussion of them and presentation in the media are primarily influenced by the political elite, the make-up of which does not reflect society’s diversity.<sup>77</sup> This is why it is important to change the media, and public and political discourse regarding minorities, migrants, and gender equality in a sensitive but substantial manner.

### 4.3.2 Coverage of Sensitive Issues

Broadcasting for minorities, at least in the case of the public service broadcaster, is regulated by law. RTVS is obliged to broadcast programs which are balanced in content and regional focus in the languages of the national minorities and ethnic groups living in the territory of Slovakia, and in proportion to the national and ethnic composition of the Slovak population. To ensure the production and broadcasting of programs

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74. Most sociologists agree that Slovakia is a non-inclusive country where the integration of ethnic others is practically impossible due to structural reasons that are closely related to the constitution of the modern Slovak state and the principles according to which it continues to reproduce today. Furthermore, the ethnic character of the public realm is constitutionally anchored. The constitutional codification of the Slovak nation is based on the ethnic principle, which shows in the preamble of the Slovak constitution that makes an explicit reference to “the Slovak nation.”

75. E. G. Kriglerová, “Cultural diversity” (*Kultúrna rozmanitosť*), in E. G. Kriglerová and J. Kadlečíková (eds), *Cultural diversity and its perception by primary school pupils in Slovakia (Kultúrna rozmanitosť a jej vnímanie žiakmi základných škôl na Slovensku)*, Open Society Foundations, Bratislava, 2009.

76. M. Vašečka, “On relationships with others and oneself. Diversity in the country under the Tatras 20 years on...” (*O vzťahoch k iným a k sebe. Diverzita v krajine pod Tatrami dvadsať rokov po...*), in M. Bútorá, M. Kollár, Z. Bútorová, and G. Mesežnikov (eds), *Where are we? Mental maps of Slovakia (Kde sme? Mentálne mapy Slovenska)*, Kalligram and Institute for Public Affairs, Bratislava, 2009.

77. As recently as early 2012, for instance, one Member of Parliament during his speech in Parliament publicly termed homosexuals as sick people, which is why he deemed it “irresponsible to let them roam the streets without help.”

for the national minorities and ethnic groups, RTVS has created independent organizational units in its radio and television operations. Besides that, at least one of its terrestrially broadcast radio services must be “reserved for broadcasting of regionally balanced programs in the languages of national minorities and ethnic groups living in the territory of the Slovak Republic.”<sup>78</sup>

The debate about the manner and scope of fulfilling this obligation by the public service broadcaster, or its possible modification within the adoption of new legislation, is usually the subject of political negotiations and pressure on the part of the political representatives of minorities.<sup>79</sup> This approach to guarding the media space of individual minorities and the manner of using it (targetted programing aimed at a given minority) does not make efficient use of the media to increase social cohesion. On the contrary, it may be seen as reinforcing the ghettoization of individual minorities.

There is evidence that the sensitivity of journalists when working with topics pertaining to marginalized population groups is improving. This can be attributed to repeated educational activities for journalists (even though media owners usually did not see them as a benefit improving the quality of their products) and generally more coverage of these topics. In general, however, the media discourse still frequently reverts to stereotypes in presentation of minorities and marginalized population groups.<sup>80</sup> This is the case primarily in the commercial media and to a lesser extent in public service broadcasting.

In recent years there have been signs of improvement, especially in national audiovisual media, possibly related to tightened regulation of correctness of media content compared with print media. According to an analysis of the portrayal of minorities by broadcast media,<sup>81</sup> nationwide television stations are gradually beginning to reflect the multi-ethnic and multicultural structure of the population, clearly attempting to participate constructively in informing on this diversity. There has been an increase in the total number and frequency of and overall broadcasting time devoted to broadcasts that focus on racial and ethnic minorities.

Besides a genuine effort to present an accurate image, they reveal the increasing participation of minority representatives in the creation and production of these broadcasts. There has also been a substantial increase in the number of broadcasts that are directly aimed against displays of racism and xenophobia; likewise, there is a steady increase in the proportion of analytical journalism formats that explore and discuss these issues.

But broadcasting by all monitored television stations still has a long way to go in presenting unprejudiced information on the Romani national minority. Particularly news broadcasts often feature negative and/or stereotypical news pieces on the Roma that evoke viewers’ negative associations. These stories are usually

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78. Slovak Radio and Television Law No. 532/2010 Coll. as amended.

79. This is an observation the author made while working as a member and chairman of the Slovak Television Council, the supreme control body of the public media service of the country, and his own experience gathered when preparing media-related legislation.

80. Interview with Michal Vašečka, PhD, Manager of the Ethnicity and Culture Research Center in Bratislava, 19 January 2011.

81. “The Image of Minorities in Broadcasting by Select Broadcast Media” (Obraz menšín vo vysielaní vybraných elektronických médií) (Bratislava, Memo ’98, 2008), at: [http://www.memo98.sk/data/\\_media/sprava\\_memo\\_mensiny\\_2008.pdf](http://www.memo98.sk/data/_media/sprava_memo_mensiny_2008.pdf) (accessed 7 November 2012).

accompanied by stereotypical images emphasizing the ethnic origin of the Roma and their lifestyle, creating unsubstantiated and often malicious connections between the Roma and social maladjustment.

### 4.3.3 Space for Public Expression

The media play two roles in relation to minorities: they provide information to minorities or marginalized groups, and, more importantly, create opportunities for elimination of prejudice, stereotypes, and tensions between the majority population and minorities. Digital media can play a key role in forming the relationship towards minorities, especially with young people who are the predominant users of these media.

Studies have shown that just like the whole Slovak population, young people too are prejudiced, forming stereotypes of individual groups, especially minorities, permanently living in Slovakia.<sup>82</sup>

The media discourse on this topic is very important, because, as surveys have shown, young people acquire most information about minorities from the media.<sup>83</sup>

Digitization has created an important platform for minority expression in Slovakia, particularly for the Romani community, which is the most significant marginalized minority in education, social status, and media coverage. Information in the mainstream media is still largely inaccurate; at the same time, the Roma issue has become an increasingly explosive political topic.

As counterweights to mainstream coverage, the Roma Press Agency (RPA),<sup>84</sup> the TV project “Gypsy Television” in the four countries of the Visegrád Group (Czech Republic, Hungary, Poland, Slovakia),<sup>85</sup> and the Roma internet radio website Gipsy.sk<sup>86</sup> are model examples of how to make communication with one’s own community (not just ethnic) and the majority population more effective by using new media.

In distributing media content, these new projects capitalize on the main benefits of digitalization, that is, new distribution channels (e.g. the internet) and reduced costs of production and distribution of audiovisual content (just a few years ago, many of these television or radio projects would be inconceivable due to high production costs).

These projects provide richer and more innovative media content in terms of depicting the real everyday life of minorities, which is subsequently distributed in collaboration with mainstream media; for instance, RPA produces a periodical Romani magazine for public television. But mainstream media (especially tabloid

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82. K. Ilanovská, “Informing the Public by the Media on Issues Related to Discrimination in the Context of Human Rights” (*Informovanie verejnosti médiami o otázkach súvisiacich s diskrimináciou v kontexte ľudských práv*), at [http://www.diskriminacia.sk/sites/default/files/Informovanie\\_verejnosti\\_mediami\\_ilanovska.pdf](http://www.diskriminacia.sk/sites/default/files/Informovanie_verejnosti_mediami_ilanovska.pdf) (accessed 7 November 2012).

83. Interview with Elena Gallová Kriglerová, sociologist and analyst of the Ethnicity and Culture Research Center in Bratislava, 18 January 2011.

84. See [www.rpa.sk](http://www.rpa.sk) (accessed 7 November 2012).

85. See <http://www.gipsytv.eu> (accessed 7 November 2012).

86. See [www.gipsy.sk](http://www.gipsy.sk) (accessed 7 November 2012).

media) remain dominant in shaping public discourse and presenting sensitive issues such as minorities and/or discrimination (for further details, see section 4.3.2).

The problem is that digitization has also created a space for the communication of the extremist views of various minorities, which is used by extremist movements and associations to spread hatred and incorrect information about minorities—not just anonymous hate speech on the internet forums.

## **4.4 Political Diversity**

### **4.4.1 Elections and Political Coverage**

The election legislation changes the terms of electoral campaign media coverage with each election (parliamentary, presidential, municipal, European Parliament). But there have been no changes directly influenced by the technological development of the media in the last seven years.

Media-related technological changes have made it possible to provide much faster and more efficient coverage of election campaigns and the elections themselves, in particular with regard to the speed of publishing election results.

### **4.4.2 Digital Political Communications**

The digital media have influenced political communication at least by creating an efficient communication space for the new political parties. They have also made possible the involvement of active citizens (especially at municipal level), who emerged as candidates through social media.

New parties suffer from a lack of mainstream media representation in general, in particular if the media owners do not favor them. Here, the internet and virtual social networks have stepped in and proved to be very influential. The liberal party, SaS, labeled by some journalists as an internet party, is the prime example of this. As a new party with barely two years of history it came third in the 2010 elections and became part of the ruling coalition. It has built its identity and gained the widespread support of the electorate primarily using the internet and virtual social networks, which was made possible also by the values it stands for: as a liberal party it addresses primarily the young, educated electorate based in cities.

Presumably influenced by the campaign of the U.S. President Barack Obama, SaS focussed its attention on its Facebook presence, where it “befriended” the most voters by far among all political parties which attempted to communicate with their potential voters using this medium. Many SaS representatives have also been building their reputation and communities by blogging and later using their own pages on Facebook and other virtual social networks, which made people aware of their names, opinions, and programs. Traditional political parties have only used these tools marginally, and if they have, it has mostly been the individual efforts of their younger and more digitally sophisticated literate candidates.

It is of course easy to overestimate the influence of the internet in political mobilization (SaS also ran a traditional campaign through mainstream media and public meetings). As observed by the sociologist, Oľga Gyárfášová, in her evaluation of voter mobilization using virtual social networks, “So far it is not possible to vote using the internet, so one actually has to get up from the computer and go to the polling station.” Social networks are a tool of quick mobilization with huge reach—within minutes a message can reach tens of thousands of people. But in terms of elections their impact may be negligible, unless reflected in actual voter turnout. This phenomenon is important also in relation to the future of democracy and civic participation. The potential for participation and engagement can be exhausted on the web. But its potential for fostering civic engagement was nonetheless epitomized in an enduring slogan: “We do care.”<sup>87</sup>

As many as 100,000 people actively confirmed on Facebook that they would participate in the 2010 parliamentary elections, which in terms of actual voter turnout represented about 5 percent of all votes (voter participation reached 58.83 percent, an increase by over 4 percent compared with the parliamentary elections of 2006). In early parliamentary elections of 2012, the mobilization effect of social networks was not as strong in terms of voter participation). Considering the fact that in Slovakia a minority of swing voters often determines the outcome of elections, this level of mobilization could be significant if those who pledged to vote did so in practice (for which there is no available evidence).

Political communication using the internet and virtual social networks is certainly significantly cheaper and more direct than using traditional media and it has allowed many independent candidates and civic activists to join the political competition especially at municipal level. This was clearly visible in the results of the most recent municipal elections held in December 2010, in which multiple independent candidates succeeded, and gained a significant portion of the electorate using efficient communication in the new media.<sup>88</sup>

## 4.5 Assessments

Digitization has made it possible to acquire certain types of information collected in public databases more easily. The anonymity of the internet can motivate whistleblowers to contact journalists, and digital communication makes it easier to share information (e.g. sending scanned documents, emailing communication transcripts).

The 24-hour news cycle in the digital news environment has created greater pressure to publish information first. The competition is often about beating other media outlets in minutes, not hours or days. In the case of breaking news, fact-checking and editing is often done post-publication, meaning that inaccurate information may be disseminated: for instance in the case of a serial murderer who in August 2010 shot several people in a neighborhood in Bratislava, all news websites published incorrect information about the

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87. IVO Barometer 3/2010, Bratislava, Institute for Public Affairs, 2010, at <http://www.ivo.sk/6188/sk/aktuality/ivo-barometer-kvalita-demokracie-v-3-stvrtrroku-2010> (accessed 27 May 2011).

88. M. Kollár, “(New) media and the 2010 elections” ((Nové) médiá a voľby 2010), in Z. Bútorová, O. Gyárfášová, G. Mesežnikov, and M. Kollár (eds), *The 2010 elections in Slovakia (Slovenské voľby 2010)*, Institute for Public Affairs, Bratislava, 2011.

number of victims. Yet this is not a new phenomenon—it occurs in electronic media covering news live. Possible mistakes published on news websites can be corrected much faster than in traditional media.

Digitization has brought about a faster transfer of information about the election process itself, and in particular about the election results, to the end user. And it has fostered an efficient communication space in particular for the new parties and the non-party independent candidates at municipal level.

Slovakia's recent experience with early parliamentary elections of 2012 shows that digital activism, which capitalizes on the benefits of new social networks, may provoke such a wave of civil protests that it is able to affect the actual content of even mainstream media and subsequently influence voter behavior in a significant manner.

Even though there may have been a slight improvement in the coverage of topics concerning marginalized minorities, this is not really a consequence of a change in editorial policies of the traditional media or a direct influence of technological changes on the journalists' work. Rather it is the outcome of the fact that the communication space has opened and in it the members of the marginalized groups or the professionals working with them can communicate with the public in a more efficient fashion.

The quality of investigative journalism digitization has not changed significantly. On the contrary, investigative journalism is in decline, especially in television. The problems of investigative journalism are its high costs and the legal system. Media face many defamation lawsuits, so they tread carefully. There remains, however, the potential for digitization to expand opportunities for investigative journalism, particularly in the blogosphere; new technologies reduce production costs and allow engaging large number of active citizens, not just professional journalists.

# 5. Digital Media and Technology

## 5.1 Broadcasting Spectrum

### 5.1.1 Spectrum Allocation Policy

Although official government strategies over the last decade have repeatedly stressed that a benefit of digital transition would be the potential for greater variety in the television sector,<sup>89</sup> the process has in fact turned out to favor the existing players in a number of ways.

The Digital Broadcasting Act of 2007 defines three terrestrial multiplexes: a temporary one for the existing terrestrial players that was supposed to cease to exist after the digital switch-over, a commercial one for private broadcasters; and one for the public service television broadcaster. In 2011, the telecommunications regulator, the Telecommunications Office of the Slovak Republic (*Telekomunikačný úrad SR, TÚSR*), launched a competition for a fourth multiplex.

Under this legislation the television licensing system, which is governed by the media authority Council for Broadcasting and Retransmission (*Rada pre vysielanie a retransmisiu, RVR*), became a formality and no longer made the decisions over which television broadcaster can use which frequencies (or positions in the multiplex). Any company that complied with the legal minimum standards (declaration of ownership structure, declared programming quotas, etc.) was automatically awarded a digital television license, and it was left to a commercial agreement between the multiplex operator and the broadcaster to determine who gets a position in the multiplex. While this change made the television licensing process more independent from the state, the lack of organized competition for the multiplex line-up meant that the television market was completely blocked by existing players. The outcome speaks for itself: three free multiplexes offer only channels of existing broadcasters: the Markiza group, the Joj group, TA3, and RTVS.

The two largest broadcasters, TV Joj and Markíza, launched their new channels in 2008 and 2009 respectively. This was before the start of DTT broadcasting, when the channels were initially distributed via satellite and cable. This followed the general trend in the sector, which was saturated with multi-genre television channels.

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89. For instance, Analog to Digital Terrestrial Television Broadcasting Transition Strategy (Government Decision No. 21/2009).

Thematic channels are a way to re-use existing content and target more specific audiences, but those launched by the private Slovak broadcasters were also a means to fill up the first terrestrial multiplex. Since the first temporary multiplex was assigned to the existing analog broadcasters (STV, Markíza, Joj) and the public service multiplex was for public service television only, the commercial multiplex offered space in the MPEG-2 standard for four or five TV stations. And since the multiplex was filled with four channels of the two big private broadcasters, until the second half of 2011 there was no digital space for any other entrant.

In 2011, TÚSR prolonged the license for the first multiplex and also awarded a fourth multiplex to the dominant DTT operator Towercom (see section 5.1.2). This means that there is potential space for at least 10 new channels to be distributed terrestrially in standard definition. Towercom has not revealed any specific plans when and how these will be used.<sup>90</sup>

So far the state has not decided how many additional frequencies may be used for television broadcasting, even after the completion of the digital switch-over.<sup>91</sup> A license for DTT broadcasting can theoretically reach everyone. However, there is no place in the two existing multiplexes for new broadcasters, and it is unclear when Towercom will launch another multiplex and under what conditions.

### 5.1.2 Transparency

The decision on which a television broadcaster can get into the DTT multiplexes is made as a result of commercial negotiation with the DTT operator. The fact that the television market is blocked in spite of an ongoing digital transition process is also the result of the TÚSR creating a de facto monopoly in the DTT broadcasting market, since all three terrestrial multiplexes were awarded to a single company, Towercom. In the first round of the tender (which was later revoked, see section 5.1.3), Towercom could have been challenged by the Austrian operator ORS. However, the criteria for the second tender favored the existing local operator (i.e. Towercom) in several respects. For example, the most points were awarded to the company that could guarantee the largest possible coverage at the launch of the DTT multiplexes. Towercom had already been operating two test multiplexes that covered a third of the population.

The criteria also favored those competitors who owned or rented properties intended for digital transmitters. Since Towercom was the dominant analog terrestrial operator, the company could immediately use most of its infrastructure covering the whole country.<sup>92</sup> ORS did not enter the second round, criticizing the criteria.<sup>93</sup>

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90. Towercom launched the first and the fourth multiplexes in spring 2013. For the time being, the first multiplex includes three new thematic channels operated by established broadcasters (TV Markíza and TV Joj), while the fourth multiplex (transmitted via DVB-T compression standard) is still empty and in future it should include Slovak-language versions of nine foreign TV stations; however, these stations have been available on other digital platforms for several years.

91. Analog to Digital Terrestrial Television and Radio Broadcasting Transition Strategy (Government Decision No. 11/2011).

92. T. Czwitkovics, "Digital tender made-to-measure" (Digitálny tender na mieru), at <http://medialne.etrend.sk/televizia-clanky/digitalny-tender-na-mieru.html> (in Slovak) (accessed 6 February 2011).

93. T. Czwitkovics, "Austrian ORS Claims the DVB-T is not Transparent" (Rakúsky ORS považuje tender na DVB-T za netransparentný), at <http://medialne.etrend.sk/digitalne-spravy/rakusky-ors-povazuje-tender-na-dvb-t-za-netransparentny.html> (in Slovak) (accessed 12 February 2011).

Since there were no other competitive tenders,<sup>94</sup> the whole spectrum allocated to DVB-T so far was awarded to a single company. The use of a compression standard, variety of services and number of positions in the multiplexes played only a minor role or were not judged at all in the tender.

In 2011, Towercom was awarded two more multiplexes. One of them was the temporary multiplex which the company used to launch DTT in Slovakia. The operator had a license for the frequency bundle only until 2015. However, following a request from Towercom, TÚSR exchanged these frequencies for a different set with a license valid until 2021, without any competition. The regulator called this a “change of license,” although several legal and telecoms experts considered it a breach of law.<sup>95</sup> There was no further inquiry in this case.

In December 2011, TÚSR named Towercom as the winner of the preceding tender for the fourth nationwide multiplex. There was only one smaller competitor (Telecom Corp, a company from East Slovakia), which was excluded from the competition for formal reasons, that it had submitted the project documentation to the transmitter and antenna system only in English, without an official translation into Slovak.

It should be also noted that Towercom has been linked several times in the media (and also publicly by the former head of TÚSR, Branislav Máčaj) to one of the two major television broadcasters, TV Joj (see section 6.1.5).<sup>96</sup> Such vertical cross-ownership is legally prohibited.

Despite this, the state and the TÚSR opted for a light-touch involvement in the digital transition process; the legislation and the DTT multiplex tender did not create any opportunities for stronger competition between operators and broadcasters. Moreover, both the state and TÚSR strengthened the position of the existing players in the terrestrial market until the very end of the digital switch-over in 2012.

### 5.1.3 Competition for Spectrum

Since the legislation does not allow for any new multiplexes so far, one option to open up spectrum for new entrants (or existing broadcasters, currently available only on cable networks or via satellite) could have been to use the MPEG-4 compression standard over MPEG-2, which is only half as efficient. When TÚSR started the tender for the first two multiplexes in 2008, MPEG-4 was established as the compulsory compression standard. However, shortly after this the head of TÚSR, Mr Máčaj, was removed, in a step seen as the outcome of successful lobbying by incumbent broadcasters seeking to close off the threat of new entrants

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94. There were two other competitors: a Slovak company, Telecom Corp, that lacked financial means to build three terrestrial multiplexes, and a Canadian company, Valtech Communications, inexperienced in terrestrial broadcasting and with a non-transparent ownership structure (the company was excluded from the tender at the very beginning because the owners did not provide an official document in the required form).

95. It was alleged that Towercom was linked to the same investor (J&T Financial Group), which had a significant interest in the private broadcaster Joj. Both parties have denied these allegations. See also section 6.1.5 and Adam Valček, “Towercom got frequencies without any competition” (Towercom získal frekvencie bez súťaže), at <http://ekonomika.sme.sk/c/6067296/towercom-ziskal-frekvencie-bez-sutaze.html> (in Slovak) (accessed 6 January 2012).

96. T. Nicholson, “Máčaj to be Recalled” (Máčaja chcú odvolať), *SME*, 12 November 2009.

through the adoption of a less efficient standard. Mr Máčaj was a strong supporter of MPEG-4 and his departure was followed by a rewriting of the terms for the multiplex tenders, crucially allowing the multiplex operator to determine the compression standard.

Some lawyers considered the removal of Mr Máčaj illegal. The European Commission sent a letter to the ministry of telecommunications and recommended strengthening the independence of TÚSR (see also section 7.2.2). In the event, only two companies competed for the tender—Towercom and Telecom Corp—with both multiplexes being awarded to the former. The Canadian company Valtech Communications was removed for procedural reasons, and ORS decided not to participate in the revised tender, citing as grounds the alleged capture of the regulator by Towercom. For its part, Towercom opted for the MPEG-2 technology, not surprisingly in view of its relationships with incumbent broadcasters, and because it cost less than MPEG-4. However, most countries starting digital broadcasting at this late stage have chosen MPEG-4.

## 5.2 Digital Gatekeeping

### 5.2.1 Technical Standards

The debate over which technical standard should be used for DTT broadcasting was never an open discussion. In the first stage of the process, TÚSR set MPEG-4 as the compulsory standard for DTT in the first attempted multiplex tender, according to the statements of the former head of the authority, Mr Máčaj. But the dispute about the compression standard was one of the reasons behind the rising pressure on Mr Mačaj. After he had been deposed in late 2008, it was not clear until the very last moment before the official launch of digital terrestrial broadcasting in late 2009 that MPEG-2 would be the standard used in Slovakia. This lack of transparency has characterized the whole digital transition process. Households in the first regions where the analog signal was switched off (during the last quarter in 2010) received only one week's notice before the signal was terminated.<sup>97</sup> The timing of the campaign was similar in many other regions later on.

The digital switch-over process was completed very quickly. By the end of June 2011 more than 90 percent of Slovakia's population was covered by the two main multiplexes. In the following months the vast majority of analog transmitters were shut down. The whole process was completed in 2012.

### 5.2.2 Gatekeepers

When DTT broadcasting started in late 2009, Markíza did not become part of the first multiplex despite the fact that as the largest broadcaster it had been part of the pilot phase of DTT since 2004–2005. It was only six months later that Markíza entered the multiplex after having signed the contract with Towercom.

Over the course of 2010, there were several discussions between local television broadcasters and TÚSR about the digital transition process. The legislation does not specify what happens with local broadcasters

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97. M. Holeš, "People Will Lose Television, They Do Not Know It" (Ľudia prídu o televíziu, nevedia o tom), *Pravda*, 27 January 2011.

after the analog switch-off. The smaller players are, unlike the national broadcasters, allowed to operate their own local multiplexes. But local television stations criticized the fact that they would have to compete for new frequencies and thus they might completely lose the option of terrestrial broadcasting that they were using in the analog era.<sup>98</sup> In 2010 TÚSR changed the rules so that local players would not have to enter a tender for a frequency but would only need formal approval from it, that is, the broadcaster that finds and asks for a frequency first would be permitted to use it.

The specific legislative and regulatory circumstances of the process of transition to DVB-T have led to Towercom's monopoly of the digital multiplex market, since it decides which broadcasters with a digital license shall have spaces on the existing commercial multiplexes (the public service multiplex is stipulated by law and has been fully occupied by the public service broadcaster). As a result of the given technical parameters and the limited capacity of multiplexes, the new national commercial multiplex was quickly occupied by incumbents.

Largely due to the incorrectly managed transition to DVB-T, the market position of particular distribution platforms has changed dramatically over the past two years. During this transition, the previously dominant terrestrial (analog) platform fell behind satellite and cable platforms (see section 5.3.1). As a result, the share of multi-channel digital households increased to more than 90 percent in 2011, and new program services no longer depend on the digital terrestrial platform, which is the most expensive in terms of cost-to-coverage ratio.

This situation was exploited by Skylink, Towercom's satellite broadcasting provider, which achieved a dominant position by offering free services, and subsequently announced the gradual introduction of fees for these same services.

### 5.2.3 Transmission Networks

As mentioned above, financial ties have been alleged between the multiplex operator Towercom and the incumbent commercial broadcaster, Joj (see section 5.1.2). However, there have been no known instances of Towercom exhibiting bias against Joj's main competitor, Markíza. (For details of bias against potential new entrants, see sections 5.1.2 and 5.1.3.) This may be because both Markíza and Joj seem to coordinate their moves in the digital transition process in a bid to protect their duopoly. However, Markíza has been openly more critical of several steps taken by Towercom, including the launch of DTT and digital switch-over.<sup>99</sup>

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98. T. Czwikovics, "Little Big Digital Troubles" (Malé veľké digitálne problémy), *Trend*, 30 June 2010.

99. F. Hanker, "Markíza to the State: Postpone Analog Switch-off" (Markíza štátu: Posuňte vypínanie analógu), at <http://www.zive.sk/markiza-statu-posunte-vypinanie-analogu/sc-3-a-291656/default.aspx> (in Slovak) (accessed 12 February 2011).

## 5.3 Telecommunications

### 5.3.1 Telecoms and News

Cable, satellite, and telecoms operators have played a vital role in improving the level of penetration of DTT broadcasting, which had started only in December 2009. With the TV leader Markíza entering the terrestrial bundle about six months later, after the digital switch-over terrestrial reception offering six free-to-air channels played a much smaller role than it had in the analog era.<sup>100</sup> The increasing competition among digital satellite, cable, and IPTV operators (of whom the last two offer dual- or triple-play services) had the largest impact on the growing number of digital households, with digital satellite having the fastest growth in market share over the past six years (see section *1.1.2*).

IPTV operators were the first to introduce digital services such as video-on-demand, or simple information and interactive services accessible on the television screen.

Television content distribution does not play a major role in the mobile telephony market. Although this functionality was advertised with the introduction of third-generation networks, the service never became a success. Since DVB-H did not succeed in most European markets, the technology was never deployed in Slovakia. Mobile operators are part of the mobile internet revolution that was launched with the introduction of the iPhone and the advent of smartphones. Mobile operators made mobile data packages more accessible. Media companies have started to focus on mobile news consumption, especially in 2010, by making their websites compatible with the mobile phone displays or by creating special phone applications for media products.

### 5.3.2 Pressure of Telecoms on News Providers

Apart from the unclear relationship between Towercom and TV Joj, telecoms operators have no direct influence on news providers. Slovak Telekom, part of the Deutsche Telekom Group, owns the portal Zoznam.sk (a website with the second-highest monthly traffic in Slovakia, providing different kinds of services, including news). However, there is no evidence of telecoms operators exerting undue pressure on news providers specifically.

## 5.4 Assessments

The spectrum allocation process clearly favored the existing local players: Towercom got the whole spectrum allocated to DVB-T so far, while the TV broadcasters were free to choose which compression standard would be used for the foreseeable future. Unsurprisingly, they opted for the less efficient MPEG-2.

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100. I. Krasko, "Skylink: Satellite Will Beat Cable Television" (Skylink: Satelit porazi kábllovku), at <http://medialne.etrend.sk/televizia-spravy/skylink-satelit-porazi-kablovku.html> (in Slovak) (accessed 12 February 2011).

The process did not start as such. The initial draft of the digital legislation and the first DTT multiplex tender allowed for strong competition between operators and created a potential space for new entrants. However, the pressure of the existing players in the political and regulatory sphere was so strong that both the legislation and the frequency allocation clearly ended up favoring incumbents. Politicians played an obvious role in allowing this kind of pressure: Parliament completely changed the Digital Broadcasting Act so that the interests of the operator and broadcasters would be met. Parliament later fired the head of TÚSR, who was pushing for stronger competition in the terrestrial operator market.

The digital transition process did not create space for any new entrants until the completion of the digital switch-over. There is no clear strategy on whether any of the digital dividend will be used for television broadcasting. The public discussion over the use of the digital dividend started and ended with a single consultation carried out by the regulator. Towercom was awarded two more multiplexes, which have not been used so far. It is possible that these frequencies will be used for new pay-TV services.

We assume that DTT will continue to lose its share among other distribution platforms. It is unlikely that an existing TV broadcaster (apart from STV, and Joj) that has been distributed via cable and satellite will be willing to pay the high costs for national DTT coverage.

Even if Towercom eventually launches a new pay-TV bouquet (paying for the terrestrial distribution on its own expenses like cable and satellite operators,) other platforms will offer much more for a similar price.

On a positive note, the digital transition has proceeded rapidly (although markedly slower on the terrestrial platform compared with others). Hundreds of thousands of households switched from analog terrestrial reception to digital satellite, digital cable or IPTV services, offering a much greater variety of programming and a much cheaper way of transmitting the signal for any new programming providers.

## 6. Digital Business

### 6.1 Ownership

#### 6.1.1 Legal Developments in Media Ownership

Legal cross-ownership regulations have been relatively strict since the introduction of the dual system of electronic media (i.e. the coexistence of public service and private broadcasters) in the late 1990s. Vertical and horizontal cross-ownership was and remains forbidden, as is cross-ownership between traditional electronic and print media; there are no exceptions.

Only horizontal mergers and acquisitions among local broadcasters were allowed up till the start of the digitization process. Specifically, local broadcasters were permitted to form networks but only up to a combined coverage of 50 percent of the total population.<sup>101</sup> Concentration in the print and online media market was examined by the Anti-trust Office, while concentration of local electronic media outlets was the preserve of the media authority, RVR.

The legal initiation of the digital transition process introduced certain exceptions to these rules. The Digital Broadcasting Act passed by Parliament in 2007 allowed TV broadcasters with nationwide coverage to own other thematic television stations, for instance, one company operating a general-interest television station may start or buy a channel specializing in news, sports, movies, etc.<sup>102</sup> However, national broadcasters are still forbidden from sharing owners or stakeholders. The legal restrictions come into place if the owner of broadcaster A were to own more than 25 percent of broadcaster B.

The provision that allows national television broadcasters to own thematic channels was the result of lobbying by the large television broadcasters. The initial proposal of the Digital Broadcasting Act drafted by the Department of Culture had allowed joint ownership among thematic channels only (the first draft did not allow even this). The ownership rules, however, were softened when Parliament endorsed amendments that were proposed by the market incumbents behind closed doors.<sup>103</sup>

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101. Broadcasting and Retransmission Law No. 308/2000, Paragraph 42, Article 3 (2009).

102. Digital Broadcasting Act No. 220/2007, Paragraph 25, Article 3 (2007).

103. Interview with Zuzana Mistríková, Head of the Media and Audiovision Section of the Ministry of Culture of the Slovak Republic, 2002–2006, and Secretary of the Association of the Independent Radio and Television Channels of Slovakia, Bratislava, 16 February 2011.

Not allowing the existing commercial broadcasters to create new programs would put them at a disadvantage compared with the public service broadcasters who are legally allowed to start an unlimited number of channels. Also, as seen in many markets, existing broadcasters are the most likely to start new digital channels since it is much cheaper for them to launch new projects exploiting their existing technological and content inventory.

However, relaxing these ownership rules led in the end to the television market being closed to any new entrants until at least 2012, the year when digital switch-over was completed.<sup>104</sup> The reason for this is that the Digital Broadcasting Act introduced only three multiplexes: one for the existing national broadcasters during the transitional phase (simulcast); one for the public service television; and one for commercial broadcasters (see section 5.1.1). The two dominant private broadcasters (Markíza and Joj) agreed with Towercom to include their thematic channels in the multiplex and use the less efficient compression standard MPEG-2. As a result, Towercom has had no motivation to look for other clients since the entire capacity of the multiplex is already paid for by the two broadcasters.

TÚSR tried to open the terrestrial market for new entrants by introducing the more efficient compression standard, MPEG-4. However, following pressure from private broadcasters, the head of TÚSR was fired and the decision over the compression standard was left to the operator and incumbent broadcasters who opted for the less efficient MPEG-2 standard.<sup>105</sup>

### 6.1.2 New Entrants in the News Market

In 2006, the internet company Centrum Holdings launched a news website, Aktuálne.sk, with professional journalists producing original content. This step was the exception. News websites of internet companies usually only aggregate newswire content.

Also in 2006, one of the biggest print publishers, Spoločnosť 7 Plus, launched a new daily newspaper (*Plus jeden deň*) with a heavy focus on tabloid news, in spite of the clear trend of decreasing circulation and users migrating to the internet. It has had a stable circulation since its launch.

In the same year the publisher Trend Holding bought the semi-professional project Mediálne.sk (run by students) that provides business and investigative news about the media, advertising, and marketing markets. The publisher invested in new journalists for Mediálne.sk and strengthened the cooperation with *Trend*.<sup>106</sup>

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104. TV Markíza and TV JOJ—two more thematic channels—were launched in autumn 2012 and spring 2013.

105. “Máčaj: The tender was prepared for Towercom” (Máčaj: Tender pripravili pre Towercom), interview with Branislav Máčaj, the former Head of TÚSR, *SME*, 16 May 2009; “The MPEG-4 decision was only the excuse” (Rozhodnutie o MPEG-4 bola len zámienka), interview with Mr Máčaj, 22 December 2008, at <http://dsl.sk/article.php?article=6792&title=> (accessed 12 March 2012); interview with Radoslav Kutaš, head of the Media Legislation Section of the Ministry of Culture of the Slovak Republic 2002–2006, Bratislava, 24 February 2011.

106. The author of this report is the editor-in-chief of Mediálne.sk.

In 2007, the small local publisher TV Tip launched a news weekly, *Žurnál*. It closed down in December 2009 as a result of the collapse of the advertising market. In late 2010 the Slovak edition of *Forbes* magazine was launched (by the Slovak company Business Consulting & Media).

Existing companies in the television, radio, and print markets have continued to strengthen the content on their news websites. Private television broadcasters have created specialized news websites to which they gradually moved all news content from their main webpages. Although these rely heavily on newswire services, they also provide new jobs for journalists. The online news projects of the TV broadcasters are still low cost and of low quality, but are slowly improving.

Other new media projects launched since 2006 in print, TV, radio, and online have focussed mainly on tabloid and lifestyle content, with very little to no news.

### 6.1.3 Ownership Consolidation

Over the last five years there have been no significant mergers, only changes in ownership structures. In 2007, the TV market leader Markíza became wholly owned by the U.S. conglomerate Central European Media Enterprises (CME), which had previously owned 50 percent of the channel. Before that, Markíza had been heavily influenced by the unofficial Slovak co-owner Pavol Rusko, who entered politics in 2002 and then formally transferred his stake in the company to another entity, but he was anecdotally known to have continued attending and leading management meetings. The news was often biased, favoring the political party of Mr Rusko over his main opponents. After CME took control, the presentation of news became more balanced.

In 2007, the second-most watched private broadcaster TV Joj was bought by J&T Media Enterprises, linked to the domestic financial group J&T. TV Joj has been formally owned by the company Joj Media House since 2011, but in effect the real owner did not change, as the acquiring company was in fact a new media holding created as a result of new acquisitions in preparation for the launch of a new TV station. The news on this channel focusses mainly on entertainment and tabloid stories and the channel has gradually reduced political programming and news to a minimum. However, on several occasions Joj did not disclose the link to J&T when reporting about the investor (J&T was involved in several state-funded projects).

In May 2010, a current affairs report covering the dubious financing of the leading political party Smer-SD was cancelled because one of the owners of J&T asked the management of Joj to do so. According to the daily *SME* this was for personal reasons, since the case included a report on a deceased businessman, Lubomír Blaško, who was close to him. In 2001 Mr Blaško allegedly paid a large amount of money to the campaign coordinator of the political party Smer-SD in exchange for being given influence in several state-owned companies.<sup>107</sup>

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107. M. Kernová, "Journalist of Joj Takes Unpaid Holiday" (Redaktorka Joj má neplatené voľno), at <http://www.sme.sk/c/5388637/redaktorka-joj-ma-neplatenne-volno.html> (in Slovak) (accessed 12 February 2011).

J&T is also indirectly linked (a direct link would be prohibited by legal cross-ownership rules) to the daily *Pravda*, which changed ownership in March 2010. The previous owner, the British Daily Mail & General Trust Group, sold it to the entrepreneur Karol Biermann, but the deal was brokered by J&T. The daily acquired a left-leaning bias and editorial slant critical of the new government elected in 2010. Many journalists left after the change in ownership. The Daily Mail had taken over *Pravda* only in 2006. Before that, the newspaper was owned by Juraj Široký, a local entrepreneur suspected of financing the most popular political party, Smer-SD, and who was very successful at winning government contracts while Smer-SD was in government (2006–2010).

Also in 2010, the Swiss publisher Ringier merged its operations in the Central and Eastern European region, including Slovakia, with Germany's Axel Springer. Since Springer had almost no operations in Slovakia (only a few licensed magazines), this merger has had no effect on media pluralism so far.

Other ownership changes over the last five years include the print publisher, Petit Press. Its 50 percent shareholder Verlagsgruppe Passau left the Slovak market in 2009 by exchanging the share in Petit Press for a 20 percent share in the Czech Vltava-Labe-Press (VLP) publishing house. The group which acquired the 50 percent stake in Petit Press was the German firm Rheinisch Bergische Verlagsgesellschaft. In 2007 the Slovak radio station Europa 2 (formerly Okey) sold a 50 percent share to the French media group Lagardère. In 2008 the German company Handelsblatt sold its share in the Czech publishing house Economia (the parent company of Ecopress, which publishes several business specialist magazines) to the Czech entrepreneur, Zdeněk Bakala. In the same year, the Czech and Slovak internet company Centrum Holdings was sold to the investment group Warburg Pincus.

A special merger was the creation of Jemné melódie, a music radio broadcaster with national coverage. The investors behind this project first bought up several local radio stations and created a regional radio network. They promised the media authority (RVR), which approves the formation of such networks, to maintain the local character of the radio. However, in 2006 the radio network changed its name, got rid of most of the news and regional content and started to play music aimed at a mostly female audience.<sup>108</sup> Since the radio station gained a larger audience in a very short time the media authority gave a new license to the owners of the radio station, which by then had bought several regional radio stations and transformed them into a new one with no regional features at all.

#### **6.1.4 Telecoms Business and the Media**

Telecoms operators are not permitted to own conventional media outlets and there have not been any cases of operators directly blocking media from accessing their networks. However, Towercom, which runs all three terrestrial television multiplexes, has effectively stopped new entrants by adopting the less efficient MPEG-2 compression standard (see section 5.1.3).

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108. T. Czwitkovics and L. Kočíšek, "A Gently Broken Promise" (Jemné nedodržanie slova), *Trend*, 1 June 2006.

## 6.1.5 Transparency of Media Ownership

Electronic media outlets are required to disclose their ownership structures when they apply for a broadcasting license and they are obliged to report changes in ownership structure to RVR. Print media and providers of on-demand services must provide basic information about their ownership to the Department of Culture. They are also required to disclose their ownership structure annually in the first print edition of the year.

In the past there have been several media outlets with non-transparent owners. RVR has pointed out that the law restricts its role to monitoring only the first level of owners, that is, if a broadcaster is owned by another company the media authority does not look into the parent company's shareholdings, making it easy to circumvent the transparency and cross-ownership rules.

Nevertheless, media ownership has become increasingly transparent over the last decade. Major players in the television, print, radio, and online markets are owned by either well-known international media companies or established local companies. However, in the last three years questions have been raised about the position of the financial group J&T in the TV station Joj, the daily *Pravda*, and Towercom. J&T denies having a direct interest in any of them, though unofficial information indicates otherwise. Mr Máčaj (former head of TÚSR, who was removed from his post in late 2008, see section 5.1.2), reported that while he was still in office he was visited by employees or lobbyists working for J&T with regard to the process of digitization.<sup>109</sup> Both *Pravda* and *Joj* have a lot of advertising from companies more or less openly linked to the J&T Group. Companies like Tatry Mountain Resorts or Best Hotel Properties run their campaigns sometimes exclusively in these media outlets. The spokesperson of J&T Group explained this advertising strategy as a result of “a large complex of relationships.”<sup>110</sup>

## 6.2 Media Funding

### 6.2.1 Public and Private Funding

The funding of the private media sector has not changed over the last five years: free-to-air electronic media rely on advertising, pay-TV channels on subscription fees from viewers and fees from cable or satellite operators, and print media on advertising and sales of the print products. The advertising market was continuously growing, following general trends in the economy, up until the end of 2008. Since the majority of advertisers are connected to multinational corporations, the global recession also affected the national advertising market, which shrunk by more than 25 percent in 2009. In 2010, the market still saw a decrease of (real not measured) spending of about 4–8 percent, with the print media hit the hardest (down by around 10 percent), television coming next (down by 6–8 percent), and radio advertising proving the most resilient (down by 5–7 percent). Online media, and out-of-home and cinema advertising remained stable or continued growing.<sup>111</sup>

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109. “After a Quarrel with J&T Vážny Wants Máčaj’s head” (Vážny chce po trenici s J&T Máčajovu hlavu), *Pravda*, 13 November 2008.

110. T. Czwickovics, “Tatra Media” (Tatranské médiá), *Trend*, 8 December 2010.

111. V. Orgoňová and T. Czwickovics, “2011 Advertising Market” (Reklamný trh 2011), *Trend*, 20 January 2011.

In 2011, the television and online segment saw a rise of spend while print continued to decline. Total advertising expenditure in 2011 increased by 7 percent year-on-year. Television recorded an annual increase of 18.2 percent, while newspapers reported their most significant annual decline—11.6 percent—and magazines' advertising revenue fell by 5.2 percent. Radio stations also suffered significantly, with advertising revenue falling by 9.7 percent. In 2012, despite forecasts of further decline,<sup>112</sup> the total ad spend rose by 9.4 percent, with the highest growth recorded in television (15 percent). Even so, newspapers recorded a fall of 0.8 percent, while magazines' ad revenue sank by 4.2 percent.<sup>113</sup>

While the rise of online advertising and the drop of print expenditure seem to coincide, the print market is also very strongly affected by television. Many advertisers having to operate with a smaller budget opt for the mass medium television instead of the more fragmented print market.

Many media outlets also started to look for new revenue sources. Product placement was legally introduced in late 2009; since then it has appeared in many series and also entertainment programs. Revenue from product placement represents only a very small percentage of the overall revenue from advertising; according to industry insiders, however, its share is growing.

Print media have seen a continuous decline of their circulation since the late 2000s. The decline was in many cases accelerated by the economic recession after 2009. Print publishers have been trying to find new revenue sources by launching new supplements and introducing new sections (e.g. health care, publications for children).

*Table 13.*  
Advertising spending, breakdown by sector (€ million), 2010–2011

Media	2010	2011	Change (%)
TV	464.5	549.1	18.2
Magazines	101.4	96.1	-5.2
Dailies	87.6	77.4	-11.6
Outdoor	80.7	76.9	-4.8
Radio	85	76.8	-9.7
Cinema	3.1	3.2	3.1
Online	n/a	45.0*	34.4
Total	822.3	879.6	7.0

Sources: TNS Slovakia, 2010–2011; \* Internet Advertising Bureau Slovakia, 2011

Online advertising revenue has not compensated for the drop in print advertising. However, most print media still invest in and develop their online presence. As an additional source, in 2011 some print publishers joined

112. V. Orgoňová, "The Slovak Advertising Market Will Again Decline" (Slovenský reklamný trh bude v roku 2012 opäť klesať), at <http://medialne.trend.sk/marketing-spravy/slovensky-reklamny-trh-bude-v-roku-2012-opat-klesat.html> (in Slovak) (accessed 14 January 2012).

113. "V roku 2012 stúpili výdavky do reklamy o 9,4%" (In 2012, ad spend rose by 9.4%), *Stratégia*, 21 May 2013.

the new pay-wall experiment Piano (see section 6.2.2). The proportions of ad formats over the year have not changed significantly. Almost half of the expenditure accounted for banner ads (46 percent), followed by search advertising (29 percent, and a line insertion (17 percent), which slightly improved its performance due to greater interest in advertising on Facebook.

The state increased the budgets of public service media by changing the license fee collection mechanism and by allocating a budget of approximately €14 million annually for content production. Until 2008 the obligation to pay the license fee was linked to the ownership of a television and/or radio set, when it was changed to become linked to the electric socket (i.e. all households paying for electricity are also required to pay the license fee). However, with the economic recession many companies and households had to pay only a smaller amount of the license fee<sup>114</sup> and thus the change of mechanism had much smaller impact than expected on the financing of public service broadcasting.<sup>115</sup>

The problem was compounded by the fact that the government also reduced the amount of air time that public service TV could allocate to advertising. This, combined with the advertising crunch, contributed to a net deficit for public service broadcasting finances. The shortfall was only partially compensated for by the €14 million contractual budget for content production. According to an amendment to the new Act on Radio and Television of Slovakia (adopted in November 2011), Radio and Television of Slovakia (RTVS) was to be funded directly from the state budget from January 2013. But after the change of government in 2012, the scheme for funding the public service broadcaster reverted to the old model, a combination of direct financing by households and contracts with the state.

### 6.2.2 Other Sources of Funding

The Audiovisual Fund, which came into existence in 2009, represents an additional source of funding. Its finances are based on public finance (state budget subsidies) combined with contributions by public or private entities, part of whose businesses comprise audiovisual works: public service TV (5 percent of the total advertising revenues), private television channels (2 percent of total advertising revenues), cinema operators (€0.03 from each admission fee), distributors of audiovisual works (1 percent of distribution revenues except cinemas), and retransmission providers (1 percent of the total revenue for retransmission services). Total fund revenues in 2011 were €6,636,675.<sup>116</sup> The fund redistributes these funds to specific projects selected by a commission of film-makers; 80 percent of the support goes to audiovisual works—feature, documentary, animation, school films, experimental, and so forth (including minority co-productions). Television broadcasters also can apply, and have applied, for these new funds for television series and movies.<sup>117</sup> In 2011, 253 out of 518 project applications were supported, receiving a total of €5,811,440.

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114. Companies pay according to the number of employees (recession-induced redundancies therefore lead to a reduction in license fees). For households the level of license fee payable is dependent to some extent on income.

115. M. Kernová, "Government Pulls the Plug on Nižňanský" (Vláda Nižňanskému pritiahla kohútik), *Mediálne.sl*, 23 September 2010, at <http://medialne.etrend.sk/televizia-clanky/vlada-niznanskemu-pritiahla-kohutik.html> (accessed 4 April 2013).

116. The contribution from the state budget and the contribution of the public service broadcaster represented €4,022,092. Private broadcasters have contributed €1,715,361, cinemas €118,427.30, retransmission providers €642,965.80, and film distributors €66,610.

117. Creators of news and journalism programs are not eligible to apply to the fund.

Since 2009, television producers have been allowed to use product placement, thanks to the EU Audio Visual Media Services Directive (AVMSD), which has since become increasingly common. Under pressure to provide more service for advertisers, media outlets have allowed the boundary between advertising and editorial content to become increasingly blurred. The news channel TA3 has been fined on several occasions by RVR for facilitating hidden advertising in news programs.<sup>118</sup> The music radio station Fun Rádio sells its most popular morning show to advertisers who may propose the whole theme of the morning broadcast.

## 6.3 Media Business Models

### 6.3.1 Changes in Media Business Models

In May 2011, Slovak print media publishers adopted a new pay-wall model for online content. Called Piano, and developed by the Czech-Slovak company NextBig and online advertising company Etarget, users pay a monthly fee of €2.90 that grants access to specific content of a greater variety of online news media outlets.

The payment is split three ways. A fixed share goes to the operators of the pay-wall, another fixed payment belongs to the website on which the user paid the fee and the rest is split between all the websites participating in Piano, according to the time users spent reading content behind the pay-wall.

Most publishers have not put up a pay-wall on daily news but on more specialized content like commentaries, legal advice, etc. Others have provided an advertising-free version of their websites or online access to the content from the print edition. Most print publishing houses (Petit Press, Perex, Ecopress, Trend Holding, W Press, Šport Press, Digital Visions), as well as TV Joj and the video website Metoo.sk, joined the pay-wall. Ringier Axel Springer and Spoločnosť 7 Plus refused. The first changed its internet strategy when the owners bought the largest internet portal, Azet, that generates all its revenue from online advertising. Spoločnosť 7 Plus did not believe that the revenue from Piano would compensate for the possible drop in traffic and the following drop of advertising revenue.<sup>119</sup>

The main purpose of Piano was to generate new revenue, since online advertising still constitutes only a small revenue share for print publishers. It may also help to shape a new consumer attitude, that not everything on the internet is free. The creators of Piano published only one figure one month after the launch of the pay-wall: the joint revenue was about €40,000. Most sections behind the pay-wall saw a drop in traffic, depending on the amount of content. The overall traffic of the websites was, however, not affected substantially.

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118. L. Kočíšek, "Licensing Council Imposed Fines in the Amount of €34,000 Yesterday. Most for Covert Advertising on Markíza and TA3" (Licenčná rada včera rozdala pokuty za 34-tisíc eur. Najviac za skrytú reklamu na Markíze a TA3), at <http://medialne.etrend.sk/televizia-clanky/vlada-niznanskemu-pritiahla-kohutik.html> (in Slovak) (accessed 13 February 2011).

119. T. Czwitkovics and L. Kočíšek, "Print journalists are obsessed with their own demise" (Printoví novinári sú posadnutí vlastným zánkom), at <http://medialne.etrend.sk/tlac-clanky/michal-klima-printovi-novinari-su-posadnuti-vlastnym-zanikom.html> (in Slovak) (accessed 14 January 2012).

The largest television players, Joj and Markíza, launched new thematic channels in 2008 (Joj Plus) and 2009 (Doma). These channels have a combined market share of about 6 percent, and their purpose is to compete with the diversity of channels provided by cable, IPTV, and satellite operators. They also might serve as a tactical defensive mechanism in the process of digital terrestrial transition; since these two players occupy the whole commercial multiplex no other entrants are even able to consider terrestrial transmission (which is, however, becoming less important due to the rapid growth of satellite reception) (see section 5).

## 6.4 Assessments

Even though some cross-ownership rules for the television market have been relaxed and in spite of the digital transition, the terrestrial platform has still retained the duopoly of two commercial players and a single multiplex operator. However, because of the late start of the digital transition process, the importance of the terrestrial platform decreased and hundreds of thousands of households switched to digital satellite reception, which offers a greater variety of channels. Nevertheless, this migration did not manifest itself in a greater domestic media plurality; no new players entered the TV market and new projects were launched by existing players only.

The online outlets of newspapers can be considered the new competitors for traditional electronic media. Print publishers' news websites are increasingly working with multimedia content that has not yet reached the production value level of professional television broadcasters, but is improving gradually.

Many digital, especially online, media that are owned by internet companies have lower quality standards for their news projects than traditional media outlets that have expanded into the digital sphere. Since internet companies have practically no experience with news production, their news websites rely mostly on newswires, thus not contributing much to diversity of the content (the same newswire content can be found aggregated on many other news websites). Very few media companies invest in good-quality original news content created specifically for digital media.

Advertising remains the main financing model in the private media sector given that subscription revenues are still marginal. This revenue source guarantees the greatest level of political independence (compared with public service media funded by state subsidies and the license fee). However, as the pressure to attract advertisers becomes greater because expenditures are decreasing, many media outlets have lowered the barriers between their newsrooms and media sales departments. Broadcasters in particular seem to be focussed on allowing advertisers to enter their programming content more directly (e.g. through sponsoring and product placement), as a new revenue source.

Print publishers have become much more cautious in their online strategies. It became clear that online advertising revenue will not compensate in the short term for the decrease of advertising revenue in the print market. Since there is no answer yet on where to generate new revenue on the internet, many print media are at least becoming more protective of their proprietary print content. News websites of print media do

not copy verbatim their print versions and in order to achieve that distinction, many publishers have had to invest in online content that in many cases does not yet pay for itself. Most print media are reluctant to put up pay-walls for their content published online, but the first experiments in this area will emerge in the next months and years.

# 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

The legislative provisions regarding access to DTT concern minimum coverage requirements. According to regulations in the Digital Broadcasting Act, commercial multiplexes must be accessible by at least 80 percent of the population and the public multiplex must be within reach of 90 percent. However, these requirements were not met prior to the switch-over and the coverage of terrestrial broadcasting was actually reduced compared with the analog era (see section 7.1.1.3).

#### 7.1.1.2 Subsidies for Equipment

The government commissioned various analyses of the different possible ways of subsidizing end users in the process of transition to DVB-T, including, for instance, compensating citizens with a health handicap for purchasing set-top boxes of a higher standard, including the Multimedia Home Platform (MHP). In 2010, the government decided that disadvantaged households would be eligible for a subsidy of €20 as compensation for the costs related to transition to digital television broadcasting.<sup>120</sup> Eligibility is based on individual persons who receive income benefits and also have no arrear payments for public services provided by RTVS (the so-called concessionary fees). Based on a written request filed with the Ministry of Transport, Construction, and Regional Development, all such persons will be eligible to collect the subsidy in the form of a one-time non-returnable financial allowance of €20.

But it turned out that the subsidy was not attractive enough under these conditions. The cost of the transition to DVB-T ranged from tens of euros (set-top box) to hundreds of euros (new TV or switch to another platform, such as satellite). The most vulnerable households are obviously those in financial need. However, an analysis of spending by Slovak families<sup>121</sup> shows that this type of expenditure (culture and recreation) has

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120. Order of the Ministry of Transport, Post and Telecommunications of the Slovak Republic No. 07480/2010-SPT/z.17006/M of 23 April 2010, on Disbursement of Subsidies to Support Transition to Digital Television Broadcasting in the Slovak Republic.

121. K. Morvay, "Analýza štruktúry výdavkov domácností v SR (so zreteľom na výdavky súvisiace s príjmom televízneho vysielania)" (Analysis of the structure of household expenditure in SR (with regard to expenses related to the costs of receiving of the TV signal)), Bratislava, Center for the Research of Ethnicity and Culture (*Centrum pre výskum etnicity a kultúry*, CVEK), 2007.

a flexible internal structure such that transition costs could be absorbed by even financially disadvantaged households without jeopardizing other types of expenditure.

In early June 2011 the ministry registered less than 7,000 applications from eligible persons (who were able to apply from March 2011 through August 2011), and most of the €4 million subsidy earmarked for these compensations remained unused. In summer 2011, the ministry therefore began to explore new ways of using the money to benefit the public, including a subsidy for RTVS so that it might increase the total coverage of the public multiplex.

### 7.1.1.3 Legal Provisions on Public Interest

The repeatedly updated government strategies of transition to DVB-T<sup>122</sup> defined the basic benefits of this platform, including some sort of public interest to be abided by during the process of transition to DVB-T. The most frequently presented arguments were as follows:

- increased coverage of Slovakia's territory, even in areas where reception of the television signal is currently sub-standard or non-existent;
- access to other services of the information society;
- expected greater supply of television programs;
- enhanced quality of image and sound;
- potential for new services, including interactive contact with the viewers.

But the reality is somewhat different. Most importantly, the overall coverage of Slovakia's territory with the digital terrestrial signal is smaller compared with the analog signal; even the public service broadcaster's coverage has been reduced by approximately 5 percent of households. Furthermore, additional information or new interactive services are not being distributed via DVB-T for the time being. The supply of television programs has not seen any essential increase either; apart from two supplementary channels recently introduced by established private broadcasters, the DVB-T portfolio will not bring a single new broadcaster to Slovakia. This was largely the result of technical specifications for digital multiplexes (especially the MPEG-2 compression standard) stipulated by TÚSR, that was under heavy lobbying pressure from existing market players throughout the process (see section 5.1.3).

There are no new public interest provisions enshrined in the criteria for acquiring digital licenses.

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122. "Strategy of Transition from Analog to Digital Terrestrial Television and Radio Broadcasting in the Slovak Republic," passed as Slovak Government Resolution No. 11/2011, at <http://www.telecom.gov.sk/index/index.php?ids=92136> (accessed 7 November 2012).

#### 7.1.1.4 Public Consultation

The general public, as represented by civil society actors, has been allowed to participate in the debate on final decisions regarding the transition to DVB-T only through the standard consultation procedure while drafting legislative bills, or through expert seminars or conferences. The comments and recommendations focussed primarily on the effectiveness of the transition process from the viewpoint of end users' costs and the overall costs of transition. This was discussed in the context of the government's costs for supporting individual transition actors (broadcasters, distributors of TV signals, and households) and the characteristics of the transition to digital broadcasting that would take full advantage of potential benefits (i.e. the MPEG-4 compression standard that equals broader program supply) while maintaining a relevant share of terrestrial broadcasting among other digital platforms. The subjects that truly exerted influence throughout the legislative process and the public tender to select digital multiplex operators were the existing private broadcasters, along with Towercom.<sup>123</sup> Since the public service broadcaster has become the net loser in the transition process (see section 6.2.1), the potential public benefits of the transition to DVB-T have been negligible and the terrestrial platform has continued to be marginalized over the past three years.

In the Czech Republic, on the contrary, the public debate was much more intense. For instance, there were dozens of seminars and public discussions featuring all relevant players, including top media representatives, market regulator officials, and government leaders; also, the public debate on setting the basic criteria of transition to digital broadcasting received much more intense and erudite media coverage. The inadequate public debate in Slovakia may also have been related to the fact that there were no potential new strong players in the market who would be interested in a more intense debate on the transition to DVB-T and using its potential effectively.

### 7.1.2 The Internet

#### 7.1.2.1 Regulation of News Content on the Internet

Online news delivery is not regulated. The first draft of the new Press Act passed in 2008 included online news websites as the regulated subjects, together with press outlets and news agencies. Because of several unresolved issues (such as how to publish corrections on a news website), which made it difficult to regulate online news media in the same way as newspapers, websites were excluded from the final draft of the act. This also meant that online journalists and media outlets are still not protected by the law—in regard to the protection of sources, for example—and there are no current proposals to include new media under the Press Act.

Part of online media content became subject to regulation after the implementation of the AVMSD in 2010, according to which RVR can control online broadcasting and video-on-demand services. The new legislation affected mainly websites with television or television-like content, not news websites with short video reports.

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123. M. Kollár, T. Czwitkovics, and Z. Mistríková, "Media," in M. Bútora, G. Mesežnikov, and M. Kollár (eds), *Slovakia 2010. A Global Report on the State of Society*, Institute for Public Affairs, Bratislava, 2011.

The basic purpose of the EU Directive was to liberalize the market in commercial communication in order to make both new services and traditional television broadcasting competitive across national borders and to strengthen co-regulation and self-regulation in regulatory processes. The new amendment to the Law on Broadcasting and Retransmission failed to reflect any of these purposes; instead, it increased uncertainty for service providers through ambiguous and vague definitions (e.g. the definition of “program”) and contravened the spirit of the Directive by failing to stipulate definitions that would prevent regulation in areas where it is unacceptable; on the contrary, this amendment introduced a regulation that goes beyond the European Directive.

### 7.1.2.2 Legal Liability for Internet Content

Internet media can be held liable only under the civil or penal code, that is, they can be sued for defamation, racial slur, etc. As mentioned in the previous section, the only specific online regulation regards TV-like services, namely online broadcasting and on-demand services.

There are no major legal cases when website owners have been held legally liable for their content. In several trials which newspaper publishers have lost—predominantly defamation cases—offending articles have merely had to be removed from their online versions.

A risky part of internet news websites are unmoderated discussion forums. Discussion forums are in general completely anonymous and none of the news websites requires provision of personal data.

News websites take advantage of the high number of posts published in these forums, which provide higher page views and more average time spent by users, but in order to save costs they check only a small part of (for the most part anonymous) user comments. Of all the major news websites only Sme.sk has an accessible mechanism that allows users themselves to report on comments containing hate speech or other potentially illegal content, using a simple form.

In early 2012, a court of justice issued a precedent-making decision concerning protection of the freedom of speech on the one hand and adequate regulation of internet discussion content and legal liability of website operators on the other. The ruling prevents the potential liquidation of smaller websites and/or internet discussion forums which are unable to pay any substantial penalties or employ discussion moderators. When a local businessman sued a civic association in Strážov for having been called a thief and swindler by an anonymous debater on its official website, the Regional Court in Trenčín overruled a verdict by the District Court in Považská Bystrica, ruling that the civic association did not have to pay a fine equivalent to €5,000,<sup>124</sup> or to issue a public apology, and ordered it to erase the incriminated discussion contribution. Although the Trenčín Regional Court found “expressions contained in debate contributions ... wrongful, which is why the defendant must remove them,” it exempted the defendant from the fine and a public apology on the grounds that “the website operator is not liable for anonymous users’ contributions and therefore cannot be held responsible for breaching privacy rights.”

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124. See <http://povazska.sme.sk/c/6183783/za-anonymny-prispevok-dostali-aktivisti-pokutu.html> (accessed 12 January 2013).

## 7.2 Regulators

### 7.2.1 Changes in Content Regulation

Legally binding media content regulation is handled by RVR, whose members are elected by the Parliament. It usually deals with three types of content regulation: age appropriateness, provisions for advertising, and news standards (objectivity, protection of human dignity, etc.).

Media content regulation was not weakened with respect to digital broadcasting or new media. As already mentioned, the implementation of the AVMSD gave RVR the competence to regulate certain types of online video content. The implementation was considered by several media experts and media outlets as too strict. While the European Commission suggested light-touch regulation of television-like content on the internet, Slovak implementation can be seen as one of the strictest in the region. The main problem is the unclear definition as to which online service can be subject to regulation. The main criteria for the inclusion of on-demand services are that they are provided on a commercial basis (e.g. there is advertising on the website) and they are organized in a catalog, which can refer to any website section containing videos of the respective media outlet.

Although RVR can control certain types of video content, it does not have the power to decide over impartiality and objectivity in online news, as with television and radio broadcasters. It can impose fines if it finds that video content does not comply with standards for child protection, depiction of violence, hate speech, profanity, etc. Online video also has to contain information about the minimum recommended age for viewers.

RVR used the new law's provisions for the first time in April 2011 when it warned Mac TV, the company that operates TV Joj, for a broadcast titled "*Academia destructiva–Televízor*" that was aired on its website, Huste.tv. RVR reasoned that Mac TV had violated the provision on protection of minors by restricting the broadcast for the lowest-age category of viewers under 15, because it believed that the broadcast should have been restricted for minors under 18 as it contained a large amount of profanities.<sup>125</sup>

Since no strict fines have been imposed on an online video service yet, news videos and news websites appear not to be regulated at all. The legislation and media regulators have not yet had a negative effect on the independence of the new media, though the ambiguous legislation and a politically-oriented media council may still pose a potential threat (see also section 7.3.2).

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125. M. Kernová, "License Council Imposed Historically First Fine for Internet Program" (Licenčná rada udelila historicky prvú sankciu za program na internete), 29 April 2011, at <http://medialne.etrend.sk/televizia-spravy/licencna-rada-udelila-historicky-prvu-sankciu-za-program-na-internete.html> (accessed 8 November 2012).

## 7.2.2 Regulatory Independence

The nine members of RVR are all elected by Parliament. Nominations for their election can come from Members of Parliament and various organizations of the audiovisual and media industries, as well as church, sports organizations, and other cultural institutions. Members can be dismissed only when they have a conflict of interest according to the law (e.g. they become the owner of a media outlet), when they are convicted of a crime or when they do not fulfill their duties for more than six months in a row. As with all media councils (including the council of the public broadcaster), many members can be indirectly linked to a political party.

The main positive change in regulation as a result of digitization has been in granting licenses to digital television broadcasters. In the analog era companies interested in television broadcasting had to apply for the license in a beauty contest because the license was bound to limited-capacity analog frequencies. In the digital era the media council does not deal with awarding frequencies to broadcasters. Acquiring a digital television license is thus a mere formality, since it can be claimed by virtually any applicant complying with the listed requirements. The frequencies are awarded to the DTT operator by the telecoms regulator. Of course, this could lead to a situation in which there are more licensed TV broadcasters than there is space for in digital multiplexes (for further details, see section 7.2.3).

The rules have not changed for radio broadcasters since the process of digitization has not moved forward at all in Slovakia. Radio frequencies are awarded in beauty contests that do not bear signs of political influence but can hide powerful lobbying efforts on the part of broadcasters.

The government intervened to fire the head of TÚSR when he decided to adopt MPEG-4 as the compression standard for digital terrestrial television (see section 5.1.3). Following pressure from the European Commission, the government submitted an amendment to the law which strengthened the independence of the head of the telecoms office, but this occurred afterwards and did not affect the new appointment, which was seen as politically biased.

## 7.2.3 Digital Licensing

The system of digital television licensing has become a formality that makes it fair and free of any political or other influence. A license is legally claimable by practically all applicants who satisfy the formal criteria. Of course, this may lead to a situation in which the number of licensed digital television broadcasting operators will significantly exceed the space available in digital multiplexes (see section 7.2.2). If digital license holders want to broadcast terrestrially as well (i.e. besides broadcasting via other digital platforms), they simply need to reach bilateral business agreements with digital multiplex operators. The legal and regulatory aspects of the digitization of terrestrial television favored existing players and blocked the way for new entrants. Yet this was a result of technical, not content regulation. (See section 5.1.3.)

What remains somewhat unfair is the licensing of analog radio broadcasters (see section 7.2.2). Although there is an unwritten rule that these frequencies are awarded to the broadcaster that coordinates the frequency, there still is a risk that the media council may decide otherwise.

## 7.2.4 Role of Self-regulatory Mechanisms

There is only one self-regulatory body for media content, the Press Council of Slovak Republic (established in 2001 by the Slovak Syndicate of Journalists and Publishers Association of Slovakia). The council has had a fairly weak position throughout its existence. The number of complaints is very low (as of May 2011 there were only four complaints for the year), which suggests limited awareness of the body among the public. Decisions of the council do not gain a lot of media attention and it does not deal with electronic and internet media at all.

One of the reasons for the weak position of the press council is the lack of promotion and slow decision processes. Because the council is not accepted by many media outlets, in several cases newspapers have not reacted to complaints forwarded by the self-regulatory body. As a result, the council automatically decided in favor of the plaintiff, despite lacking proper arguments for the decision.

## 7.3 Government Interference

### 7.3.1 The Market

Legislation passed after 2006 (including the State Language Act and the Press Act) has worsened conditions for free enterprise in the country's media markets and the free performance of the journalist profession. Certain decisions by regulatory bodies, especially RVR, have raised questions about the purpose and goals of its decision-making.

Several domestic and foreign reports evaluating the quality of democracy in independent media over the past three or four years have pointed out increasingly serious problems caused especially by “permanent regress in the field of legislative rules regulating the media market, increasing tension between the media and the incumbent administration or certain decisions made by courts and/or regulatory bodies in this area.”<sup>126</sup> The legislative changes concerning the media, along with the disputes between politicians and the media where the courts found in favor of the former, have confused journalists' autonomy and free enterprise in the country's media markets. There have been generally questionable justifications of court decisions in an increasing number of disputes between politicians and judges on one hand and the media on the other (particularly active in this respect were the prime minister and the Supreme Court's chairman). According to the International Press Institute (IPI), these adjudications were “often inconsistent with European standards.”<sup>127</sup>

The greatest threat to media independence is the scale of the sanctions. A fine amounting to tens of thousands of euros is a harsh blow to the publisher and may even threaten the viability of economically less stable outlets.

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126. See Z. Mistríková, T. Czwitkovics, and M. Kollár, “Media: Ownership, Political Interference, Performance,” in M. Bútora, G. Mesežnikov, and M. Kollár (eds), *Slovakia 2010. Trends in Quality of Democracy*, Bratislava, Institute for Public Affairs, Bratislava, 2011.

127. “International Press Institute: Concerns about Slovakia” (Medzinárodný tlačový inštitút: O Slovensko sú obavy), *Aktualne.sk*, 16 April 2009, at <http://aktualne.atlas.sk/medzinarodny-tlacovy-institut-o-slovensko-su-obavy/showbiz/televizia> (accessed 20 May 2011).

(Several high-profile politicians and judges including Prime Minister Róbert Fico and Justice Minister and later Slovak Supreme Court Chairman Štefan Harabin improved their respective family budgets by tens of thousands of euros on the back of these court rulings.)

For instance, the Slovak courts awarded Mr Fico not only €8,000 in a libel dispute over the headline “The Thief of Future Pensions” (Zlodej budúcich dôchodkov), published by *Trend*, but also €66,000 for an article published by *Plus jeden deň*, which was the largest libel indemnification ever awarded by a Slovak court of justice. In early June 2009, a court of justice awarded €33,000 to the former Slovak Intelligence Service head, Ivan Lexa, as libel indemnification for an article run by *SME*. The chairman of the Slovak National Party, Ján Slota, also won a libel dispute before a district court in Žilina that in 2009 ordered *Nový Čas* (published by Ringier) to pay Mr Slota €20,000 as indemnification for an article headlined “He Became the Boss of Burglars” (Stal sa bossom vykrádačov).

The situation began to improve in 2010, partly due to a complete change in government after the June 2010 parliamentary elections and the subsequent amendments to legal regulations concerning the media (for instance, an amendment to the Press Act restricted the right to response for public officials and extended the list of acceptable reasons for refusing to publish a correction or a reply). There have also been improvements as a result of a ruling issued by the Constitutional Court that turned down a libel action against *Plus 7 dní*, which in its commentary headlined “Slovakia Engaged in Lawsuits” wrote about the awards by courts of justice in libel lawsuits to politicians and judges, explicitly mentioning Judge Pavol Polka, who had been awarded €431,521 (SKK13 million) for being defamed by an article in *Moment* that had been published in 1999 (according to the court decision this article was “a brutal blow to his right to protection of privacy”). *Plus 7 dní* chastised the practice, juxtaposing it to much lower damages awarded to victims of traffic accidents or political prisoners. According to the Constitutional Court, Judge Polka was not entitled to indemnification amounting to €8,298 (SKK 250,000) for alleged slander caused by this critical article.

Particularly important was the justification of the ruling that granted to the media the freedom to criticize judges and even gave them certain maneuvering space. “It is legitimate that legal issues be examined not only on the pages of ... legal reviews but also by journalism accessible to the lay public,” reads the justification by the Constitutional Court, which added that “the boundaries of acceptable criticism are the broadest with respect to politicians and the narrowest with respect to ordinary citizens” and that “the trend of moving the position of judges ... towards that of politicians is acceptable.”<sup>128</sup>

In December 2010, the Slovak Supreme Court issued two rulings that nullified sanctions imposed by RVR on SRo for its failure to ensure objectivity and impartiality. The rulings concerned two editions of the discussion broadcast called “*Z prvej ruky*” (First Hand), in which analysts, experts, and journalists comment on recent political and social issues. In both cases, RVR reproached the broadcast for the discussants’ critical comments

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128. Z. Mistríková, T. Czwikovics, and M. Kollár, “Media Ownership and Political Interference,” in M. Bútor, G. Mesežnikov, and M. Kollár (eds), *Slovakia 2010. Trends in Quality of Democracy*, Institute for Public Affairs, Bratislava, 2011.

about Mr Fico and Mr Slota and chastised the moderator for failing to balance their views by mediating an opposing opinion.

### **7.3.2 The Regulator**

In 2009, Parliament implemented the EU's AVMSD in the Broadcasting and Retransmission Act, opening up the field for the potential regulation of areas (e.g. providers of video content on the internet) in which regulation is unnecessary. The amendment represents a significant administrative burden especially to on-demand service providers and internet broadcasters, mostly by introducing new obligations that go beyond the scope of the Directive. The law increases uncertainty for internet service providers as it contains ambiguous definitions and ignores justifications featured in the Directive. The Directive explicitly says that the regulation of audiovisual services is desirable only to a minimum degree, stipulating they must in no way be subject to licensing and registration requirements or other obligations pertaining to television broadcasting; however, current law regulates everything without exception.

Like the Press Act, the amendment to the Broadcasting and Retransmission Act carries the risk that sanction mechanisms may be interpreted too loosely in the future; they are simply too broad and allow too much scope for political interference. The fine ranges are set in a way that may threaten the economic viability of on-demand services. The chance for political abuse of a system configured in this way results from the appointment of council members, as a significant proportion of its members are political nominees with poor expertise. (See section 7.2.1.)

The question with Slovakia's regulatory system is whether a politically created regulator should be vested with the power to evaluate broadcasters' objectivity. We have seen a case (above) where the regulator tried indirectly—through its own interpretation of the broadcasts' objectivity—to influence the selection of guests and subsequently punished the broadcasters if several discussants with completely different expertise concurred in criticizing public officials (see also section 7.4).

### **7.3.3 Other Forms of Interference**

We are not aware of any cases of extralegal pressure on digital media exerted by state authorities.

## **7.4 Assessments**

The overall legislative and regulatory framework of the digital switch-over has insufficiently reflected the need to defend the public interest and effectively exploit the new technology's potential. It suits primarily the established market players in the field of broadcasting and signal distribution, as it further strengthens their already entrenched market positions.

The state's diminished role in adjudicating broadcasting licenses can be seen as a positive outcome of the switch-over. As a result, the license for digital broadcasting may be granted to any applicant who has complied

with formal legal requirements. On the other hand, it may lead to a situation in which the number of licensed digital television broadcasting operators will significantly exceed the space available in digital multiplexes, thus making new license holders dependent on other digital platforms. However, the MPEG-2 compression standard that was selected for the transition to DVB-T effectively prevented new broadcasters from entering the emergent digital television market at the outset of DVB-T broadcasting in Slovakia. However, the overall number of households able to receive new programs via satellite has grown rapidly, mostly as a result of a steady rise in multi-channel households over the past three years.

Over the past four years, the importance of the terrestrial platform has continued to be marginalized, as the share of terrestrial reception as the main type of signal reception declined by one-half during that period. As a direct result, operators of the satellite platform that has meanwhile become dominant gained control of the market and began to charge for even those service packages that had previously been free.

The nature of interference by the state authorities has also changed and its scope increased significantly between 2006 and 2010; however, this trend was not primarily related to the digital switch-over but rather to the increasing tension in mutual relations between the incumbent administration and the media, particularly journalists. There was a substantial increase in the number of libel lawsuits brought by politicians against the media and especially of precedent court rulings that granted indemnifications to politicians. This amounted to a potential existential threat to some media, especially newspapers and magazines. Equally disturbing were decisions by the supposedly independent regulatory body (i.e. RVR), which repeatedly interpreted its powers in an extensive way and sanctioned broadcast media for failing to guarantee balanced and objective broadcasting. In the course of 2010, though, the Constitutional Court issued several rulings that may potentially strengthen the position of independent media in libel disputes.

It is worth considering very carefully whether a politically created regulator should be vested with the power to evaluate broadcasters' objectivity. Through its own interpretation of the broadcasts' objectivity, RVR tries indirectly to influence the selection of guests and punishes the broadcasters if discussants criticize public officials. Given their poor justification and questionable motives, such decisions do little to contribute to the greater professionalism of broadcast media and directly interfere with the independence of their news coverage, even when RVR decided not to impose financial sanctions in these cases.

Given the nature and scope of the change brought by the transition to digital broadcasting, particularly with respect to potentially increasing the space for new content, the general public's actual participation in shaping and managing the entire transition has been minimal and did not essentially differ from the procedure of debating legislative changes during the analog era.

The Digital Broadcasting Act's impact on pluralism and diversity in digital broadcasting is potentially positive as it liberalizes the process of granting digital licenses, makes it more transparent, and has introduced the public multiplex. Unfortunately, its practical implementation—particularly in terms of selecting digital multiplex operators and setting technological specifications—failed to capitalize on that space and actually narrowed it down. Also, the law on fees for public services provided by Slovak Television and Slovak Rádio,

adopted in 2008,<sup>129</sup> introduced a financing model that made public service broadcasters unable to fill the new capacity brought by digital broadcasting with meaningful content; in doing so, it failed to increase the space for pluralism and diversity.

Last but not least, the implementation of the EU's AVMSD in national legislation mounted unnecessary pressure on internet service providers of audiovisual content and increased maneuvering space for the regulator. The Directive pertains to audiovisual services provided by all platforms including the internet. Although its essential mission was to liberalize commercial communication in order to make new services and traditional television broadcasting competitive across the borders, the way of implementing it in Slovakia's legal system increased the uncertainty of service providers by introducing ambivalent and vague definitions (e.g. the definition of "program") and ignoring the Directive's justifications by failing to set negative definitions that would prevent regulation in areas where regulation is undesired or unacceptable.<sup>130</sup>

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129. Law No. 68/2008 on Payment for Public Services Provided by Slovak Television and Slovak Rádio.

130. J. Glovičko, "Internet to Be Struck by Severe Regulation" (Internet zasiahne silná regulácia), *SME*, 31 May 2009, at <http://pocitace.sme.sk/c/4868425/internet-zasiahne-tvrda-regulacia.html> (accessed 26 May 2011).

# 8. Conclusions

## 8.1 Media Today

### 8.1.1 Positive Aspects

#### 8.1.1.1 Media Independence

None.

#### 8.1.1.2 Diversity of Media and Media Content

The digitization of distribution channels, the rapid growth of satellite reception, and the continuous growth of internet penetration influenced the offer of news content in the media market mainly in terms of the number and scope of channels used to distribute the news. In this respect it became much more accessible for the consumer. Many digital, especially online, media that are owned by internet companies have lower quality standards for their news projects than traditional media outlets that have expanded into the digital sphere.

#### 8.1.1.3 Pluralism of Voices in the Media

- The main benefit of online news is that it can reach a bigger audience. It can be suggested that many readers who did not use to read a specific (or any kind of) print newspaper now read the content online where it is free. The introduction of the pay-wall model Piano did not affect this substantially: print publishers included only very specific content like commentaries or legal advice. General news remained free, while two publishers refused to join the project at all.
- Original online content that can be related to news comes mainly in the form of blogs. In general, blogs have not become a new source of information and news, but mainly a popular platform for expressing opinions.
- Several NGOs and activists created projects that make great use of digital media. A general goal of these activities is to make the use of public finances and decisions of the state and local governments more transparent. Many of these projects include data accessible online and search functionality, thus making the results of activist research available to anyone and at any time.

- Digitization made it possible to acquire certain types of information collected in public databases more easily. The anonymity of the internet can motivate whistleblowers to contact journalists; digital communication makes it easier to share information.
- Online petitions and Facebook pages are an effective way to make the masses interested and involved in civil society activism, although only a very small number managed to make a greater impact on public discussion.
- From the viewpoint of the election process, digitization has brought about a faster transfer of information about the election process itself, and in particular about the election results, to the end user. It also formed an efficient communication space in particular for the new parties and the non-party independent candidates at municipal level.
- Even though there may have been a slight improvement in the coverage of topics related to the marginalized minorities, this is not really a consequence of a change in editorial policies of the traditional media or a direct influence of technological changes on the journalists' work. Rather, it is the consequence of the new communication space that has opened which has enabled members of the marginalized groups or the professionals working with them to communicate with the public in a more efficient fashion.
- There is now a communication space in which even non-professionals can raise interesting issues (e.g. bloggers or users of virtual social networks, which are becoming a relevant source of information). These issues can inspire the traditional news media to probe further.

## **8.1.2 Negative Aspects**

### **8.1.2.1 Media Independence**

- New regulations introduced in the process of transition to DTT removed administrative obstacles that complicated access to the television market. In real terms, however, this has not attracted new broadcasters, mostly because the entire process of digital switch-over has privileged the existing broadcasters.
- Public service broadcasters are net losers in the digital switch-over, especially in terms of reduced coverage and insufficient funding to launch and/or maintain new digital services.
- Households' reluctance to finance public service media through direct payments has increased significantly in recent years, and their understanding of the justification of public service broadcasters as institutions as well as public service broadcasting as such has deteriorated.

### **8.1.2.2 Diversity of Media and Media Content**

- The unregulated space and low cost of content distribution in the digital environment have not led to a wider news and media content offer, nor to substantive improvements in quality.
- The ongoing digitization of television broadcasting has not created opportunities for new entrants (since the legislative and regulatory process clearly favors the existing players on the market).

- Internet companies that emerged in the late 1990s created news sites that are visited by hundreds of thousands of visitors a month. However, only very few websites produce original news on a significant scale. Most of the new content is tabloid, lifestyle, or special-interest information. For the most part, news websites rely heavily on news agency feeds.
- There was only minimal expansion and improvement in the quality of news produced for digital-only media.

### 8.1.2.3 Pluralism of Voices in the Media

In terms of investigative journalism, digitization did not bring any significant qualitative change. On the contrary, investigative journalism is in decline, especially in television.

The limited diversity of news provided by pure-play online news sites can be attributed to the different business nature of these companies. Most internet companies did not start out as media content providers, since their main focus was classified ads, catalogs, etc. Media content became an important source of traffic and page views, but that did not transform the internet companies into media houses in a traditional sense. The main criterion for content production for these providers is low cost, which is why the vast majority of media content comes from news agencies and the translation of foreign news sources.

The gradual extinction of investigative journalism in public service television is largely for political reasons. Former managers of STV changed the scope of the only news show containing investigative journalism (“*Reporteri*”) to a show mainly about civic disputes.

All commercial broadcasters also cancelled any programs that focused on investigative reporting. The decline of investigative journalism may not be attributable directly to the rise of digital media, but potentially to indirect effects, especially with respect to the process of digitization and the lobbying efforts by incumbent broadcasters to ensure exclusive access to the new digital space. Economic factors were also likely to have been pivotal (namely audience ratings being insufficient to justify production costs), and possible political influence cannot be excluded.

## 8.2 Media Tomorrow

The principal areas of development after digitization, over the next five years, are the following.

In terms of media content distribution:

- a further increase in the total share of multichannel households;
- a further increase in the share of households with broadband internet connection;
- a continuous increase in the number of users of new mobile distribution channels;
- a gradual closing of the digital divide in the population in terms of digital literacy.

In terms of media content's diversity and quality:

- as far as the supply of new content goes, it is unrealistic to expect a significant increase in the total number of service providers (i.e. television, radio, and internet broadcasters), mostly due to the limited size and economic strength of the media market as well as the enacted legislative and regulatory framework of the digital switch-over;
- as for the quality of media content (particularly news content), it is unrealistic to expect a fundamental change in recent development trends (i.e. recycling of existing news content provided primarily by news agencies and making it available via different distribution channels); for the time being the media market lacks adequate financial and/or personnel capacity to bring about a fundamental qualitative change in news content;
- a certain qualitative change may potentially be brought about by the merger of the public service broadcaster (RTVS), provided that it adopts a new strategy regarding new media and increases the added value of its own news content by using new distribution channels.

In terms of media independence and pluralism of views in the media:

- in the near future we do not expect any legislative initiatives that would essentially change the media environment;
- RVR's decisions over broadcast content remain a serious problem, as they often undermine the principle of legal certainty and repeatedly contradict the views of the professional community;
- RVR imposed only two sanctions over the regulation of content provided by online broadcasters, at the end of 2011: one for vulgar content, and the other for failure to notify the authorities.

# List of Abbreviations, Figures, Tables, and Companies

## Acronyms and Abbreviations

AVMSD EU	Audio Visual Media Services Directive
DTT	digital terrestrial television
DVB-T	Digital Video Broadcasting-Terrestrial
EU	European Union
HDTV	high-definition television
ICT	information communication technology
IMF	International Monetary Fund
IPI	International Press Institute
IPTV	internet protocol television
MHP	Multimedia Home Platform
NATO	North Atlantic Treaty Organization
NGO	non-governmental organization
RTVS	Slovak Radio and Television ( <i>Rozhlas a televízia Slovenska</i> )
SaS	Freedom and Solidarity ( <i>Sloboda a solidarita</i> )
SITA	Slovak News Agency ( <i>Slovenská tlačová agentúra</i> )
SSN	Slovak Syndicate of Journalists ( <i>Slovenský syndikát novinárov</i> )
STV	Slovak Television
TASR	News Agency of the Slovak Republic ( <i>Tlačová agentúra Slovenskej republiky</i> )
TÚSR	Telecommunications Office of the Slovak Republic ( <i>Telekomunikačný úrad SR</i> )
UGC	user-generated content

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## Companies

Best Hotel Properties  
Business Consulting & Media  
Central European Media Enterprises (CME)  
Centrum Holdings  
CS Link  
Daily Mail & General Trust Group  
Deutsche Telekom Group  
Digi TV  
Digital Visions  
Economia  
Ecopress  
Etarget  
freeSat  
Handelsblatt  
J&T Group  
J&T Media Enterprises  
Joj Media House  
Lagardère  
Mac TV  
NextBig  
ORS  
Perex

Petit Press  
Rheinisch Bergische Verlagsgesellschaft  
Ringier Axel Springer SR  
Skylink  
Slovak Telekom  
Spoločnosť 7 Plus  
Šport Press  
Tatry Mountain Resorts  
Telecom Corp  
Towercom  
Trend Holding  
TV Joj  
TV Markíza  
TV Tip  
UPC Broadband Slovakia  
Valtech Communications  
Verlagsgruppe Passau  
Vltava-Labe-Press  
W Press  
Warburg Pincus  
ZenithOptimedia

## Mapping Digital Media: Country Reports (published in English)

1. Romania
2. Thailand
3. Mexico
4. Morocco
5. United Kingdom
6. Sweden
7. Russia
8. Lithuania
9. Italy
10. Germany
11. United States
12. Latvia
13. Serbia
14. Netherlands
15. Albania
16. Hungary
17. Moldova
18. Japan
19. Argentina
20. South Africa
21. Turkey
22. Lebanon
23. Macedonia
24. Bosnia and Herzegovina
25. Poland
26. Montenegro
27. Georgia
28. Nigeria
29. Colombia
30. Croatia
31. Slovenia
32. China
33. Peru
34. Chile
35. Spain
36. Kenya
37. Bulgaria
38. India
39. France
40. Estonia
41. Kazakhstan
42. Malaysia
43. Pakistan

**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.

For more information:

Open Society Media Program

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