MAPPING DIGITAL MEDIA:
MACEDONIA

OPEN SOCIETY FOUNDATIONS

Mapping Digital Media: Macedonia

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 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: Macedonia Executive Summary

The media in Macedonia have been at the center of acute political instability in recent years, affecting the country's path toward digitization in many ways. When the leading opposition party withdrew from Parliament in 2011, it cited government interference with the media as a primary concern. The ruling party was returned to power in the general elections that followed, and a reduced majority has not diminished its appetite for media interference.

With regard to digital switch-over of broadcasting, some steps have been taken towards the target date of 2013 despite the absence of clear legislative guidelines or public debate. The transparency deficit was epitomized by the government's rejection in 2006 of a switch-over coordinating body set up by the broadcasting regulator and comprising a broad range of stakeholders.

Nevertheless, legislation and funding have been put in place with regard to the digitization of public service television, which looks set to extend its monopoly over free-to-air broadcasting into the digital era. After dragging its heels for several years, the public broadcaster finally began to make headway in upgrading its studios and production equipment in 2010. Progress toward digital upgrade for radio stations remains non-existent, except for a reference to DAB as an approved standard in the government's Strategy for Broadcasting Development.

Broadband and universal service policies have been notably more successful. The number of households owning a computer has doubled since 2006, and virtually all of these now have broadband connections. Aside from an extensive media campaign promoting the information society, the government has directly subsidized university students in order to encourage broadband take-up.

However, television is still the dominant medium and within this sector, platform ecology has remained largely stable. Over half of all access is via cable with terrestrial television accounting for a third, and the remainder taken up by satellite and IPTV providers. The latter was, until 2011, the only platform through

which video-on-demand and time-shifted viewing services were available. The rapid growth of IPTV since its introduction in 2008 reflects the public appetite for new digital services.

The public broadcaster has failed to respond to this demand and its privileged status in the digitization process has not, to date, fostered an improvement in the quality of its output. For instance, no plans for the expansion of the number of its channels or the introduction of specialized ones have been publicly announced. Given a shortage of funds, broad misunderstanding of its public role, and growing competitive challenges from global media and IPTV, digitization looks set to exacerbate a long-term existential crisis for public service broadcasting. This matters because in 2010, 77.3 percent of the population were still using television as their primary news source, and the public broadcaster's must-carry privileges afford it a central role in news delivery.

The rise of the internet as a primary news source (now eclipsing newspapers) has certainly expanded the range and scope of media voices. The rapid growth of broadband connections has been accompanied by a social networking explosion. The associated culture of linking and sharing has expanded the number and range of available news sources, particularly from foreign countries and especially concerning issues that are underreported in Macedonian media outlets. This has somewhat compensated for the lack of specialized newspapers or TV news shows, allowing audiences to keep abreast of global news much more easily than in the pre-digital era.

But the most profound change to date has been in the way that people consume news, rather than in the news offer itself. Audiences on the net are highly selective and individuated, accessing mainly the news stories they are interested in, rather than following the editorial choices of producers. Interaction via social networks and blogs seems to be the key driver behind this change. News items are increasingly selected according to peer recommendations based on shared interests, demographics, political affiliations, and social status.

Approximately one-third of the population is active on social networks but this is concentrated among younger age groups and the Macedonian-speaking population. Audience diversity in this sense has been more restricted online than in conventional broadcasting, where approximately 20 percent of the total output is in minority languages. Furthermore, online news has become increasingly dominated by established news brands and the independent blogging community has experienced a decline in quality and relevance. What remains are issue-specific and opinion-based blogs with limited reach.

As for online-only news services, they tend to be concentrated in the entertainment and consumer information sectors, beyond which efforts to generate alternative news have been largely frustrated by a lack of resources. Nevertheless, notable exceptions have emerged—particularly in the non-profit sector—and these compete with established news brands by making full use of the potential for news interactivity online. The fact that their output has been picked up by conventional media outlets suggests that their influence may extend beyond the limited range of their audience.

The divergence between established and new media practices in respect of news has mirrored polarization in the culture of newsrooms. Management and editorial staff in traditional media, particularly in newspapers, have tended to shun opportunities for enhancements in newsgathering and production offered by digital media. Few professional journalists maintain personal blogs and their engagement with the internet is largely limited to email. Television stations have coped better with the challenge of new media as the internet has not drained audiences or advertisers to the extent that it has done for newspapers, and broadcasters are better adapted to the rigors of real-time news delivery.

But the presence of broadcasters online has not stemmed a drain in professional standards which has characterized the development of digital news more broadly. This is particularly evident in the extent of plagiarism and lack of source attribution online. At the same time, the growth of publicly available data has not stimulated investigative reporting, owing to a lack of data journalism skills, awareness, and resources. This has left journalists in a somewhat passive position, largely dependent on the research reports of public bodies, corporations, and NGOs.

Facebook functions as a significant hub for public debate and political activism which bloomed during the 2011 elections, particularly following the death of a young activist at the hands of special police. This event precipitated not just extensive protest organized through social networks, but also continuing Facebook campaigns against police brutality. This had a substantive impact on the mainstream media agenda, but coverage was distorted by political parallelism and the government's reaction was to engage in online censorship targeting the offending groups.

Thus, the influence of digital activism on the broader media is not always positive. Furthermore, civil society online has itself become corrupted to some extent by conflicting powerful interests. Video-sharing sites like YouTube are regularly used for propaganda purposes and social networks are deployed as much in counter-mobilizations as in the exercise and promotion of democratic citizenship. Political and ethnic polarization has also undermined the digital public sphere through the spread of hate speech online, and sexual minorities remain severely under-represented.

The problem is compounded by the failure to implement ownership rules, resulting not only in unchecked consolidation across markets but also in the entrenchment of political links with the media. Independence has been further eroded by the financial crisis and disruption to media business models, caused by migration to the internet. This has left both newspapers and online news outlets increasingly dependent on state subvention or cross-subsidies. In 2008, the government became the second largest media advertiser; it has in effect contributed to almost half of the private media outlets' income over the last five years. While this has somewhat offset losses incurred as a result of the financial crisis and digital disruption, it has created a shift in editorial policies in favor of the government and deterred major news groups from experimenting with new and alternative business models.

Faced with such interference, as well as summary dismissals and occasional threats of violence, there have been signs of a growing consciousness among journalists concerning their independence. This has led to the establishment of a new Trade Union of Journalists and Media Workers in 2010.

At the same time, there are signs that government attempts to control the media are intensifying. The forced closure in 2011 of the A1 conglomerate—which had comprised one half of a duopoly presiding over the cross-media landscape—raised precisely such suspicions. The closure was ostensibly the result of a tax investigation which led to the sentencing of its proprietor to 13 years' imprisonment, and opened a door to new entrants both on- and offline. But the fact that A1 outlets were generally aligned editorially with the political opposition has sharpened concerns about a post-election crackdown against critical media.

There is also evidence that the government is seeking to tighten its grip over the regulatory sphere. Following the 2011 elections, one of the first laws passed added six additional board members to the Broadcasting Council (responsible for licensing and regulating broadcasters) to be nominated by Parliament rather than the civil society groups which nominate existing members.

On the whole, however, the spectrum licensing process is formally depoliticized and generally perceived as balancing the interests of all stakeholders—in spite of a transparency deficit in the decision-making process. More of a problem has been a general failure in digital media policy implementation, a long-term conflict between broadcasters and network operators over transmission fees, and a lack of coordination between various authorities. This has resulted in an inadequate time period for television simulcasting (on both analog and digital frequencies) leading up to switch-over.

Overall, this report finds that the digital promise of greater openness, empowerment, and autonomy has been eclipsed, for the time being, by countervailing forces. As for the current outlook: the post-election climate seems to have prompted a degree of acquiescence on the part of the political opposition, which does not bode well.

Context

Macedonia is a landlocked country with just over 2 million inhabitants. The two most significant population groups are Macedonians (mostly Orthodox Christian) and Albanians, who are predominantly Muslim. The country has experienced a turbulent transition to full parliamentary democracy since peacefully seceding from the Yugoslav Federation in 1991. There have been ethnic tensions on several occasions, culminating in 2001 with a conflict between Albanian rebels and Macedonian police and troops. The conflict was resolved with the Ohrid Framework Agreement, brokered by envoys from the United States and the European Union.

Another source of instability has been the dispute over the name of the country, which has stalled Macedonia's accession to both NATO and the EU. Since 1991, Greece has objected to the country calling itself the Republic of Macedonia, on the grounds that in historical terms the name Macedonia encompasses territories that are now within Greece. The Greek government also objects to what it sees as the country's appropriation of elements of ancient Macedonian identity. These objections have blocked the normalization of Macedonia's international relations since 1991. The resulting instability has affected Macedonia's economy, which is characterized by poverty and high unemployment, although the currency is relatively stable and the inflation rate is low.

In general, the media sector is undergoing a rather chaotic transition to digital. The migration of audiences to new media platforms has exacerbated the financial difficulties of traditional media providers. Most media outlets are privately owned, by domestic companies. Ethnic and linguistic divisions are also reflected in the media sector, with content provided in the Macedonian, Albanian, and Roma languages.

The structural problems of the media sector have been aggravated by the political culture of the ruling coalition and the fact that ownership is closely intertwined with the political centers of power. Apparently, one of the government's key projects over the past five years has been the reshaping of the media landscape in order to facilitate its own domination of political debate. Methods used to secure the success of this project have included the bribery of media owners through the award of government advertising contracts, inciting public hatred against certain media and journalists, using tax-related laws for shutting down media that it disapproves of, creating new digital pro-government media, and so forth.

Indeed, on 26 July 2011, A1 TV, one of the few independent and critical broadcasters in the country, was closed on allegations of tax fraud. Its owner and managers were detained and, on 14 March 2012, the owner Velija Ramkovski was sentenced to 13 years' imprisonment. In fact Mr Ramkovski and A1 TV were always controversial in both business and political terms, and have expressed different political allegiances. At the same time, *Spic* and *Vreme* newspapers (belonging to the same owner: see section *6.1.3*) ceased all their operations. Given that their owner was a dominant player in the market, this change will affect the entire media landscape.

Alongside digital development, with its promise of greater openness, empowerment, and autonomy for media, these countervailing forces have been strongly present in Macedonia. The effect has been a reduction in media freedom that has, for the time being, offset any gains achieved through digitization. Accordingly, while many of the problems set forth below are not specifically related to digitization, they affect current and future trends in the digital environment and therefore are highly relevant for this report.

# Social Indicators

Population (number of inhabitants): 2,022,547[1]
Number of households: 571,000[2]
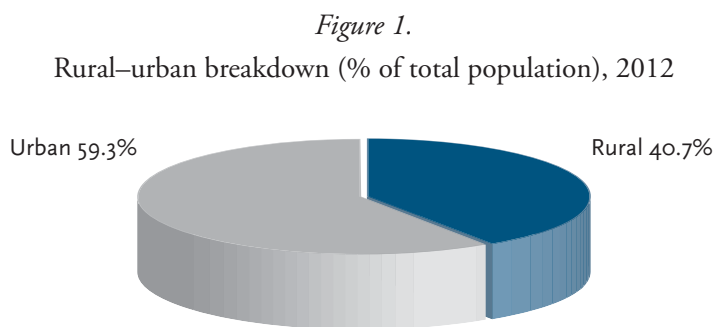
Figure 1.
Rural–urban breakdown (% of total population), 2012

Urban 59.3%

Rural 40.7%

Source: UN, DESA[3]

Figure 2.
Ethnic composition (% of total population), 2010

Roma 2.6%   Other 4.4%

Turks 3.8%

Albanian 25.1%
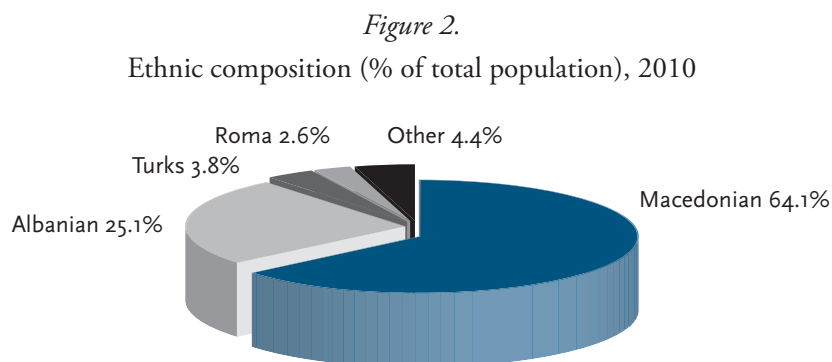
Macedonian 64.1%

Source: State Statistical Office of the Republic of Macedonia, *Statistical Yearbook 2010*, Skopje

1   State Statistical Office of the Republic of Macedonia, *Statistical Yearbook 2011*, Skopje, p. 56.

2   State Statistical Office of the Republic of Macedonia, *Statistical Yearbook 2011*, Skopje, p. 56.

3   United Nations, Department of Economic and Social Affairs, Table: WUP2011-F01.XLS, line 186, at http://esa.un.org/unpd/wup/CD-ROM/
      Urban-Rural-Population.htm (accessed 3 June 2012).

Figure 3.

Religious composition (% of total population), 2002

Other 1.9%

Muslim 33.3%

Orthodox 64.8%
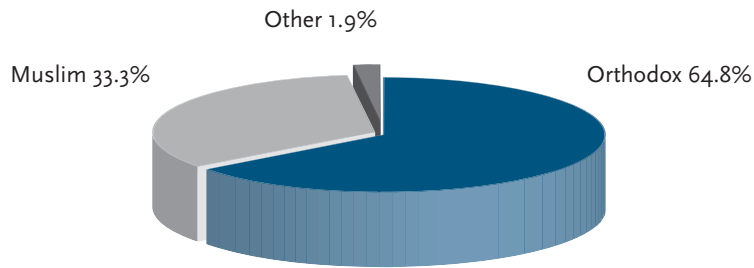
Source: State Statistical Office of the Republic of Macedonia[4]

Figure 4.

Linguistic composition (% of total population), 2002

Roma 1.9%   Other 3.0%

Turkish 3.5%

Albanian 25.1%
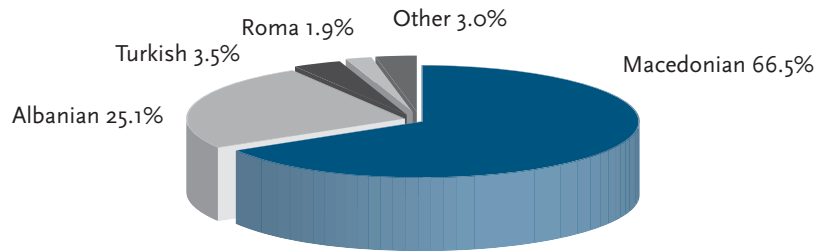
Macedonian 66.5%

Source: State Statistical Office of the Republic of Macedonia[5]

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4   State Statistical Office of the Republic of Macedonia, *Census of the population, households and dwellings in the Republic of Macedonia 2002*, Skopje, p. 334.

5   State Statistical Office of the Republic of Macedonia, *Census of the population, households and dwellings in the Republic of Macedonia 2002*, Skopje, p. 197.

Economic Indicators

Table 1.

Economic indicators

	2005	2006	2007	2008	2009	2010	2011f	2012f
GDP (current prices), in US$ billion	5.707	6.911	8.697	9.155	9.747	9.108	10.113	10.784
GDP (current prices), per head in US$	2,801	3,387	4,252	4,468	4,749	4,431	4,911	5,228
Gross National Income (GNI), (current $), per head	2,830	3,100	3,380	4,180	4,540	4,520	n/a	n/a
Unemployment (% of total labor force)	37.2	36.0	34.9	33.7	32.1	32.0[6]	31.8[7]	32.1
Inflation (average annual rate in % against previous year)	1.5	3.0	6.6	4.1	−1.6	2.9	7.5	2.0

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

Sources: State Statistical Office of the Republic of Macedonia, April 2011 (for all indicators except for the GNI); World Bank (for GNI)

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6   State Statistical Office of the Republic of Macedonia, "20 years of Independent Macedonia," p. 19, Skopje, 8.09.2011, at http://www.stat.gov. mk/Publikacii/20YearsofINDEPENDENTMACEDONIA.pdf (accessed 4 June 2012).

7   State Statistical Office of the Republic of Macedonia, press release no. 2.1.12.05, 23 March 2012, at http://www.stat.gov.mk/pdf/2012/2.1.12.05. pdf (accessed 4 June 2012).

1. Media Consumption: The Digital Factor

1.1 Digital Take-up

1.1.1 Digital Equipment

The number of households with a computer has doubled since 2006. While other equipment parameters remained stable, computer take-up has been followed by the spread of home broadband connections. Two crucial factors have contributed to this trend: a fall in equipment prices and broadband connection fees, and government policies aimed at universal service. Aside from an extensive media campaign promoting the information society as a concept, the government directly subsidized the households of university students in 2008. The prime minister announced on 2 June 2012 that this practice will continue during 2012.[8] They were given vouchers worth €200 each to purchase computer equipment. The increasing availability and falling cost of broadband connections meant that by 2010 the figures for broadband take-up and the internet in total were almost equal. Along with that there has been a significant shift in internet usage habits. In 2005, 16 percent of the population was using internet cafés as their primary access point, 5 percent more than those who accessed the internet primarily from their homes.[9] By 2010, the primary point of access had shifted almost entirely from internet cafés to homes and offices. See Table 2.

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8   See http://www.zurnal.mk/content.asp?id=201262183318 (accessed 3 June 2012).

9   Strategic Marketing and Media Research Institute (SMMRI) for Media Development Centre (MDC), "Technical preconditions and potential of the broadcast industry in Macedonia," October 2005 (hereafter SMMRI for MDC, "Technical preconditions").

Table 2.

Households owning equipment, 2005–2010[10]

	2005		2006		2007		2008		2009		2010	
	No. of HH[11]	% of THH[12]	No. of HH	% of THH	No. of HH	% of THH	No. of HH	% of THH	No. of HH	% of THH	No. of HH	% of THH
TV set	563,310	99	571,000	99	571,000	99	571,000	99	558,653	99	558.653	99
Radio set	455,200	80[13]	456,800	80	456,800	80	456,800	80	451,436	80	451,436	80
PC	n/a	n/a	142,122	24.8	192,409	33.7	260,490	45.6	309,136	54.1	322,044	56.4[14]

Notes: HH: households; THH: total households; PC: personal computer; TV: television; n/a: not available

Sources: Strategic Marketing and Media Research Institute (SMMRI) for Media Development Centre (MDC), "Technical preconditions and potential of the broadcast industry in Macedonia," October 2005 (hereafter SMMRI for MDC, "Technical preconditions"); State Statistical Office of the Republic of Macedonia, news release no. 8.1.10.21, 20 October 2010

1.1.2 Platforms

Television is delivered by cable network operators to some 50 percent of households. Exact figures may vary mostly due to the high percentage of underreporting, which is a common practice. Therefore independent studies tend to yield higher rates of penetration than the official data. Furthermore, there is a significant number of small private networks in rural areas whose subscribers are not included in official statistics. These networks are mostly analog with a digital backbone (fiber optics converting signal to analog at the user's end). Around the end of 2008, two new key players (T-home and Telekom Slovenije) entered the market with digital platforms (IPTV and DVB-T respectively). At the same time, two major networks, Kabeltel and Telekabel, started to include digital packages in their offers as upgrade services for their users. Again, the exact number of subscribers for these digital packages remains unknown also mostly because of underreporting. See Table 3.

At the end of 2008 T-home offered a bundle of fixed telephony, IPTV, and broadband ADSL internet as the first complete triple-play package. In 2009, Telekom Slovenije offered a similar bundle based on DVB-T. Both platforms experienced relatively fast take-up, but their target markets were distinct: IPTV was aimed at higher income groups compared with DVB-T, which especially focused on rural areas. However, both platforms were aimed at households with analog terrestrial reception. Unlike the DVB-T platform, however, IPTV also attracted a portion of the cable-TV users in urban areas.

Satellite reception is mostly based on individual antennas and in some urban areas on collective systems for satellite reception. The Direct-To-Home (DTH) platforms, however, have hitherto shown limited potential for market penetration. It is noteworthy that satellite penetration among the Albanian and Roma communities is significantly higher than among the Macedonian population. These communities are mostly located in poor suburban and rural areas with limited cable-TV penetration; hence they use DTH to compensate.

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10   The numbers of households are estimates only, extrapolated from the 2002 census findings. The 2011 census was not completed, due to alleged irregularities.

11   Total number of households owning the equipment.

12   Percentage of total number of households in the country.

13   SMMRI for MDC, "Technical preconditions."

14   State Statistical Office of the Republic of Macedonia, news release no. 8.1.10.21, 20 October 2010.

According to a government decision,[15] digital switch-over will be completed by the second half of 2013. To that end there have been various amendments to existing laws that will enable PE (Public Enterprise) Macedonian Broadcasting (*Makedonska Radiodifuzija*) to build a new digital network while the remaining frequencies will be open to tender from telecommunication operators. (See section *5.1.1.*)

Radio does not broadcast digitally. There is only a paragraph in the government's Strategy for Broadcasting Development that mentions DAB as a standard for digitizing radio, but no actual action plan. Cable and IPTV operators do include radio in their packages as streams that are available through their set-top boxes, and most radio stations also simulcast online. Unfortunately no data are available on the audience reach of these services.

Table 3.

Platform for the main TV reception and digital take-up, 2005–2010[16]

	2005		2006		2007		2008[17]		2009[18]		2010[19]	
	No. of HH[20]	% of TVHH[21]	No. of HH	% of TVHH	No. of HH	% of TVHH	No. of HH	% of TVHH	No. of HH	% of TVHH	No. of HH	% of TVHH
Terrestrial reception	214,057	38	254,381	45	202,939	36	190,247	34	165,630	29	170,830	30
– of which digital	0	0	0	0	0	0	0	0	10,149	1.7	42,820	7.5
Cable reception	281,655	50	243,074	43	266,252	47	288,297	51	306,161	54	293,950	52
– of which digital	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a
Satellite reception	67,597	12	67,835	12	96,099	17	84,794	15	79,140	14	70,387	12.4
– of which digital	45,064	8	45,223	8	73,228	13	73,228	13	73,228	13	73,228	13
IPTV	0	0	0	0	0	0	1,952	0.35	14,334	2.5	30,123	5.3
Total	563,310	100	565,290	100	565,290	100	565,290	100	565,290	100	565,290	100
– of which digital[22]	45,064	8.0	45,680	8.0	73,228	13.0	75,180	13.35	103,623	18.33	n/a	n/a

Notes: HH: households; TVHH: Total number of households in the country; n/a: not available

Sources: SMMRI for MDC, "Technical preconditions"; State Statistical Office of the Republic of Macedonia report no. 8.1.6.14, 27 July 2006; State Statistical Office of the Republic of Macedonia, report no. 8.1.7.19, 18 September 2007; Agency for Electronic Communications, "Annual Report on Development of Electronic Communication Market for 2010," p. 44[23]

15   The government's decision was originally published at www.epolicy.mk, a site maintained by the Ministry of Transport and Telecommunication. The site is currently inaccessible, however, as the website has been down for some time.

16   The figures refer to the main TV set in multi-TV households.

17   Except for IPTV subscribers there are no relevant data. The numbers given were calculated based on some of the research that indicates that cable penetration is 50–60 percent of the total number of the households; see, e.g., SMMRI for MDC, "Technical preconditions," October 2005.

18   Except for IPTV subscribers there are no relevant data. The numbers given were calculated based on some of the research that indicates that cable penetration is 50–60 percent of the total number of the households; see, e.g., SMMRI for MDC, "Technical preconditions," October 2005.

19   For DVB-T the source is the Agency for Electronic Communications; for IPTV the source is T-Home. Other numbers are extrapolated from previous data and official data from the Agency for Telecommunication.

20   Total number of households owning the equipment.

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

22   Figures in this row are calculated without the number of cable digital users. There are no data available for their number, so the figure covers only DVB-T, DVB-S, DTH, and IPTV users.

23   See http://www.aek.mk/index.php?option=com_content&view=article&id=203:-2010-&catid=54:2011-06-22-08-36-12&Itemid=123&lang =en (accessed 1 June 2012).

No data about mobile broadband internet usage are publicly available. However, mobile telephony penetration has reached a universal level. In 2008, there was a period when the number of active mobile phone lines exceeded the number of inhabitants. In that year, all mobile operators stopped counting "dead" prepaid mobile lines as active and reported only active lines to the regulator. The change of the methodology of reporting is reflected in the figures in Table 4 as a drop in mobile penetration, even though it simply corrects the actual data of active mobile users.

Cable and telecoms operators offer broadband internet via cable systems and through 3G. The number of subscribers is growing rapidly. Table 4 shows that two major peaks occurred in 2005–2010 in internet penetration, the first one in 2007 when the total number of internet users doubled, and the second in 2009 when almost 99.5 percent of users switched to a broadband connection followed by a fall in the total number of internet subscribers. Both phenomena are connected to the accessibility and affordability of the broadband connections. As to the first, the number of users almost doubled but the number of the broadband connections rose almost nine times. On the second, the usage of one broadband line by a whole family or small company reduced the total number of users who log onto the net. Therefore while the total number of accounts shrank, the actual number of users grew. See Table 4.

Table 4.

Internet penetration rate (total internet subscriptions as % of the total population)

and mobile penetration rate (total active SIM cards as % of total population), 2005–2010[24]

	2005	2006	2007	2008	2009	2010
Internet	5.2	6.3	13.3	14.0	10.6	n/a
of which broadband	2.22	4.28	36.84	62.85	99.5	n/a
Mobile telephony	71[25]	72[26]	97.7	114.2	94.6	95.4
of which 3G	n/a	n/a	n/a	n/a	14.4	16.2

Note: n/a: not available

Sources: Agency for Electronic Communications, "Annual Report on the Development of the Electronic Communication Market in 2010," State Statistical Office of the Republic of Macedonia report no. 8.1.6.14, 27 July 2006

Experiments with live streaming of World Cup football through the 3G network of T-Mobile and internet streaming of live channels in real time showed, however, that the public is still not ready to consume media in this manner.

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24 Source: Agency for Telecommunication, unless otherwise specified.

25 Source: State Statistical Office of the Republic of Macedonia report no. 8.1.6.14. Data are given as percentage of the households with at least one mobile phone, 27 July 2006.

26 Source: State Statistical Office of the Republic of Macedonia report no. 8.1.6.14. Data are given as percentage of the households with at least one mobile phone, 27 July 2006.

1.2   Media Preferences

1.2.1   Main Shifts in News Consumption

Changes in news consumption over the last two decades have not been researched. However, a general decline in the consumption of print media, as well as of radio as a news source, has been observed.[27] With an average of five hours and 18 minutes viewing time per day, Macedonians are ranked second in the world for average time spent watching television.[28]

According to industry insiders, there has been a significant drop in newspaper circulation, with the total figure almost halving since 2005.[29] This is impossible to verify since circulation figures are not publicly available. Newspapers usually provide a full electronic version of their current issue online. Consequently, a proportion of their readership may simply have stopped buying the papers and turned to their web editions instead.

Local press is virtually non-existent. There are some weekly titles in Bitola, Prilep, and several smaller cities, but their influence is negligible.

Except for Macedonian Radio which is part of the public broadcasting system and Channel 77, there are no national radio stations providing news. On the local level, there are several smaller stations that offer news, but radio is mostly used for listening to music rather than news.[30]

Television is not fully digitized and new forms of audiovisual distribution such as video on demand (VOD) and time-shifted viewing are now available only through the IPTV system operated by T-home; some of the cable network operators also introduced time-shifted viewing in 2011. Even here, while time-shifted viewing has enabled access to news programs at the viewer's discretion, there is no research to indicate whether this has had any impact on news consumption.

The rapid growth of broadband connections in 2008–2010 has had a significant impact on the way audiences access the news. According to Alexa.com, five of the 50 most-visited websites belong to the major TV and newspaper brands.[31] The top ranked news website is Time.mk, which aggregates news from a range of sources. This reflects the power of established media brands and suggests that audiences have a degree of trust in traditional news sources, such that they will turn to them first even on new digital platforms. But the mode of consumption is changing; people access the news directly, item by item, through Time.mk, Facebook, and

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27   Institute for Sociological and Political Research (Институт за социолошки и правни истражувања, ISPPI), *Research on TV and Radio Consumption Habits and Preferences*, Skopje, 2005, pp. 44, 47.

28   "How People Watch—A Global Nielsen Consumer Report," August 2010, p. 5, at http://www.acnielsen.fi/site/documents/Nielsen_How PeopleWatch_August2010.pdf (accessed 25 April 2012) (hereafter Nielsen, "How People Watch").

29   The authors of this report have the reports but are bound by non-disclosure agreements.

30   ISPPI, *Research on TV and Radio Consumption Habits and Preferences*, Skopje, 2005, pp. 44, 47.

31   See http://www.alexa.com/topsites/countries/mk (accessed 15 April 2012).

other pointers and search engines. Sharing via social networks and media aggregators results in fewer direct access hits to traditional media websites.

1.2.2 Availability of a Diverse Range of News Platforms

There has been an explosion of new internet-based initiatives in entertainment news and consumer news (IT products, cars, etc.) with attached forums or other digital services. Some online-only conventional news websites have emerged in recent years, but they have had limited success in terms of funding and are not economically sustainable (see section *1.3.1*). On the other hand, the online offerings of traditional media have attracted the bulk of internet news audiences. Their content is shared on Facebook and their articles and TV news are cross-referenced in the reporting and opinions offered by newspapers and talk shows. For the most part, this internet content has amounted merely to electronic versions of the newspapers or the material already broadcast by the TV stations, although the situation changed somewhat in 2011, when many newspapers introduced web specials with regular updates. Still, it appears to be the case that online at least, digitization to date has not succeeded in radically increasing the range of news sources available.

In regard to audience share over the past three years (2009–2011), a handful of the internet-only initiatives managed to stay ahead of the traditional media ((Kajgana.com, Idividi.com, and other mostly entertaining or specialized news sites have better Alexa ratings for longer periods than traditional media websites), mostly due to their better understanding of the web as a news platform. In other words, while traditional media see their web presence simply as a brand extension and yet another platform to distribute their news, successful internet-only websites have had a different approach, focussing on the creation of communities linked through their forums and the full usage of technical potential like search facilities, interactivity, user-generated content (UGC), search engine optimization, and social network advertising.

The social networking explosion (with 884,000 Macedonian accounts on Facebook by April 2012)[32] and the culture of linking and sharing that comes with it have profoundly influenced the way some people consume media, in particular, through the expansion of the number and range of available news sources, especially from foreign countries and concerning issues that are underreported by the Macedonian media. These include technological developments, the foreign policy of neighboring countries, and other world affairs. This has somewhat compensated for the lack of specialized newspapers or TV news shows, allowing audiences to keep abreast of global news much more than in the pre-digital era. The number of accounts on social networks shows that something like one-third of the population uses the internet actively.

In 2010 and 2011, two news websites—Kurir.mk and Makfax.com—emerged as valuable sources for the traditional media and hence they are now regularly quoted in newscasts and articles. At present, these sites compensate for the lack of traditional domestic news agency services. From such a perspective, regardless of their small audience share, they are becoming progressively more important in the general news landscape.

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32   See http://www.socialbakers.com/facebook-statistics (accessed 24 April 2012).

In general, ethnic Macedonians and ethnic Albanians are divided by language, creating two audiences for media, with little overlap. While most Albanians are able to follow Macedonian-language media (if they wish to do so), the opposite is not true. This division affects news content as well as audience preferences. For example, Albanian-language outlets carry more coverage of Kosovo and Albania than of Macedonia itself, and the ethnic Albanian community partly informs itself through Kosovan and Albanian media. For example, the Albanian DHT platform DigitAlb is active in the country selling subscriptions.

1.3. News Providers

1.3.1 Leading Sources of News

In 2010, TV remained dominant with 77.3 percent of the population using it as their primary news source. The most dramatic change has been the rise of the internet as a primary news source, now eclipsing newspapers (35 percent and 34 percent respectively), with radio ranking fourth with 13 percent.[33]

1.3.1.1 Television

The trend shows a stable ranking of TV stations in recent years, although there has been a moderate decline in audience levels as a result of competition from new media platforms. Television in total had a 51.5 percent audience share among all media in 2007, 48.1 percent in 2008, and 47.27 percent in 2009.[34] Since 2005, the most popular TV station was A1 until its closure on 30 July 2011, followed by Sitel TV (see section *1.3.2*). Fluctuation in audience numbers has been observed only in 2008 and 2009 between the other leading stations, Kanal 5 and Macedonian Radio and Television (MRT). Kanal 5's audience shrank by 2.75 points in that period.[35]

The reason for this remains unclear. Kanal 5 has a moderate pro-governmental editorial policy that may be the reason for loss of audience, bearing in mind that Sitel TV and MRT are hardline supporters of the government; it is possible that the growth of MRT and rise of the Sitel audience in this period hurt Kanal 5. This shows that audiences tend to choose hardliners over moderates. The situation appeared to change during 2011 with A1 out of the market, though figures are not yet available to confirm its extent. At this moment it is only clear that Medija Print Makedonija (MPM)[36] has achieved a monopoly in the print sector, and that some of the shows and series that ran on A1 have been transferred to other private stations. (See Figure 5.)

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33 Broadcasting Council, "Research on Audience Opinion, 2009," 2010, pp. 7–11, at http://www.srd.org.mk/images/stories/publikacii/ispitu-vanje%20na%20publikata_2009.pdf (accessed 23 May 2011) (hereafter Broadcasting Council, "Research on Audience Opinion").

34 Broadcasting Council, "Research on Audience Opinion."

35 Broadcasting Council, "Research on Audience Opinion."

36 The company is publisher of three major daily newspapers and owns the biggest distribution network and biggest printing plant in the country; it was owned by the German West Allgemeine Zeitung up to April 2012.

The accessibility of foreign news and other types of foreign channels via TV distribution networks such as cable, IPTV, and DVB-T has also contributed to the trend of the slow fall in domestic TV shares, and a consequent drop in domestic news consumption. Furthermore, these channels are compensating for the need for specialized news lacking in the domestic offer. There is a language barrier too, but some of the major channels (HBO, VIASAT, National Geographic, and so forth) are subtitled (or, in some cases, dubbed) into Macedonian or some of the neighboring languages.

Figure 5.
Audience share (%) of leading TV stations, 2007–2009
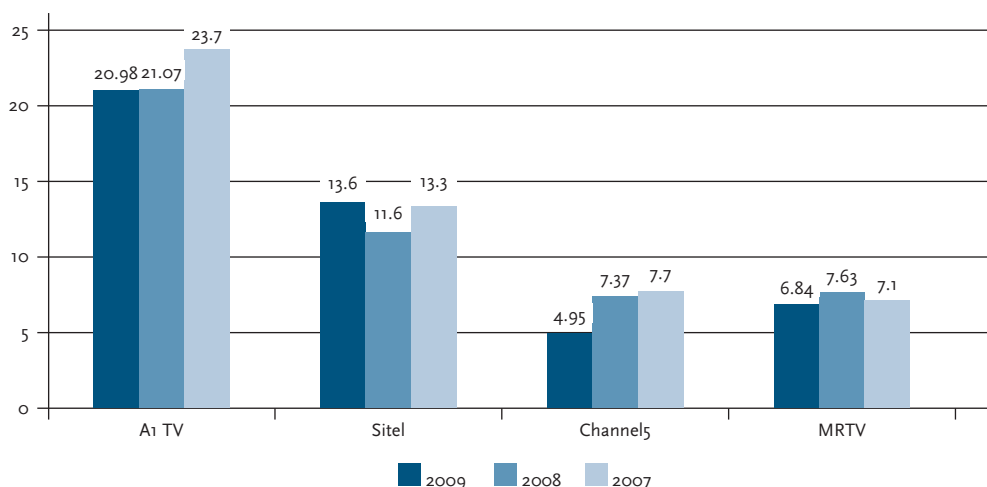
Source: Broadcasting Council, "Analysis of the Broadcasting Market in 2009," 2010[37]

1.3.1.2 Radio

Radio has been the primary news source for a small minority in recent years (see section *1.3.1*). The chief reason for this is probably that most radio output in Macedonia is dominated by music and entertainment.

1.3.1.3 Print Media

Until 2009, publishers reported no significant changes in circulation to advertising agents. In the first half of 2009, they finally acknowledged the fall of readership and claimed only one-third of their previous numbers. However, as brands in combination with their internet extensions, they are still the second most accessed news source for the public. If print editions are to be considered in isolation, they would fall to third place behind the internet. Readers of print media in Macedonia are concentrated in younger and middle age groups. Demographics show a relatively high preference for daily newspapers among those aged 14–32 years and 42–59 years.[38]

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37   Broadcasting Council, "Analysis of the Broadcasting Market in 2009," 2010, p. 14, at http://www.srd.org.mk/index.php?option=com_content &view=article&id=93&Itemid=76&lang=en (accessed May 2011).

38   Broadcasting Council, "Research on Audience Opinion," pp. 7, 8, 9, 11.

1.3.1.4 News Websites

Internet-only news sites form two categories. The first and most common type are portals that provide mainly entertainment but also general news, and combine both domestic and foreign content. Their distinctive feature is that their news stories are mostly hijacked from other internet sources and simply translated. In this group there are also specialized sites with news on sport and technology, for example. The most popular are Kajgana.com, On.net.mk, and Idividi.com.

The second group consists of sites that generate original news, such as Netpress.com, Kurir.com, Kirilica.com, and Makfax.com, covering mostly domestic issues. There are also news aggregators that serve as starting points for news delivery. The most important of these is Time.mk.

Unlike traditional consumption of news, TV or print, audiences on the net are highly selective and individuated, targeting mainly the news stories they are interested in, rather than following the editorial choices of producers. Interaction via social networks and blogs seems to be the key driver behind this change. News items are increasingly selected according to peer recommendations based on shared interests, demographics, political affiliations, and social status.

The audiences for these sites are increasing constantly but the sites themselves remain financially weak. This is because advertisers have not yet followed audiences to a significant degree and by and large remain loyal to traditional media, especially TV. There has been advertising of small businesses, mostly on Facebook.

1.3.2   Television News Programs

In the past five years, conventional news programs have not changed their general structure in response to digitization.[39] Usually the major newscasts are around 45 minutes long. Alsat TV broadcasts two major newscasts, one each in Macedonian and Albanian. Content tends to be divided among general news, economic news, world news, sports, and entertainment. The only exception was the news format of the market leader A1 TV (now defunct) which ended with a talk-show feature called "*Studio 2*." Although it may seem awkward to mix TV debate with news, in general this format has been a success, with A1 TV coming out on top consistently since ratings began in 2007.

Perhaps the most significant change in recent years has been in the nature of coverage. Major TV stations have become politically polarized and biassed to an unprecedented degree as a result of the deep division between the two major parties and their mutual antagonism. Two of them, Sitel and Kanal 5, are heavily pro-government, and A1 TV was initially pro-government but after 2009 became the most critical news outlet in the country. The reason for this U-turn seems to be the levels of state advertising spend on A1 and some other political and business interests of A1's owner, which put him on a collision course with the government and led eventually to the closure of the station in July 2011. This deprived the mainstream media space of any critical account of government policies.

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39   The data on the ratings are not publicly available.

1.3.3 Impact of Digital Media on Good-quality News

The quality of news production has not changed much under digitization, but the news-gathering process has been marked by the significant growth of internet sources in recent years and of UGC in traditional media. This has led to an increase in eye-witness accounts and dissemination of raw and unedited material, with potentially both positive and negative consequences for news quality. Moreover, while UGC and content uploaded to video services such as YouTube have unearthed political scandals and corruption that might not have been covered in the pre-digital era, digitization has also expanded the communication channels of traditionally powerful sources. YouTube video material has been used extensively for propaganda purposes by the ruling party and to a lesser extent by the opposition or their supporters and much of the content is hyperlinked through blogs, social networks, and forums. Both sides uploaded videos of their rallies from the last electoral campaign (May–June 2011) on YouTube and then they were interlinked through Facebook or other social media.

1.4 Assessments

Traditional habits of media consumption have ensured that television has remained the dominant source of news for Macedonians over recent years. Within this sector, cable has also retained its dominance as the preferred delivery platform, particularly as a result of bundled services offered by the leading cable providers. Trust in established news brands and established advertising schemes has also meant that traditional media organizations have become key players in the online sector.

However, the seeds of change are evident in the way younger audiences are using social networks for sharing news. Slowly but steadily this trend is changing media consumption habits generally. This holds valid to a large extent for the digital versions of traditional media.

The relatively fast growth of the IPTV platform shows that audiences are attracted to the interactivity potential of digital TV and recorded and time-shifted viewing. Experiments with streaming the football World Cup through the 3G network and internet streaming of live channels in real time show, however, that the public is still not used to consuming media in this manner. For example, there was very little take-up when T-Mobile offered live streaming of 2010 football World Cup matches on 3G for as little as DEN 100 (€1.50) (see section *2.1.2*).

Digital media have expanded the range and the scope of news, mostly in regard to the diverse contribution of foreign specialized news sites and blogs. The same holds true for the availability of foreign channels accessible via cable networks, especially with content dubbed or subtitled into Macedonian. New media have also given audiences the chance to follow stories through links with news from previous days or via third-party websites to watch talk shows aired by TV stations. Thus, digitization has to some extent diversified news consumption for some users, though it has also enhanced the reach of powerful news sources, including state institutions and corporations. As part of their communication strategies, almost all state institutions maintain web pages with news and general information about themselves, as well as links to documents. Political parties have

established different models for using new media and social networks, with pointers on Facebook and Twitter to content produced by their public relations departments or sympathizers and uploaded on YouTube or other video services. During the 2011 election campaign, major party events were streamed live and interactive Q&A sessions were organized online.

The Albanian–Macedonian language gap also influences news coverage, above all at times of political tension or conflict. Most recently, in March 2012, when inter-ethnic fights broke out on public buses in Skopje, Macedonian and Albanian media outlets reported with explicit ethnic bias, emphasizing the nationality of the perpetrators, and almost always portraying their nationals as victims. In this sense, the media have failed to act as integrating factors in society, and this failure has been facilitated by lack of respect for professional standards of journalism.

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

MRT is the sole publicly-owned media agency in the country. It operates with one TV channel in the Macedonian language (MTV1), another channel broadcasting entirely in the languages of other ethnicities (MTV2), a third channel dedicated to covering parliament, two radio channels (MR1 and MR2), a satellite TV Channel (MTV SAT), and specialized radio programs for Macedonians abroad. Entertainment occupies more than half of the program structure of MTV1 and MTV2, with the minority genres being education and information.[40]

In contrast, the first channel of Macedonian public radio (MR1) broadcasts predominantly information programs (66 percent), with minority scheduling devoted to entertainment and education.[41] The second radio channel (MR2) is mostly entertainment, with 82 percent allocated to music.[42] Overall, more than half of public radio airtime is taken up by music (56 percent) with 40 percent made up of talk radio formats, and the remainder consisting of announcements and advertisements.[43]

Newscasts, current affairs, and other information programs occupy 41 percent of MTV1's schedule, of which 33 percent of total airtime goes to current affairs programs and other information programs, while an additional 26 percent is infotainment.[44] For MTV2, newscasts, information programs, and current affairs take up almost 47 percent of the entire airtime, of which current affairs and other niche information programs have 39 percent of total airtime, and infotainment forms an additional 14 percent.[45]

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40 Broadcasting Council, "Analysis of the Programs of MRT," 2010, p. 24, at http://www.srd.org.mk/images/stories/publikacii/analiza%20na%20 programite%20na%20mrt.pdf (accessed 14 April 2011) (hereafter Broadcasting Council, "Analysis of Programs of MRT").

41 Broadcasting Council, "Analysis of Programs of MRT," p. 57.

42 Broadcasting Council, "Analysis of Programs of MRT," p. 74.

43 Broadcasting Council, "Analysis of Programs of MRT," p. 68.

44 Broadcasting Council, "Analysis of Programs of MRT," p. 26.

45 Broadcasting Council, "Analysis of Programs of MRT," p. 49.

The Broadcasting Law prohibits primetime advertising on public service broadcasting, i.e. from 7 p.m. to 10 p.m.[46] As a consequence, there is less sport and entertainment during this time. MRT officials lobbied for this provision to be removed in the new draft law (see below). To them, the ban seemed nothing more than a purely administrative measure preventing public service broadcasting from airing high-rating entertainment during primetime viewing. Prior to the enactment of this law in 2005, MRT used its primetime to air premium sports events, such as the British Premier League, or popular movies. Hence, that legal provision forced significant shifts in its schedule and programming. MRT officials argued that the decision was bad because it made them uncompetitive and led to a decline in ratings.

In fact, MRT's share fell significantly since 2005 (see section *6.2*). The overall share of the three TV channels of MTV has gradually stabilized, placing it in the fourth place in the country, with an audience share of some 7.63 percent in 2008 and 6.84 percent in 2010. (Figures are not yet available to determine the effect of the closure of A1 TV in 2011 on these numbers.)[47] Furthermore, public service broadcasting in Macedonia is experiencing a funding crisis. In the absence of an independent financing mechanism, MRT is dependent exclusively on direct state funding. The resulting editorial bias[48] has in turn led to the lowest ratings in its history, along with the flight of many professional journalists to other outlets.

In mid-December 2011, amendments to the Broadcasting Law lifted the ban and allowed advertising on MRT with the same ratio as for commercial broadcasters (20 percent of the aired time by the hour). This decision was taken without prior debate on what the change would mean for the public service mission, or how it would affect the television market. The change immediately boosted MTV's advertising revenue.

2.1.2 Digitization and Services

The number of public service broadcasting TV and radio services is set out by law. There is no possibility for MRT to change its service portfolio on radio or TV without changes in the legislation. However, it is allowed to develop an online presence and internet applications as complements to its broadcasting services. During the 2010 World Cup football championship, MRT used the IPTV network of T-home to distribute the first TV channel in HD to all the users of this network. They also offered their users access to the live feed on their mobile phones at an additional price of DEN 100 (€1.50).

MRT currently operates the website Mtv.com.mk in two languages, Macedonian and Albanian. Live streaming from the first channel is available through specialized web-based television services such as JumpTV (Jumptv.

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46 Law on Broadcasting Activity, Art. 91, para. 3, *Official Gazette of Republic of Macedonia* 100/2005.

47 Broadcasting Council, "Study of the Media Market—Issues from 2010 and 2009," at http://www.srd.org.mk/index.php?option=com_content&view=article&id=93&Itemid=76&lang=en (accessed 1 June 2012).

48 "The panelists judge state-owned MRT to be biased to the government and its policies. For instance, panelists noted they had been rebroadcasting one interview with the prime minister for six to seven times in one week in various time-slots, just to ensure that everybody would have a chance to see it. The public service is in deep crisis. The system that was to secure independent financing was not established, and now it is dependent on direct state financing. The resulting bias resulted in its lowest ratings in history but also resulted in the flight of professional journalists to other media." Media Sustainability Index (MSI) 2009, p.72, IREX Pro-Media, at http://www.irex.org/system/files/EE_MSI_09_se_Macedonia.pdf (accessed 14 August 2011).

com), Zulu (Zulu.com), and Maxtv online (Maxtv.mk/index.aspx). This cooperation with domestic telecoms operators has significantly increased MRT's internet presence, though not necessarily its audience. The telecoms operators have provided ideas and know-how to help MRT expand the reach of its basic services.

2.1.3   Government Support

State support for MRT has been limited to maintaining a basic level of operations. In general, its funding has been problematic due to the inability to collect the license fee. MRT's financial plan for 2007 projected "9 percent collection of the broadcasting tax," meaning the license fee, to "form 16.8 percent of the total income."[49] This means that the license fee should have constituted 16.8 percent of MRT's total financing for that year, with the rest of the budget based on other income, including advertising, and government subsidy. The same document claimed that 15 percent of MRT's income in 2007 would be generated by another publicly owned company, Jpau Makedonija, which operates the country's airports. A further 44 percent would come directly from the state budget.[50]

In 2010, the license fee formed 17.7 percent of MRT's total income, while the amount of direct state financing was 56.7 percent.[51] MRT's inability to use the license fee and advertising as key revenue sources, as envisaged by the law,[52] encouraged a substantial dependence on the state budget, which in turn gravely affected its autonomy and editorial freedom. The license fee or tax used to be collected through the electricity power bills, but the power utility allowed users to pay their bills minus the supplementary tax. MRT's list of users was not up to date, and it had a problem establishing a collection system due to incomplete records, and administrative and staff problems; it also claimed that the legal provisions were not clear enough to be efficiently implemented. On top of this, there was a long-standing problem created by the fact that people were reluctant to pay the license fee because they felt that MRT's quality was inadequate. The 2005 Law on Broadcasting restored the collection of the license fee to MRT.

The government did not actively help MRT to establish the collection system, especially for debt collection. However, legislative changes in 2010 aimed to provide an adequate legal framework and funding for the digitization of public service broadcasting, which were intended to facilitate the efficient collection of the license fee. Responsibility for collecting the money was transferred to the Public Revenue Office (the tax authority), which has the authority to demand the payment of unpaid taxes. Additionally, in January 2012 new amendments to the law raised the tax from €2 to €3 per household per month. This should greatly ameliorate MTV's financial difficulties going forward.

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49   "Financial Plan of the PE MRT for 2007."

50   "Financial Plan of the PE MRT for 2007."

51   "Financial plan of the PE MRT for 2011."

52   Chapter XI of the law describes in detail the collection of the tax, and the rest of the Article outlines procedures of eligibility for state financing.

2.1.4   Public Service Media and Digital Switch-over

In 2010, using amendments to the Law on Establishing the Macedonian Broadcasting Company[53] and the Law on Electronic Communications,[54] the state provided MTV with two crucial resources for its digitization process. With the amendment of the first law, two digital multiplexes (MUX) were allocated to MRT to secure digital frequencies. Amendments to the second law permitted public funding to be provided for building up the infrastructure for digital switch-over and for the updating and digitization of studio equipment. Those funds were taken from the surplus generated by the Agency for Electronic Communications from licenses and taxes paid by the telecoms operators and other spectrum users. The purchase and installation of new equipment were expected to be completed by the end of 2011, given the government's steady financial support for the process. At the end of the year, an experimental digital signal was made available to the public.

Public service broadcasting has various other privileges guaranteed by law. Among them is the right to be the only must-carry service in the offer of all telecoms operators. Furthermore, the public service broadcasting satellite service for Macedonians émigrés is completely funded by the government. The legislation changed to secure the frequencies for the DVB-T MUX for public service broadcasting and the funds needed for its installation. At the moment Boom TV, owned by Telekom Slovenije, is the sole provider of a pay-TV service on DVB-T. However, private broadcasters have no legal guarantees that they will obtain fair access to the DVB-T networks, unlike the public service broadcasting under the must-carry provisions of the broadcast law. Therefore, in the summer of 2010 three major TV stations threatened that they would pull off their programs from Boom TV, claiming non-paid rights and reception of coded pay channels instead of having them on a free-to-air basis. These privileges have secured the highest reach for MTV, but its share has remained low due to its poor ratings, as mentioned in section *2.1.1.*

Facing a dire financial situation, MTV lagged behind in its digitization process. In 2010, however, the process gained momentum and now they are preparing the technical basis for digitizing their studios and internal equipment. For now, there have been no publicly announced plans for the expansion of the number of the channels or the introduction of specialized ones.

2.2   Public Service Provision

2.2.1   Perception of Public Service Media

When most politicians speak of MRT, they emphasize its role as a key national institution—a "symbol of statehood"[55]—or stress that its public obligations should exceed its purely informative function.[56] Therefore,

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53   See http://www.jpmrd.gov.mk/index.html (accessed May 2011).

54   Law on Amending the Law on Electronic Communications, *Official Gazette of Republic of Macedonia* 83/2010, Art. 59, para. 4.

55   "Macedonian Radio and Television is embedded in the foundations of this state and throughout the years had protected the national identity of the Macedonians," Marjanco Nikolov, MP, transcript of Session 123 of the National Assembly, p. 3, 23 December 2010.

56   Example: "MP [Tito Petkovski] stated that ... PBS had the obligation to produce new programming, not only to repeat its old one ... He concluded by stating that there is a need for PBS to serve the interest of citizens in line with the standards of the Council of Europe." Minutes from Session 56 of the Parliamentary Commission on Transport, Communication and Ecology, p. 1, 20 September 2009.

in public discourse, MRT is usually termed "national TV" or "state TV." In the past five years, the term "public service" has been used mostly by politicians or media experts as a politically correct definition of its public mission. At the same time the general public has been expressing continuous criticism of the performance of its functions. The analysis of public service broadcasting programs by the Broadcasting Council in 2010 provided perhaps the most valuable contribution to the debate.[57] The report confirms that public criticism of public service broadcasting programming is grounded in the fact that "entertainment is predominant on the first and second channel of MRT … open debates are lacking … important topics remain insufficiently covered due to inconsistent editorial policy and the program is not a reference point for the public."[58] The analysis also states that "MRT is not the service that actively contributes in the production of audiovisual works and for promotion … of the national and European cultural heritage … and does not support the creation of domestic audiovisual works."[59]

These faults may help to explain the inability to collect the license fee, as the public clearly does not place much value on public service broadcasting and tends to perceive it as a propaganda tool for the government more than as a public service. As a commentary on Alfa TV stated,[60] "Years should pass without political interventions in order for citizens to regain the trust in the public service." In general, the concept of public service media is better understood by the public than by politicians. When journalists describe MRT as a "public service," they make the qualification that it is "state-owned." The different views on this are dependent on perspective: usually employees of MRT view the root of the problem to be that the government controls the purse strings of MRT, while critics claim that it is not all about money.[61] In fact the public generally complains about the poor quality of service, and argues that such service does not warrant their paying the tax. The production function—especially of audiovisual works such as TV films, children's programming, and TV series—is almost non-existent. On the other hand, various experts and the heads of MRT claim that the service cannot become better if funding is not secured.

This chicken-and egg-situation creates a great deal of confusion in the public perception of MRT. "All observations, analysis, conclusions on the work of MRT, its survival, debts, political influence by the government in the programs of MRT—it is like I am writing about knights templars. It ends in mysticism about democracy, civil rights and endangered freedom of speech."[62] This tide of negative perception of the performance of the MRT has been in the focus of the public statements of the managers of MRT. Trying to turn the tide, one of them stated: "We hope that up to the beginning of the next year MRT will finish the process of digitalization. But, it is not only about the new equipment, it is also about what we plan to air—

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57   Broadcasting Council, "Analysis of Programs of MRT."

58   Broadcasting Council, "Analysis of Programs of MRT," p. 14.

59   Broadcasting Council, "Analysis of Programs of MRT," p. 15.

60   See Alfa TV, "What kind of public service we do not need," 14 October 2010, last paragraph, at http://vesti.alfa.mk/default.aspx?mId=36&eventId=28850&egId=6 (accessed 25 February 2012).

61   "Opinions on why MRT is not yet a public service depend on one's point of view and on who is giving the answer—employees of MRT or people outside," *Dnevnik*, 20 January 2012; "MTV does not fulfil its obligations," at http://www.dnevnik.mk/?ItemID=51C6A93BB2BD7C4A9EF16D08330C2461 (accessed 25 February 2012).

62   "Public service, whore house or just MRT," *Utrinski Vesnik*, 7 October 2011, at http://utrinski.com.mk/default.asp?ItemID=52C093A6DBA42341B462FCCDDD152E99 (accessed 25 February 2012).

our own production. MRT had always been the backbone of the Macedonian (TV) production and should remain so."[63]

2.2.2 Public Service Provision in Commercial Media

With the Law on Broadcasting in 2005, all public service obligations on the private media were abolished. Up to that moment all TV and radio stations were obliged to fulfill a quota for news services. A special fund, amounting to 10 percent of the license fee, was funneled to the production of programs serving the public interest in commercial media. Private TV stations and independent producers were eligible to access this fund through public bids. This funding scheme was removed by the law following arguments that it generated conflicts of interest within the regulatory body over who would receive financing. Many experts also argued that if regulatory functions included disbursal of funding, it would result in weaker regulation and encourage corrupt practices. Therefore, the new law reserved public funding of broadcasting wholly for public service broadcasting. The law stipulates, however, that at least 10 percent of MRT's production budget should be used for programs of public interest produced or co-produced by independent producers.[64] Due to MRT's precarious financial situation, no public announcements about this provision have been made in the past five years and this portion of the law has never been used in public nor has anyone been held responsible for not adhering to it.

2.3 Assessments

MRT's privileged (must-carry) status in the digitization process gives it greater access to the audience by using new platforms. This advantage does not, however, reflect the quality of its output, which remains low, regardless of platform. Given a shortage of funds, broad misunderstanding of its public role, growing competitive challenges from global media, and the increasing demand for services such as VOD, digitization looks set to exacerbate a long-term existential crisis for public service broadcasting. MRT has yet to develop a strategy to address these critical issues. Moreover, it enjoys very limited support from the general public, and only very critical support among academic and civil society circles.

The Law on Broadcasting of 2005 assigned greater responsibilities to public service broadcasting, which MTV currently seems unable to fulfill. As noted in the analysis by the Broadcasting Council, public service broadcasting has failed to fulfill the requirements set out by law. The troublesome financing along with the existing political control has resulted in formal compliance with the program standards, i.e. the availability of a certain percentage of educational, news, and entertainment—marked, however, by unsatisfactory quality. This deficit in high-quality original programming has left gaps in the schedule, which are filled with re-runs of old shows and foreign programs. This further underlines that MRT is not fit for purpose and needs urgent and significant changes in both planning and program structure.

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63   Petar Karanakov, executive director of MRT, 8 January 2011, at http://www.mtv.com.mk/mk/vesti/makedonija/30399/uspeshen_javen_servis_kje_gi_podigne_standardite_vo_novinarstvoto_i_produkcijata.aspx (accessed 25 February 2012).

64   Law on Broadcasting Activity, *Official Gazette of Republic of Macedonia* 100/2005, Art. 125, para. 1.

3. Digital Media and Society

3.1 User-Generated Content (UGC)

3.1.1 UGC Overview

Table 5 shows the 10 websites most visited by users in Macedonia in September 2011. It includes only three Macedonian sites (Time.mk, Demotivacija.mk, and Kajgana.com), of which only the last is a media site. (There are no Albanian-language sites in the top 100 sites for Macedonia, according to Alexa data. Insofar as they follow Albanian-language sites, Albanians in Macedonia are more attached to the digital world of Kosovo and Albania.)

Table 5.
Most visited websites, September 2011

Website	Alexa traffic rank (MK)	URL	Type	UGC
Facebook	1	facebook.com	Social network	All
Google	2	google.com	Search engine and services from Google	—
YouTube	3	youtube.com	Video sharing	Yes
Yahoo!	4	yahoo.com	Internet portal and search engine	—
Wikipedia	5	wikipedia.org	A free encyclopedia	All
Time	6	time.mk	News aggregator	No
Microsoft	7	live.com	Search engine and services from Microsoft	—
Demotivacija	8	demotivacija.mk	Fake mash-up posters, etc.	All
Kajgana	9	kajgana.com	Entertainment/news portal	Some (forum)
Blogger	10	blogspot.com	Blog platform	All

Source: Alexa.com[65]

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65 See http://www.alexa.com/topsites/countries/mk (accessed 30 September 2011).

Kajgana.com is an entertainment portal, with limited original content, rather than translations from foreign media or news from wire services. One of its most important features is the lively active forum. A large proportion of its visits is due to the forum. Alexa data show almost 75 percent of the site traffic being realized through the forum. The serious political news on the portal is provided by a single news agency, Makfax.com.

Time.mk is an extremely successful news aggregator, taking headlines from more than 80 Macedonian news sources. It has no UGC capability. Time.mk also has an Albanian version (http://time.ikub.al), mainly aggregating sites from Albania and Kosovo. On that version of the aggregator, it aggregates also news from Macedonian Albanian-language web sites such as Alsat-M, Lajm, YLL Press, and Idi-Vidi (Albanian version).

Demotivacija.mk is a new website created in April 2011 and it is a UGC website with funny posters, replicating Demotivation.us. All of the content is user-generated, but the humorous nature of the website does not provide any opportunity for proper journalism of any kind.

There are many Macedonian blogs hosted on the Blogger platform which places them high in the Alexa ranking.

Many of the media websites enable some form of UGC. However, virtually none of them is successful in generating a substantial platform for audience participation, especially citizen journalism. This may be due to the high prices of mobile internet and smartphones to post and receive UGC and the greater popularity of Facebook than mainstream media for some age groups.

Some mainstream media websites do offer a meaningful space for user contributions. Sitel TV, for instance, has a section of its website called "Right on the Spot" where users are encouraged to submit photos and comments. However, the website rarely publishes more than four or five photos per month, each accompanied by a single comment by the contributor. A similar example in this respect is Alsat-M TV, with its "IReport" section. Some other media tried to open the gates for contributions also, sometimes offering prizes such as photo cameras to encourage civic journalism, but these incentives seem to have little impact in either generating more user contributions or extending the websites' audience reach.

Many of the media websites are opened for UGC, but only as an opportunity for email exchange between users and producers.

Most of the UGC activity does not concern news as much as forum activities, comments or advertisements and classifieds. Almost all media websites have dedicated Facebook pages, and communicate and interact with the audience through this channel, as a supplement to their primary websites.

Wikipedia Macedonia enjoys an active community and has also spawned a non-governmental organization (NGO) called Wikimedia Macedonia. In December 2010, the overall number of Wikimedia articles amounted to 42,801.

3.1.2   Social Networks

Social networking emerged fast in Macedonia, driven especially by the spread of Facebook, which is the most visited website in the country.[66] It has attracted a significant majority of more than 1 million internet users in Macedonia,[67] pushing Google into second place (see Table 6).

Table 6.

The largest social networks, September 2011

Social network	Alexa rank
Facebook	1
Google (including Google+)	2
YouTube	3
Twitter	15
LinkedIn	24
Erepublik	32
Flickr	61
Deviant Art	145
MySpace	171
Badoo	257

Source: Alexa.com, September 2011

Given its penetration, Facebook functions as a significant hub for public debate, including that focussed on the media and the role of journalism. Thus, the campaign for the new president of the Association of Journalists of Macedonia was mainly conducted through Facebook. Commercial companies are active too, with some maintaining their online presence exclusively through Facebook. There is also a lot of political activism on Facebook, which bloomed during the campaign for the parliamentary elections in June 2011 (see section *3.2*).

On the whole, journalists appear to use Facebook significantly more than Twitter, which is the fourth most popular social networking resource. Twitter is becoming popular for commenting on real-time events, from sports activities to political events. Since 2010, Twitter has become popular as a micro-blogging platform, with the majority of bloggers migrating from less popular platforms to it. Hence, the most up-to-the-minute discussions and sometimes breaking news emerge on Twitter first and then get picked up by Facebook users, sometimes with the mainstream media following behind.

Google+ is relatively new and the data for its users are combined with the data for users of all Google services, at least as Alexa ranks it.

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66   Source: International Telecommunication Union (ITU): 742,400 Facebook users as of December 2010.

67   Source: ITU: 1,069,432 internet users as of December 2011.

Currently there are several smaller native Macedonian social networks, with Top.mk among the best known. It represents something between a teenagers' social network and a mechanism for dating services. There is no activism whatsoever on this platform.

The project of the Metamorphosis Foundation, Ping.mk, is a social aggregator incorporating blogs and RSS feeds from local websites; users' votes determine the prominence of different content. To date this aggregator has limited popularity. Apart from that there is a local Twitter-based social aggregator, 140.mk, which is still in the beta phase. Launched as a volunteer effort on the model of the Serbian Cvrk.org, it is an open coded online resource, though so far with little impact.

The Albanian audience in Macedonia is mainly attached to Kosovan and Albanian websites.

3.1.3   News in Social Media

Social media in Macedonia are used primarily for personal communication, and only secondly as a tool for disseminating news. The poor performance of mainstream media websites has left room for social media to perform an informational role.[68] Only a minority of them publishes original content and reacts efficiently, with prompt publishing of breaking news. Moreover, most content on media websites is news from the wires, or translated from the international news sites or news agencies. This leaves space for social media to be the first to report as eye-witnesses of events considered as breaking news. Such, for instance, was the case with the police operation in December 2010 carried out on the biggest black market in Skopje, when the authorities tried to stop the illegal sales of cigarettes and fireworks. The operation caused some social unrest, and roads were blocked with containers. The Twitter community was the first to react by publishing pictures on Twitpic. Only subsequent to this, around two hours after the event, did the mainstream media provide coverage.[69]

However, the biggest social network impact on Macedonian society came on the day after the election night of 5 June 2011. A single tweet fueled a discussion which over several hours grew into protest (see section *3.2*).

The blog community in Macedonia has also experienced a decline in quality and relevance. "The blogosphere bloomed in 2005 with the launch of the popular local platform Blog.com.mk and during the years between then and now around 50,000 blogs were opened, while currently not more than 5,000 could be considered active," said media expert Filip Stojanovski, in 2010.[70] "The number of new posts shrank dramatically after each of the three election campaigns since 2006, as political parties increasingly abuse the blogs, turning them into propaganda tools and means to harass opponents according to the principle 'If you are not with

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68   Macedonian Institute for Media (MIM), "The State of Online Media in Macedonia in 2010" (hereafter MIM, "The State of Online Media").

69   Unrest on Bit Pazar (Flea Market), Twitter first, http://www.it.com.mk, 10 December 2010, at http://it.com.mk/opsada-na-bit-pazar-prvi-informacii-preku-twitter (accessed 29 September 2011).

70   See "Macedonia: State of the Blogosphere, Global Voices," at http://summit2010.globalvoicesonline.org/2010/05/macedonia-state-of-the-blogosphere (accessed 10 May 2011). Filip Stojanovski, Program Coordinator at the Metamorphosis Foundation, is an information analyst and project manager.

us, you are against us.'" The same author created an interactive graphic of a Macedonian blog timeline for the period 2001–2006.[71] It is notable that broadband growth has been accompanied by an audience shift away from domestic blogging sites, namely Blog.mk, to either international platforms such as Blogger.com or individually hosted blogs.

This analysis shows that in the past there was significant quantity but perhaps less quality in blogging news content. Some blogs launched at that time are still active now, but are on a different platform such as Blogger, or have evolved into websites. Currently among the most successful blogs are Komunikacii.net (a group blog about new media) and Arheo.com.mk (about archeology). Such blogs are issue-specific, reflecting the views of bloggers, but can be hardly considered as a significant contribution to the overall news offer.

Another distinctive feature of the Macedonian blog community is the fact that journalists rarely have their own blogs. There are a few journalist-bloggers, but the posts on blogs are stories or columns written by them and already published in the mainstream media. Some politicians also have blogs, but like the journalists, they just copy-paste their public speeches and/or the content of the newspaper columns they have already written.

Two new blog platforms have recently appeared, Crnaovca.mk[72] and Kauza.mk,[73] perhaps in an effort to improve the quality of the blogosphere. The most popular contemporary Macedonian blog platform now is Blogeraj.[74] It must be stressed that only one-tenth of the 50,000 blogs opened by 2010 can be considered active. Topical blogs, blogs with multiple authors, and blogs in languages other than Macedonian are comparatively rare. Traditional media showed some interest in these developments, viewing the blogosphere as a source of news content. Some newspapers even published short-lived sections on "editor's picks" of interesting blog posts. During the years to follow, some prominent bloggers, such as Alex Bukarski,[75] were recruited as columnists (after which most of them quit blogging), and several books based on blogs' contents were published.

3.2   Digital Activism

3.2.1   Digital Platforms and Civil Society Activism

Until summer 2011 civil society activism had made a relatively small impact, but an event on election day changed the landscape. Late on 6 June, a youngster was beaten to death by a member of the Alpha special

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71   "Macedonian Blogosphere Timeline, 2001–2006," at http://filip.stir.org/timeline/macedonia/blogs/english.html (accessed 10 May 2011).

72   Crnaovca.mk blog platform hosts eight blogs, among which are the blogs of Mirjana Najcevska, professor and expert in human rights, Sead Dzigal, communication expert, who is also a member of Komunikacii.net group blog, and Branka Bugariska, marketing manager at Seavus Company, with her blog for PR and communications.

73   Kauza.mk is a blog network of the Metamorphosis Foundation and hosts 72 active member blogs.

74   Blogeraj.blog.mk is an advanced version of blog.com.mk.

75   See http://crticka.blogspot.com (accessed 10 May 2011).

police force which was protecting the prime minister and other leading members of the ruling party as they celebrated their third successive election victory.

The story did not break in any mainstream news the following day, but a single tweet—that a witness had seen a policeman beating a boy and leaving him unconscious on the ground—provoked a Twitter storm. That afternoon, one mainstream media outlet published the news. The internet press agency Netpress.com.mk, quoting an eye-witness, reported that a member of Alpha had attacked a boy after midnight.[76] The identity of the boy was given, mistakenly, as Daniel from Gorce Petrov, Skopje municipality. The Ministry of the Interior was also quoted in the article. Other mainstream outlets then reported the same news: A1 TV aired a video interview with eye-witnesses, concealing their identity; Forum website posted an online article, as did the Makfax.com.mk news agency[77] and the recently established Plusinfo.mk news website.[78]

Twitter was the main platform that protesters used for organizing and information exchange. The protests were spontaneous on the first day, but they continued for a month and were massive. A simple tweet, saying that somebody had met a witness who described the situation completely differently from the official version, spurred a discussion on Twitter and Facebook that led to spontaneous protest. The protesters rallied against police brutality and demanded the Minister of Interior to back off. Although this did not happen, the impact on society was huge.

The media followed the protests but with a different bias. The media close to the government treated the protests as if they were organized by the opposition; other media treated it in a less biassed way.

The protests fueled the formation of many Facebook groups against police brutality. The Ministry of the Interior said that in cooperation with Facebook it would close such groups, since "there were calls for violence." Eventually some of the groups were closed.[79] The protesters demanded access to information about which groups were closed and why, but the Ministry of the Interior ruled that their plea was technically invalid.[80] (It is not known if the protesters asked Facebook for an explanation.) These events had a big international impact, and Al Jazeera's online show, "*Stream*," featured an interview[81] with a blogger, Dejan Velkoski, also known as Vnukot.[82]

76 "Policeman from special task force Alpha beat a boy to death," says eye-witness, at http://www.netpress.com.mk/mk/vest.asp?id=87462& kategorija=1 (accessed 30 September 2011).

77 "A youngster died on the main square yesterday," at http://www.makfax.com.mk/_tools/refinedSearch#258636%2Fmomche_pochinalo_ nokjeska_na_ploshtadot_makedonija (accessed 30 September 2011).

78 "Citizens are beginning to gather for protest in the park about the dead youngster," at http://www.plusinfo.mk/vest/4285/Gragjani-pochnuvaat-protest-vo-Gradski-park-za-zaginatoto-momche (accessed 30 September 2011).

79 The Ministry of the Interior handcuffed Facebook groups. See http://www.dnevnik.com.mk/default.asp?ItemID=B357DBDDE1352941966F F3C6748CB041 (accessed 29 September 2011).

80 "Demands to Ministry of Interior for closing Facebook groups," at http://protestira.me/?p=368 (accessed 29 September 2011).

81 "Marching Against Police Brutality in Macedonia," at http://stream.aljazeera.com/story/macedonia (accessed 29 September 2011).

82 See http://vnukot.blogspot.com (accessed 10 May 2011).

The protesters still hold occasional actions on specific dates and events, such as Martin Neskovski's (Daniel, see above) birthday on 16 August 2011. These protests are organized predominantly on social media platforms. The movements are still active as non-formal movements against police brutality.[83]

There are several other permanent Facebook campaigns that can be considered as falling within the domain of civic activism, dealing with issues such as education, youth affairs, social justice, good governance, ecology, and so forth.

The Free Student Index (*Sloboden Indeks*), an independent group dedicated to improving the standards of higher education, also has a website.[84] Its impact among students is significant, and the mainstream media follow its activities. The group protects students' rights and organizes protests and mainstream media report their activities.

Another movement active on social networks is Freedom Square (*Plostad Sloboda*)[85] and its activity, called the "Skopje Singers" (*Raspeani Skopjani*), involving organized events at specific locations where people sing famous Macedonian songs, adding irony to the political decisions primarily by the timing and location. These events are recorded and uploaded on YouTube.[86] Their impact on the mainstream media is small, but the songs are often shared on Facebook. In March 2009 Freedom Square used Facebook to call people to gather and protest on the main square in Skopje, appealing also for their donations to start building a church on the square. Meanwhile, the host of a show called "*Jadiburek,*" on Nasha TV, addressed everyone who did not support the action as "gays" and/or "atheistic gangsters," complementing his appeals with similar messages on the show's blog.[87]

Other examples include the *Lenka* movement, which campaigns on a range of social justice platforms, such as the recently established Journalists' and Media Workers' Trade Union (SSNM),[88] which organizes and promotes its activities online, and others such as several movements for animal protection, all active on Facebook. A lot of the debate about the rights of journalists and media workers is happening on the union's Facebook group page.[89]

Another aspect of online civic activism is the public debate on various platforms, ranging from readers' comments on news websites to forums and social networks. This debate is fueled by the political polarization of Macedonian society, which makes it difficult for people to determine the difference between social activism and political propaganda activism. Political parties are active on all networks, which is easy to notice, especially through the various organized postings of readers' comments on mainstream media websites. But many political activities, by both politicians and citizens, are presented as social activism, and vice versa.

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83   See http://protestira.me (accessed 29 April 2012).

84   See http://slobodenindeks.tk (accessed 10 May 2011).

85   See http://www.plostadsloboda.org/plostad (accessed 29 September 2011).

86   See http://www.youtube.com/user/PlostadSloboda (accessed 10 September 2011).

87   "Support for building a church on Skopje main square," at http://jadiburek.blog.mk (accessed 11March 2011).

88   See http://ssnm.org.mk (accessed 25 September 2011).

89   See https://www.facebook.com/groups/177003832316143, a closed Facebook group of the Journalists' and Media Workers' Trade Union (SSNM) (accessed 3 November 2011).

Blogs and social networks are used for organizing protests, but also for countermobilizing against possible protest actions.

YouTube has become a significant platform for political activism. A scandal erupted in October 2010, when an anonymous clip surfaced on YouTube presenting how the former Macedonian president (currently leader of the opposition) spent €500,000 of public money on a PR strategy aimed at destabilizing the government in 2008 led by the opposing party. The clip provoked an outcry in Macedonia, and even in Slovenia, since the money was spent on Slovenian public relations experts and Slovenia's prime minister was also implicated. An investigation is ongoing. More generally, YouTube itself is often used as an anonymous platform to present clips that discredit or defame political rivals.

The burning issues that affect bilateral relations between Macedonia and its neighbors are often played out in online conflicts, especially between Macedonians and Greeks. Platforms such as YouTube and Wikipedia are regularly used for the expression of nationalist sentiments.[90]

Social platforms are rarely used for citizen journalism but are often employed as a tool to disseminate incriminating data. In 2008, there was a leak of an alleged letter from a journalist to the prime minister, in which he addressed him as "our shepherd." The letter's authenticity has not been proven.

Since 2010, an Android programming community has grown rapidly in Macedonia.[91] There are now more than 100 applications for this operating system, aimed mostly at smartphones and tablets. Some of these apps, such as Popravi.mk (an application and a social network at the same time), represent genuine civil society initiatives. The core idea behind Popravi.mk is for users to report problems in their local environment by taking a photo and describing it, preferably with GPS coordinates from the gadget itself or manually pointed to on a map. This has resulted in mapping of local problems a city (or even another country) has faced at a given time, including fallen trees, broken benches, exposed electrical wire, and so forth.

3.2.2   The Importance of Digital Mobilizations

A dynamic interactive relationship is developing between social and conventional media. As discussed above, burning political issues are reflected in Facebook discussions and campaigns. But there are instances when the reverse effect is observable, meaning that digital activism has impact on Mainstream media. For instance, a blog posted on Arheo.com.mk on 12 September 2009 resulted in an initiative by Kanal 5 TV which led to the cancellation of the building of a GSM antenna above an important archeological site.[92]

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90   "Macedonia is Macedonia! Makedonija e Makedonija! Mazedonien Mazedonien!" at http://www.youtube.com/watch?v=65GyLIlNXO4&list=PL30F57C48B373D24D (accessed 15 May 2011).

91   The online publications of this small but active Facebook group are accessible at http://www.facebook.com/Android.mk (accessed 10 May 2011).

92   See http://arheo.com.mk/2009/09/12/mobile-base-stations-destroyed-archaeological-site (accessed 10 May 2011).

In terms of digital activism, Facebook is used primarily as a vehicle for mobilization. As in the above example, tangible impacts on public policy or changes to social attitudes are still dependent on the support of the mainstream media. In addition, the blogosphere is currently insufficiently broad to represent Macedonian society as a whole.

3.3   Assessments

Digital media influence Macedonian society's democratization, but at the same time offer a platform for social division on many levels. There is much content that can be considered to be of a politically or socially active nature, but its quality often falls short of what may be deemed civil society activism, either because of lack of quality of the content or because of lack of public impact. Furthermore, in spite of the increasing variety of new media platforms, the impact of digital mobilization is limited. While social media in Macedonia are usually the first to notice what is wrong with society, they rarely offer any alternative.

There have been, however, notable instances when social media campaigns have broken through mainstream media barriers and consequently have had a tangible policy impact. Such instances reflect a new news ecosystem in which social and mainstream media influence each other.

However, new platforms are emerging which could provide a boost to digital activism, most notably in device applications aimed at helping and informing people in the context of everyday use.

4. Digital Media and Journalism

4.1   Impact on Journalists and Newsrooms

4.1.1   Journalists

The difficulties of monetizing digital content remain a key problem of the funding of professional journalism online. What is more, a recent study by the Macedonian Institute for Media (MIM) has revealed a lack of real understanding among journalists of the diverse changes brought by digitization.[93] The conclusion is that management and editorial staff in mainstream media, especially in newspapers, are aware neither of the processes of digitization nor of related media convergence. The tendency instead is for old media producers to stick to old habits, rather than embrace the opportunities and face up to the challenges of digitization.

Typically, only between one and four journalists work on the online sections of the mainstream media, simply because there are not sufficient funds to support more, given that these platforms are not as yet performing well financially. Indeed, in previous years even fewer—perhaps one or two—journalists worked on these websites.

According to the MIM study, a degree of polarization has emerged between journalists along generational and technological lines.[94] The former reflects the different way that older and younger generations understand news gathering and news publishing. The technological gap, on the other hand, is rooted in the different attitudes journalists express towards new media, as well as in their technical literacy. Clearly there is significant overlap between these divides, as it is usually senior editorial staff in the mainstream media who demonstrate a reluctance to embrace the new logics of production, despite the structural and financial changes that are being made manifest by digitization processes.

Part of this reluctance stems from the increased workload that attention to new media involves, working simultaneously across multiple platforms for the same salary. And although the media outlets welcome some of the opportunities provided by the new media, especially in regard to news gathering, copyright

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93   MIM, "The State of Online Media," p. 4.

94   MIM, "The State of Online Media," p. 4.

rules are often disregarded in a bid to maintain the speed and efficiency of online publishing. This kind of intransigence is more severe among media proprietors who often have other business interests outside the media. Consequently, they do not follow global media market developments closely and do not respond to them quickly.

Newspaper websites function mainly as partial or full copies of the print versions. This strategy is relatively cost-effective, since there is no need for dedicated online journalists, only a technician responsible for the copy-paste process. The newspapers (*Dnevnik*, *Utrinski Vesnik*, and *Vest*) owned by MPM organized special online sections during 2011, which produce online-only news. In reality these sections rely mostly on news from wires, rather than news produced by the journalists of the newspaper. Newspapers rarely use their websites to produce multimedia content.

TV stations have coped with these convergence processes more easily, since they already have audiovisual content that can be published on their websites, and are more adapted to the rigors of real-time news delivery. Moreover, given the fact that TV attracts the lion's share of advertising revenue (see section *6.2*), they are under less financial pressure than print news publishers.

Another important finding of the MIM study is that new media outlets do not contribute to the professionalization of the news; quite the contrary, they are often dependent on cross-subsidies and sometimes political funding, which has resulted in the publication of biassed news.[95] Most of these websites do not even have an editorial board or official publisher, so there are no names or brands linked to their content. And it is often difficult to find out who owns new media outlets (see section *6.1.5*), which are not subject to any formal regulatory framework (see section *7.1.2*).

Digitization has not precipitated significant newsroom convergence. The Seavus Media Group that owns Makfax News Agency, and owned *Forum* weekly magazine and its related news website, as well as the lifestyle monthly *Life*, attempted to integrate its newsrooms, using the same journalists and leveraging their production across several platforms. However, this kind of consolidation has had questionable success, mainly due to a resulting lack of differentiation between different outlets. During September 2011 *Forum* and *Life* were shut down without any explanation from the owner, in all likelihood due to their poor financial showing.

There was a plan to integrate the newsrooms of MPM, which in 2010 was owned by the Westdeutsche Allgemeine Zeitung (WAZ) Media Group, forming MPM-WAZ, which published three of the biggest dailies in the country. MPM did not implement this strategy, however, due to lack of funds and in order to protect media diversity and editorial independence. (In April 2012, WAZ sold its media assets in Macedonia to Orka Holding, owned by Orce Kamcev, a Macedonian businessman with strong connections to the ruling party. WAZ and Orka have not disclosed the scale of the ownership transfers, and the future of MPM remains unclear.)

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95   MIM, "The State of Online Media," p. 6.

None of the mainstream media in Macedonia embraces digitization as an advantage. Digital platforms are not taken into account seriously enough. Websites are used for the dissemination of short news, and there are no significant examples of good-quality journalism done specially for online platforms. Besides plagiarism (see section *4.1.2*), there are rare examples of reference to the source, and if there is such, it is not accompanied by a hyperlink.

Computer-assisted reporting and data mining are not common practice among Macedonian journalists.

4.1.2   Ethics

Digitization has the potential to democratize political communications, expanding the potential for audiences to react to and share opinions on socio-political, economic and cultural life. It should be emphasized, however, that although almost all online outlets in Macedonia facilitate readers' comments, they tend to censor opinions that conflict with their editorial lines, albeit to different degrees. On the other hand, digitization has helped journalists in news gathering and in news verification to some extent. Therefore, they embrace web access in the process of creating content, but tend to ignore it as a platform for self-publishing. Online journalism in Macedonia is still in its infancy and many mainstream journalists see it as second-grade journalism. This could explain why most of the mainstream media, at least until the beginning of 2010, would only use technical staff to update their online editions rather than make efforts to stimulate and develop web journalism.

The lack of ethics in online journalism in Macedonia is most noticeable in the extent of plagiarism.[96] The source of newswire stories is almost never mentioned. The tendency to plagiarize is exacerbated in the digital domain as news outlets seek to minimize their costs in a sector that provides little to no revenue.

In addition to plagiarism, there is lack of attribution of sources and of transparency over when and how corrections and changes are made to online articles. In sum, the general failure to adhere to professional standards in traditional journalism is perhaps even more dramatic in online journalism.

A Code of Ethics was adopted by the Journalists' Association in 2001.[97] In reality, however, the code is frequently violated. The association often reacts to such violations publicly and rarely enforces any sanctions. The association has not reached out to its colleagues in the new media, and does not react to breaches of ethics in new media.

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96   MIM, "The State of Online Media."

97   Code of Ethics of Journalists in Macedonia, 2001, at http://www.znm.org.mk/index.php?option=com_content&view=article&id=47&Itemid= 62&lang=mk (accessed 10 May 2011).

4.2   Investigative Journalism

4.2.1   Opportunities

Investigative journalism cannot be considered as a well-developed field in the Macedonian media. A few attempts by a small group of journalists are under way, aimed mainly at establishing the higher professional standards that are needed to improve the overall situation in the media.[98]

The widespread use of the internet, the developed 3G coverage and the popularity of Facebook as the main social network provide good starting conditions for UGC and crowdsourcing. These channels, however, are still not sufficiently exploited by either the users or the mainstream media. Mainstream media at the moment rarely exploit UGC as a source of information and genuine content. These methods may soon be employed by the media as they provide free information which would help improve media self-sustainability.

"Although Macedonian media function within a tough competitive environment, they do not offer separate sections for investigative journalism. This fact does not allow them to become exclusive, moreover they do not tackle a topic of investigation from different angles and in-depth, as do serious media around the world," says Zaklina Hadzi-Zafirova, coordinator of the Scoop Investigative Network for Macedonia.

The growth of transparency of the institutions (due to new media) and growing availability and standardization of databases through the State Statistical Office might provide conditions for increased and better usage of data journalism. Lack of awareness of its power and lack of skills among journalists, however, are the main obstacles. Currently, few Macedonian journalists make use of data journalism. Double-checking the sources or data available on the internet is not standard practice, as journalists lack both time and skills for that.

Opportunities have expanded more through the work of non-profit organizations such as MIM, which has for several years run annual competitions for the best investigative journalism.[99] The Balkan Investigative Reporting Network (BIRN) also runs projects in investigative journalism,[100] and a non-governmental organization called the Macedonian Centre for Investigative Journalism (MCIJ) specializes in nurturing this field.[101] The United Nations Development Program (UNDP) has also organized workshops on investigative reporting on environmental issues and Scoop Network annually funds several small-scale investigative projects for Macedonia.[102] Schools in journalism run some classes in investigative reporting, but only the School of Journalism and Public Relations in Skopje has computer-assisted reporting courses which incorporate data journalism and online investigative reporting.[103]

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98   Interview with Zaklina Hadzi-Zafirova, Coordinator of Scoop Investigative Network in Macedonia, October 2011.

99   MIM, "Call for the Best Investigative Article in 2010," at http://www.mim.org.mk (accessed 10 May 2011).

100   Balkan Investigative Reporting Network (BIRN), "Call for fellowship," 25 January 2011, at http://birn.eu.com/en/1/20/31582 (accessed 10 May 2011).

101   "Macedonian Institute for Media awards for best investigative article," at http://www.mim.org.mk (accessed 10 May 2011).

102   See http://i-scoop.org (accessed 10 May 2011).

103   School of Journalism and Public Relations, at http://www.vs.edu.mk (accessed 11 May 2011).

4.2.2 Threats

The main threats to investigative reporting in Macedonia derive from structural constraints that encourage self-censorship. In particular, there is a marked lack of trust among institutions, media, and society, which significantly impedes investigative reporting.

This was observed by three journalists from the Norwegian daily, *Der Aftenposten,* Per Anders Johansen, Jan Gunnar Furuly, and Peter Markovski, who led a workshop in investigative reporting at MIM in December 2010. They related their impressions to the weekly *Forum*, namely that "Macedonian media do not trust politicians, politicians do not trust media, and the audience trusts none. In a situation like this it is clear why the audience does not want to pay for news, as what it expects is corrupted information."[104] According to Mr Furuly, journalists in Macedonia tend to practice self-censorship instead of investigative journalism, which is often considered beyond their capacity. Self-censorship occurs due to the lack of protection mechanisms and to a proliferation of criminal libel prosecutions. Indeed, in November 2011, a debate was started between the Association of Journalists and the government on the decriminalization of libel.

The Norwegian experts described the state of new media and investigative journalism in Macedonia "as still in its infancy." One likely reason for this is the lack of journalists' autonomy at large, with many journalists increasingly having to consider the interests of their employers over professional values.

Lack of institutional transparency is also an impediment to investigative reporting. As Ms. Hadzi-Zafirova put it, "This means that journalists often remain without any official explanation about a certain issue, being directed to address elsewhere, or made to wait for an answer for weeks on end."[105]

Another factor constraining investigative journalism is resource pressure, which makes editors and managers less disposed to investing in resource-intensive investigations and analysis. Burdened with ever-expanding pools of information and lacking modern tools such as computer-assisted reporting or data journalism, journalists have little time for in-depth stories, let alone investigations. On the other hand, the lack of publicly available raw data confines Macedonian journalists to a passive role, receiving and republishing uncritically the conclusions from surveys and other reports by the public bodies, corporations, and NGOs. Another potential constraint is the problem of hate speech, which often leads to physical clashes and violence (see section *3.2.1*).

In spite of that, several investigative stories appeared at the end of 2010 and at the beginning of 2011, motivated by the alleged war between media corporations. It was fueled by a police action against the companies of Velija Ramkovski, the owner of A1 TV, which immediately castigated the event as "an attack on press freedom," based on alleged police interference with journalists entering and leaving the station. According to

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104 Republished version of the awarded article on the blog of the author Kristina Ozimec, at http://sloboda-nka.blogspot.com/2011/07/blog-post. html (accessed 11 May 2011). The original article was published in *Forum* magazine, which was closed in September 2011, and the website was subsequently shut down.

105 Interview with Zaklina Hadzi-Zafirova, Coordinator of Scoop Investigative Network in Macedonia, October 2011.

press releases from the government and news aired by competitive media, however, this was "an action against the illegal businesses of the owner."[106] Kanal 5 TV, the main competitor of A1 TV, released a series of stories about tax evasion and other alleged corrupt practices in the companies owned by Mr Ramkovski. A1 TV, on the other hand, along with *Vreme* and *Spic* newspapers, released several documents and stories targeted at the owners of Kanal 5. The case ended early in 2012 with jail sentences for Mr Ramkovski and other managers. The main opposition party left Parliament in the wake of the scandal to protest against "the dictatorship of the ruling party," complaining of "attempts to close independent media."[107] The whole story, however, gives a clear indication of the extent to which the mainstream media are tied up with political polarization.

However, there have been signs at least of a growing consciousness among journalists concerning their independence. To demonstrate against editorial interference, a large group of journalists carried out a symbolic uprising on the country's Independence Day, to raise public awareness about their eroding freedoms and poor working conditions.[108] The event led to reforms at the Association of Journalists of Macedonia (Здружение на новинарите на Македонија, ZNM), and the establishment of the new Trade Union of Journalists and Media Workers in 2011.[109]

4.2.3   New Platforms

As explained already, journalists in Macedonia have yet to realize the potential of new media technologies for enhanced dissemination, and investigative journalists are no exception. Traditional methods of gathering and delivering news still dominate, and the take-up of new technologies, platforms, and devices has been slow. It is notable that Twitter and Twitpic are hardly used by Macedonian journalists as tools for communication.

While no established blogs engage regularly in investigative journalism, there are certain blogs that do occasionally publish data and function as a corrective for the authorities and the mainstream media, but their impact is small. Volan[110] and Razvigor[111] are two examples of blogs that analyze the media and political scene (although this cannot yet be described as established practice).

A controversial website called Burevesnik.org promotes itself as an investigative journalism website; the journalist Zoran Bozinovski is the author. A lot of accusations against public figures can be found here, but its impact is small. Its author is also very active on Facebook, frequently releasing or previewing controversial documents (such as contracts and police investigation files).[112]

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106 Kanal 5, "Conviction Raised for Velija Ramkovski and Others in the Spider-net Affair," at http://www.kanal5.com.mk (accessed March 2011).

107 BBC, "Macedonian TV Moves People into the Street as Political Row Breaks Out," 28 January 2011, at http://www.bbc.co.uk/news/world-europe-12312789 (accessed March 2011).

108 *Balkan Insight*, "Journalists' 'Uprising' Marks Macedonia's Independence Day," 9 September 2010, at http://www.balkaninsight.com (accessed May 2011).

109 See Trade Union of Journalists and Media Workers at www.ssnm.org.mk.

110 See http://volanskopje.blog.com.mk (accessed 20 March 2011).

111 See http://razvigor.blogspot.com (accessed 20 March 2011).

112 See http://burevesnik.org/ (accessed 20 March 2011).

Facebook is widely used to disseminate media content, but this has given rise to new problems and complications. One such example is the notorious case of an alleged letter written in December 2008 by the TV host Slobodan Tomić to the prime minister, addressing him as "our shepherd planning to do a propaganda show." The allegations contained in the letter were never substantiated, but its content spread through Facebook fast. After a day, the letter and the discussions it caused were deleted from Facebook, probably following a reaction by the prime minister's office. But some blogs continue to publish the letter. Members of opposition parties still use the word "shepherd" sometimes in Parliament when referring to the prime minister and his relationship with pro-government media.[113]

Facebook is also used by a group called the Group of Dissidents to publish materials and popularize the activities of the patriotic diaspora.[114] However, the content oscillates between investigative journalism and political propaganda, and often contains unverified documents.

In general, however, it cannot be claimed that digitization has improved the work of journalists. Moreover, journalism in Macedonia is not oriented towards systematic data gathering. Consequently, new media innovation has stagnated, especially data visualization and the creation of tools that allow users to interact dynamically with data. An online survey of journalists engaged in new media shows that most use the internet primarily for email communication and only a minority makes use of mobile internet, which may be considered a platform particularly useful to reporters and journalists in the field, and for breaking news reportage.[115]

4.2.4 Dissemination and Impact

Blogs, forums, and social networks have been used to publish controversial news stories in recent years. Other than this, it cannot be said that digitization has made any difference in the provision of investigative content, the use of UGC, or the dissemination of investigative material.

However, some points about investigative reporting more generally are worth making. In terms of output, a program on Kanal 5 called "*Kod*" (Code) runs occasional series of in-depth investigative reports. There is also an independent TV show "*Vo Centar*" (In the Center), in which the journalist Vasko Eftov investigates subjects such as crime and corruption.

Newspapers, as all media in contemporary Macedonian journalism, do not tend to produce investigative journalism. Usually they are understaffed and there are no investigative reporters or journalists. Only *Fokus* weekly publishes some investigative journalism.

Radio in Macedonia, with its limited news offer, does not produce investigative or in-depth journalism either.

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113 See http://golemataslika.crnaovca.mk/pismo_tomic (accessed 20 March 2011).

114 See https://www.facebook.com/pages/%D0%93%D1%80%D1%83%D0%BF%D0%B0%D1%86%D0%B8%D1%98%D0%B0-D0%94 %D0%B8%D1%81%D0%B8%D0%B4%D0%B5%D0%BD%D1%82%D0%B8/205144909538117 (accessed 3 April 2012).

115 MIM, "The State of Online Media."

4.3   Social and Cultural Diversity

4.3.1   Sensitive Issues

Spurred by its candidacy for EU and NATO accession, Macedonia has gone some way to improving relations with neighboring countries, but several important issues remain stumbling blocks to further Euro-Atlantic integration.

Of these, the ongoing dispute with Greece over the country's name (currently recognized by the United Nations as the Former Yugoslav Republic of Macedonia, or FYROM) is the most critical. The two countries are engaged in a legal battle at the International Court of Justice (ICJ) over allegations that each has broken the UN bilateral Interim Accord.[116] In December 2011, the ICJ ruled that Greece had broken the agreement, but this verdict had no significant impact on Macedonia's status with NATO or the EU.

There are also unsolved issues with Bulgaria about ethnic minorities in both countries. The case of the Bulgarian Spaska Mitrova in Macedonia regarding the custody of her daughter from her Macedonian ex-husband has been widely commented on in both Bulgarian and Macedonian media.[117] Ms. Mitrova spent three months in a Macedonian jail accused of violating the parental rights of her ex-husband.

The most sensitive cultural issue, however, is the ethnic tension between the Macedonian majority and Albanian minority, which is often manifested in political and social problems published in the media. The last major eruptions of ethnic violence in Macedonia took place in 2001, following an attack of militant groups belonging to the Albanian National Liberation Army (NLA), a paramilitary organization, on Macedonian security forces. This incident provoked severe tension between Albanians and Macedonians lasting for almost a year, with numerous clashes and dozens of casualties on both sides. The conflict was to a large extent resolved with the Ohrid Framework Agreement, a peace agreement between the government and representatives of the Albanian community.[118] The agreement included various guarantees for the human rights of ethnic Albanians, including provisions recognizing as official language in the country any language spoken as mother tongue by over 20 percent of the population.[119] Albanians in Macedonia, who currently number approximately 25 percent of the population, meet this criterion.[120]

Ethnic tensions persist: occasional fights between young Macedonians and Albanians occur in schools or during sports events, for example in February 2011, in Skopje, near the historical fortress of Kale, which

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116   Signed in New York on 13 September 1995. See http://untreaty.un.org/unts/120001_144071/6/3/00004456.pdf (accessed April 2011).

117   "Spaska Mitrova won the rights over her daughter in court," *Utrinski vesnik*, 24 February 2011, at http://www.utrinski.com.mk/?ItemID=184A 0B0B79EFF349881EA547469FE398 (accessed 10 March 2011).

118   Ohrid Framework Agreement, at http://www.fes.org.mk/pdf/SVETOMIR%20SKARIC%20-; and http://www.lsg-data.org.mk/Laws/Ramko-ven%20dogovor.pdf (accessed 10 March 2011).

119   Ohrid Framework Agreement, Art. 6.2, p. 3.

120   Ulf Brunnbauer, "The Implementation of the Ohrid Agreement: Ethnic Macedonian Resentments," 2002, at http://wwww.ecmi.de/jemie/download/Focus1-2002Brunnbauer.pdf (accessed 10 March 2011).

resulted in several people being wounded and more than 20 arrested.[121] This clash was followed by a virtual ethnic war on Facebook (see sections *4.3.2* and *4.3.4*). Another cycle of inter-ethnic and inter-faith violence was triggered by clashes at Vevcani festival in January 2012.

There are also various unresolved questions regarding sexual minorities. In spite of EU recommendations on equal rights for all groups, a controversial law on anti-discrimination was passed in 2010 which did not even acknowledge the issue of sexual discrimination.[122]

4.3.2 Coverage of Sensitive Issues

Macedonia signed and ratified the Convention for Protection of National Minorities in 1998.[123] Together with the provisions of the Ohrid Framework Agreement, this offers strong legal protection for the rights of minorities.[124] Hence, currently there is no visible ethnic discrimination in the country, although there continue to be problems under the surface, including discrimination in the media.[125] This is exacerbated by the fact that journalists tend not to be conscious of discrimination and do not recognize hate speech, which is often reproduced in their reports. As already noted, this problem is particularly acute on social networks where greater anonymity and the absence of any regulation allow the spread of hate speech to go unchecked.[126]

The media outlets of the minorities face serious financial challenges, as the MIM's report on ethnic community media in Macedonia shows.[127]

4.3.3 Space for Public Expression

In general, the Macedonian media sector does provide a platform for minority groups. For instance, the public service broadcasting network has a special channel for broadcasting programs in the various languages spoken around the country. But this has not yet happened on the public service broadcasting website.

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121 "Macedonian Orthodox Church and Islamic Religion Community Criticize the Incident on Kale," at http://alsat.mk/vesti/zemja/2089682. html: "Sixty People to be Prosecuted about the Incident on Kale," at http://forum.com.mk (accessed 10 March 2011).

122 Alfa TV, "Criticism over the Partial Law for Anti-discrimination in the Report of European Commission," at http://vesti.alfa.mk (accessed 10 March 2011).

123 See http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?NT=157&CL=ENG (accessed 25 September 2011).

124 Ohrid Framework Agreement, at; http://www.lsg-data.org.mk/Laws/Ramkoven%20dogovor.pdf (accessed 14 September 2011).

125 Working Group for Minority Issues, "Alternative Report on the State of Minorities in Macedonia," Skopje, 2004, p. 3, at http://www.sonce.org. mk/publikacii/Alternativen_izveztaj_za%20sostojbata_na_malcinstvata_vo_RM/Alternativen%20izvestaj%20za%20sostojbata%20na%20 nacionalnite%20malcinstva%20vo%20Republika%20Makedonija.pdf (accessed 12 April 2012).

126 *Mediumite i diskriminacijata* (Media and Discrimination), Foundation Open Society Macedonia, Skopje, 2010, p 32, at http://soros.org.mk/ dokumenti/Mediumite-i-diskriminacijata.pdf (accessed 10 March 2011).

127 MIM, "Analysis of the Ethnic Communities Media in the Republic of Macedonia," at http://mim.org.mk/index.php?option=com_k2&view =item&id=342:a%D0%BD%D0%B0%D0%BB%D0%B8%D0%B7%D0%B0-%D0%B7%D0%B0-%D1%81%D0%BE%D1%81%D1 %82%D0%BE%D1%98%D0%B1%D0%B0%D1%82%D0%B0-%D1%81%D0%BE-%D0%BC%D0%B5%D0%B4%D0%B8%D1% 83%D0%BC%D0%B8%D1%82%D0%B5-%D0%BD%D0%B0-%D1%98%D0%B0%D0%B7%D0%B8%D1%86%D0%B8%D1%82 %D0%B5-%D0%BD%D0%B0-%D0%B7%D0%B0%D0%B5%D0%B4%D0%BD%D0%B8%D1%86%D0%B8%D1%82%D0%B5- %D0%B2%D0%BE-%D1%80%D0%BC&Itemid=61%E2%8C%A9=en (accessed 1 June 2012).

According to data from the Macedonian Broadcasting Council, 17 of the country's 77 TV stations broadcast programs in minority languages, including Albanian, Roma, and Turkish.[128] The situation is quite similar with radio, although stations broadcasting in minority languages are restricted to local coverage.[129]

At present the digital platforms of mainstream media outlets do not offer much in the way of multilingual or bilingual content. An exception to this practice is Alsat-M TV, which uses Albanian and Macedonian languages both on screen and until recently on its website. In August 2011 the Macedonian version of Alsat-M website was shut down, and its editor, Tamara Causidis, president of the SSNM, lost her job; Alsat-M provided no explanation. This information was shocking for the journalist and there were many reactions. Ms. Causidis sued the station and the action is ongoing.[130]

Apart from that, web-based content in Albanian is insignificant. So far, however, digital media in Macedonia function most notably, in news terms, as tools for hate speech.[131] Moreover, a lack of formal regulation or self-regulatory mechanisms for the internet, along with insufficient knowledge of standards in professional reporting, has resulted in legal actions against those seeking to expose hate speech online. Such is the recent case with human rights activists Zarko Trajanovski and Irena Cvetkovic-Femgerila. Mr Trajanovski, who called the expression "execute the traitors of the nation" (used by a pro-government journalist) hate speech, now faces charges for libel.

Similarly, Ms. Cvetkovic, co-author of the study "Hate Speech in Cyberspace,"[132] has been accused of insulting and damaging the reputations of three professors while criticizing their textbook.[133] The criticism was based on their characterization of homosexuality as "a mental disorder" and homosexuals being referred to as "mentally handicapped." Ironically, Ms. Cvetkovic has recently written that "bloggers usually react to hate speech coming from others but would rarely recognize their own expression as such."[134] A strong wave of support for both activists has been generated through the social networks.[135] This resulted in a demonstration in front of the National Court of Law in Skopje on 2 February 2011.

There are no popular lesbian, gay, bisexual, and transgender (LGBT) or other minority group websites, though to some extent LGBT issues are covered by the activities of NGOs.

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128 Broadcasting Council, at http://www.srd.org.mk/images/stories/tvstanici18102010_-_web.xls (accessed 15 September 2011).

129 Broadcasting Council, at http://www.srd.org.mk/images/stories/radiostanici_-_web_14032011.xls (accessed 15 September 2011).

130 *Balkan Insight*, "Macedonian Journalist's Union Leader Sacked from TV Job," at http://www.balkaninsight.com/en/article/macedonian-journal-ist-s-union-head-sacked-from-work (accessed 15.September 2011).

131 Roberto Belicanec, "Black Book," Foundation Open Society Macedonia, Skopje, p. 34, at http://www.okno.mk (accessed 16 September 2011).

132 Irena Cvetkovic, Anastas Vangeli, and Slavco Dimitrov, "Hate Speech in Cyberspace," in *Hate Speech in Bulgarian and Macedonian Media*, Skopje, 2011, at http://mdc.org.mk/files.php?file=Govor_na_Omraza_Hate_Speech_474764918.pdf (accessed 17 September 2011).

133 Marija Kostovska, Aneta Barakovska, and Eli Makazlieva, *Pedagogy: Schoolbook for Hi-school Students of Third Year*, Skopje, 2007.

134 Irena Cvetkovic, "Hate Speech in Cyberspace," Skopje, 2011, at http://mdc.org.mk/index.php?news=59 (accessed 17 September 2011).

4.4   Political Diversity

4.4.1   Elections and Political Coverage

In a debate held in February 2009 by MIM,[136] experts and media professionals called for changes in the regulation of election coverage, especially timing (e.g. the time between the announcement of an election and the official start of campaigns. However, no changes happened before the elections in 2011, or since.

According to a report on media coverage of the 2009 presidential and local elections, they did not receive the usual expected attention from the media.[137] The national broadcasting operators offered satisfactory space for the presidential elections in their factual programs, but the majority of the monitored media, with the exception of Alsat-M and MTV, failed to provide adequate coverage of debates, interviews, etc. Very modest space was dedicated to the elections for the mayor of Skopje, and information on local elections in other cities was almost non-existent. As far as the print press was concerned, equally "modest" electoral coverage was noted.[138]

During 2011, the Macedonian Center for International Cooperation (MCIC), the Institute for Democracy "Societas Civilis" Skopje (IDSCS), and MIM began a project called "My Choice" as a platform for integrated monitoring of the elections.[139]

They produced several reports for the election process. It is important to note that this platform and the campaign encouraged citizens to report electoral process irregularities through a Ushahidi platform[140] on a website, with tweets with hashtag #prijavi or on an email address. Despite limited citizens' responses in the first elections monitored by this website, the initiative is important as an example of the use of digital platforms for providing voters with the possibility of interaction and for early warning about electoral irregularities.

Another media monitoring report[141] about the elections by the non-governmental NVO Infocentar (NGO Information Center) noted that almost all the mainstream media were deeply involved in the propaganda activities of the political parties, or reported on the election in a highly non-professional manner.[142] This

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135   "Support Macedonian Activists!," a Facebook group, at http://www.facebook.com/group.php?gid=114584791934103 (accessed 25 March 2011).

136   MIM, "Media Call for Changes in Election Regulation," at http://vs.edu.mk/index.php?option=com_content&view=article&id=172%3A 2009-05-11-14-36-34&catid=39%3A2009-05-06-10-01-29&Itemid=105&lang=mk (accessed 25 March 2011).

137   Vesna Sopar, "The Media System in the Republic of Macedonia: Broadcasting between the Normative and the Real," Medienhilfe Ex-Jugoslawien, Zürich, 2009, at http://archiv.medienhilfe.ch/Reports/MAC2000.htm (accessed 30 March 2011) (hereafter Sopar, "Media System in RM").

138   Sopar, "Media System in RM," p. 4.

139   See http://www.mojotizbor.mk (accessed 30 March 2011).

140   Ushahidi is an open source software for information collection, visualization, and interactive mapping; see http://www.ushahidi.com (accessed 12 March 2012).

141   "Mediumsko ogledalo—parlamentarni izbori 2011" (Media Mirror—Parliamentary Elections 2011), at http://www.nvoinfocentar.org.mk/ event.asp?site=mm&menu=&lang=mak&id=1421 (accessed 12 March 2012) (hereafter "Media Mirror—Parliamentary Elections 2011").

142   "Media Mirror—Parliamentary Elections 2011," p. 6. For the NVO Infocentar (NGO Information Center), see http://www.nvoinfocentar.org. mk/default.asp?lang=eng (accessed 12 March 2012).

report also stressed that there had been lack of debate and lack of journalistic coverage. The media were simply transmitters of the messages from the political parties' press conferences and rallies.

Digitization has not played a big role in monitoring elections. A rare example, however, of the use of digital platforms is the technology used to digitize, record, and store the material provided by the mainstream media about the elections.

The Law for Electronic Communications was amended in 2010 to allow the Ministry of the Interior to use surveillance of electronic communications without any court warrant.[143] This sparked widespread reaction, with some experts claiming that the changes could allow illegal interference in the activities of the parties and limit civil rights.[144] The law was not ratified by the Constitutional Court.[145]

4.4.2 Digital Political Communications

Digital media have provided politicians with a new tool to communicate with the electorate, directly and indirectly. For instance, while many leading political actors maintain and update Facebook pages, they may also cite readers' comments on newspaper websites for political advantage.[146]

Analysis of the online space in Macedonia in 2010 suggests that the portal Kurir.mk warrants special mention.[147] Its technology is among the most sophisticated and indicates a link between the editorial team and some of the leading members of the ruling political party, the Internal Macedonian Revolutionary Organization–Democratic Party for Macedonian National Unity (*Vnatrešna makedonska revolucionerna organizacija–Demokratska partija za makedonsko nacionalno edinstvo*, VMRO-DPMNE). Authors of the report claim that the website content is politically biassed and influenced by that party.[148] A similar entity, a news website called Sky.mk, emerged in 2011. The website does not have any masthead or names on it, but it has a noticeable bias towards the opposition.

During the last election campaign there were attempts to make Facebook a public space for political debate, but with questionable motives and results. For example, Facebook polls were conducted by political parties for surveying public opinion about the popularity of politicians and political parties, but many of them were conducted just to scan the identities of voters and their political stance.

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143 Law on Electronic Communication, *Official Gazette of Republic of Macedonia* 13/2005, Arts 47 and 73.

144 "Call for protection of citizens' privacy in the Republic of Macedonia," at http://metamorphosis.org.mk/en/activities/1724-povik-za-zastita-na-privatnosta-na-gragjanite-vo-republika-makedonija (accessed 12 March 2012).

145 "Macedonia: Government failed in its attempt to eavesdrop without a court order," at http://www.metamorphosis.org.mk/en/news/macedonia/1834-makedonija-propadna-obidot-na-vlasta-da-prislushuva-bez-sudski-nalog (accessed 12 March 2012).

146 *Utrinski vesnik*, "Online Media Ethics," 9 June 2009, at http://www.utrinski.com.mk/?ItemID=F7DD1C0712F9BB48AF29096F313F53BC (accessed 12 March 2012).

147 MIM, "State of Online Media."

148 MIM, "State of Online Media," p. 29.

Before the 2011 parliamentary elections, most political parties became aware of the power of social networks, especially Facebook, which is hugely popular, and YouTube. Much of their campaigning was conducted on these platforms. A report on the internet presence of political parties was published by MCIC and the conclusions were that 83 percent of the political parties used Facebook for their campaign, followed by YouTube, with Twitter far behind. The report also noted that 53 percent of the parties used all three social networks, but no other activity on other social networks was noticed.[149] In general, however, digital platforms are still very much secondary to traditional media as channels for political communication.

However, political parties use these platforms mostly as a one-way channel. They rarely ask their followers for opinions or suggestions. There were some attempts of interactivity with voters during the election campaign, but with limited success.

4.5   Assessments

Digitization has affected the work of journalists, but instead of raising quality by making data and sources more accessible, the effect seems to have undermined quality. Digital news platforms have not yet proved themselves as financially sustainable and the resultant cost-cutting and pressures on journalists have led to the cannibalization of content online. While there has been a proliferation of new media outlets, they have tended to be entertainment-focussed, understaffed, and apparently reluctant to adhere to professional journalistic standards.

In terms of citizen journalism, digitization has certainly expanded the opportunities for free speech. But this has not created anything like an ideal public sphere, and has indeed facilitated the spread of hate speech across social networks.

Most journalists, especially senior staff, have yet to embrace the potentialities of digital news, and still consider it a form of second-grade journalism. Hence, the online news media rely mostly on wire services and offer very little original content.

Digital media have attracted various political and business groups as a cost-effective channel of communication. This in turn has become a source for mainstream media, which often reproduce these messages uncritically, further eroding public trust and confidence in the objectivity and independence of journalists.

Some emerging websites, blogs, and Facebook groups concentrate on civic activism and mobilization, but have had at best a limited impact on society at large. Marginalized groups have also benefitted from an extended platform for public expression, but again their social impact continues to be a function of mainstream media uptake.

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149 "Internet Presence of Political Parties in Election Campaign 2011," at http://www.mcms.org.mk/en/our-work/research-and-publications/researches/1084-internet-prisustvo-na-partiite-vo-izborite-2011.html (accessed 25 September 2011).

Investigative journalism has not yet benefitted from the opportunities of digitization and is still practiced in conventional ways. This is due both to the lack of transparency of institutions and their limited presence on the web, to the incompetence of journalists in making use of the enhanced research opportunities presented by digital tools.

Mainstream media cover issues in predominantly biassed and propagandistic ways, especially during election campaigns, thus depriving the public of essential information and perspectives. Monitoring conducted during the 2011 campaign by the NVO Infocentar found that "The media community in Macedonia has been divided along party lines like never before in history. The key media actors—A1 TV, Sitel TV, Kanal 5 TV, and *Dnevnik* daily, the heavyweights that are perceived to have most influence on public opinion—failed to maintain even elementary neutrality in their reporting."[150] New and digital media have made no difference to this situation.

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150 NVO Infocentar, "Media Mirror—Parliamentary elections 2011," Skopje, July 2011, p. 4.

5. Digital Media and Technology

5.1 Spectrum

5.1.1 Spectrum Allocation Policy

The institution that deals with spectrum allocation policies in Macedonia is the Agency for Electronic Communications, described by the law as an "independent regulatory body"[151] and responsible for:

- adoption and implementation of both the Plan for Allocating the Radio Frequency Bands and the Plan for Allocating the Radio Frequencies;[152]

- issuing the approvals (licenses) for usage of the radio frequencies;[153]

- coordination of radio frequencies with the regulatory bodies of the neighboring and other states.[154]

Non-broadcast spectrum frequencies are awarded through two procedures conducted by the agency. The first is on a first-come-first-served basis, where users apply with a statement that includes their identification data, justification for the allocation of the frequency, technical data about the transmitter, and other technical details.[155] The second method is via public tenders in cases where resources are limited or there is a need for efficient usage of the spectrum.[156] Tender requirements include the type of frequencies sought, locations or area to be covered, and type of services that will be provided on these frequencies. There are specific criteria for setting the starting bid price of the frequency (which must be approved by the government).[157] This procedure has been used for awarding the frequencies to telecoms operators for GSM, 3G, and data transfer technologies such as WIMAX, and for the DVB-T frequencies (despite the fact that DVB-T frequencies are in the broadcast band, and hence a different procedure should have been applied).

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151 Law on Electronic Communication, *Official Gazette of Republic of Macedonia* 13/2005, Art. 7, para. 1 (hereafter Law on Electronic Communication).

152 Law on Electronic Communication, Art. 9, point e.

153 Law on Electronic Communication, Art. 9, point z.

154 Law on Electronic Communication, Art. 9, points d–z.

155 Law on Electronic Communication, Art. 60.

156 Law on Electronic Communication, Art. 59, para. 2.

157 Law on Electronic Communication, Art. 62.

Broadcasting spectrum is awarded in accordance with the licensing procedure set out in the Law on Broadcasting, and is administered largely by the Broadcasting Council.[158] In this case the agency only issues formal approval for usage of the radio frequencies by the broadcaster and is responsible for the technical monitoring of the usage. To date, the procedure has been used only for awarding analog frequencies.

Exceptions to these rules are delineated in the Law on Establishing PE Macedonian Broadcasting[159] and its amendments,[160] through which frequencies are reserved for the public service broadcaster in the following way: three nationwide in VHF/FM band for radio, one nationwide in MW, three for VHF/UHF television, and one for DVB-T.[161] For those frequencies, the agency has only monitoring rights.

Only one tender for DVB-T has yet been conducted, between December 2008 and February 2009, according to the procedures described above. Even though responsibility for tendering broadcasting frequencies is specifically within the mandate of the Broadcasting Council,[162] the Agency for Electronic Communications announced this tender and awarded three digital MUX to Telekom Slovenije. Incumbent cable and telecoms operators were excluded from the tender on the grounds that this would develop a more competitive telecoms market.[163] The Media Development Centre (MDC), a civil society organization,[164] raised a constitutional initiative in an attempt to ensure that broadcasters would be given the opportunity to remain on a free-to-air digital platform and to secure a longer simulcast period. The Constitutional Court ruled, however, that the matter lay outside its jurisdiction.

Macedonia has nine internationally coordinated digital MUX: three were awarded to Telekom Slovenije for pay-TV distribution, another was reserved for MTV, while the rest of the frequencies that should be included in the remaining five MUX are still in analog use by existing broadcasters. As a consequence, not enough spectrum has been kept in reserve for free-to-air terrestrial digital television to permit more than a token period of simulcasting. In tandem with the lack of provision to subsidize digital receivers for less well-off citizens (see section *7.1.1.2*), and the lack of public education on switch-over, this poor planning is likely to punish the most vulnerable members of Macedonia's population, depriving them of the possibility of receiving TV signals.

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158 Law on Electronic Communication, Art. 59, para. 3; Law on Broadcasting Activity, *Official Gazette of the Republic of Macedonia* 100/1995, Art. 55.

159 *Official Gazette of Republic of Macedonia* 6/1998.

160 *Official Gazette of Republic of Macedonia* 48/2009.

161 Law on Amending the Law on Establishing PE Macedonian Broadcasting, *Official Gazette of Republic of Macedonia* 48/2009, Art. 4, para. 1.

162 "Awarding of the frequencies from the bands designated for usage in the broadcast will be done in tendering procedure announced and con-ducted by the Broadcasting Council according the Law on Broadcasting," Art. 66, para. 5, Law on Electronic Communication, *Official Gazette of Republic of Macedonia* 13/2005.

163 "Ineligible for this tender are: a) Legal entities that provide or have intentions to provide distribution of TV and radio programs on parallel technical platforms on territory of Republic of Macedonia (such as cable distribution networks and IPTV), b) Legal entities that create content and in the same time produce and broadcast audiovisual programs," Public Tender Announcement no. 02-4140/1, Agency for Electronic Com-munications, 18 December 2008.

164 See http://mdc.org.mk/ (accessed 10 April 2011).

According to policy documents of the Ministry for Transport and Telecommunications,[165] the digital dividend accruing from public auctions will be used to develop 4G telephony and wireless broadband internet services.

It is obvious that in the future telecoms operators will be favored in awarding the spectrum, especially because a clear non-eligibility clause for TV stations was embedded in the first tender.

5.1.2   Transparency

The tendering procedures for frequency allocations are public and transparent. The pre-tendering procedure, however, is heavily influenced by the government. For instance, the ruling party has made a pre-electoral promise that a third mobile operator will be introduced in the country. After the electoral victory in 2006, the government put pressure on the Agency for Telecommunications to launch a public call for a third mobile operator with appropriate allocation of frequency.[166] Efforts went as far as attempts to replace the director of the agency. Under this pressure, the agency opened up a tender that was won by VIP-Mobilcom, Austria. There were also lobbying meetings with presentations at ministries and the regulator prior to the tender for DVB-T. Terms and eligibility criteria for that tender were highly discriminatory, as already mentioned, and predetermined, as they rendered the principal telecoms players, other than Telekom Slovenije, ineligible. T-Home was disqualified because some of the company's shares were owned by the state; while some other operators were disqualified because they "currently offered TV services to end users on competitive platforms other than DVB-T."

5.1.3   Competition for Spectrum

Telekom Slovenije operates on three out of nine digital MUX. Macedonia Broadcasting is in the process of building a DVB-T network using an additional two MUX. For the remaining MUX, the government has asked the Agency for Telecommunications to research the possibility of adopting the DVB-T2 standard and to scope possible interest from telecoms operators for a new tender.[167] The government has also set July 2013 as the date for digital switch-over.

The pressure for digital switch-over is now on the existing broadcasters, which are supposed to relinquish their frequencies to the state, which intends to tender them in a similar way as in the case of Telekom Slovenije. This poses a significant threat as broadcasters may be put in unfavorable positions vis-à-vis telecoms operators during the negotiations for their primary transmission if they have no guaranteed access to the networks, especially for free-to-air programs. Bearing in mind that the resource, i.e. broadcasting spectrum, will be managed by only a couple of entities in this small and politically controlled market, legal guarantees are necessary to prevent telecoms companies from acting as censors, justifying denial of access to competitors

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165   Ministry for Transport and Telecommunications, "Information to the Government of R.M. on usage of digital dividend …," at http://epol-icy.mk/wp-content/uploads/content/Koristenje%20na%20Digitlnata%20Dividenda%20za%20voveduvanje%20na%204G%20i%20wire-less%20broadband/Koristenje%20na%20Digitlnata%20Dividenda%20za%20voveduvanje%20na%204G%20i%20wireless%20broadband.pdf (accessed 11 April 2011, no longer available).

166   See http://www.a1.com.mk/vesti/default.aspx?VestID=68203 (accessed April 2011).

167   See excerpt from the minutes of 190 session of the Government of the Republic of Macedonia, no. 51-6271/1, 25 October 2010.

for business reasons, and imposing high financial thresholds that many broadcasters would not be able to reach. There is an urgent need for legislation to address these issues.

5.2   Digital Gatekeeping

5.2.1   Technical Standards

Technical standards for digital broadcasting are set out in the "Strategy for Broadcasting Development."[168] Those standards were adopted after numerous consultation sessions held by the Broadcasting Council, the outcome of which was the "Strategy for Broadcasting Development." The process has been open and it allowed the participation of various experts such as academics and those from civil society organizations, broadcast industry representatives, and other stakeholders. The main concern raised was the standards for reception equipment and the need to be open instead of proprietary. MPEG-4 was eventually adopted with virtually no objection. It was adopted because of its higher compression ratio.

5.2.2   Gatekeepers

There has been a sustained conflict over whether gatekeepers at the level of content delivery—telecoms and cable operators—should pay for the content provided by broadcasting channels. The problem originated in the analog era when cable companies used their dominance of the TV market to deny broadcasters remuneration. With broadcasters excluded from competition for digital frequencies that would enable free-to-air transmission, the problem has not been alleviated by digitization. On several occasions broadcasters have petitioned state institutions, including the Broadcasting Council, to force cable companies to pay for their content, but without success.

This led to A1 TV to withdraw its channel from the bundle provided by the largest cable operator. After two months, however, the resulting loss of audience for the channel forced a retreat and acceptance of being included in the bundle without payment. Cable operators bundle 60–100 channels, a large portion of which originates from the countries of ex-Yugoslavia in languages that most of the population understands. Thus, these foreign programs act as a substitute for local channels, further eroding the bargaining power of local commercial broadcasters.

No media outlet has legally challenged these practices. The problem is that almost 60 percent of the population has access to the networks and uses them as their means of getting television content. If the cable provider cuts a broadcast outlet from its offering, therefore, the outlet is likely to lose a significant part of its audience share.

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168 Broadcasting Council, "Strategy for Broadcasting Development," 2007, p. 16: "Technical standards for broadcasting are as follows: DVB-T (EN 300 744)—COFDM 8K and 64 QAM and bit rate between 14.75 to 23.42 Mbit/s. Compression MPEG-4 part 10—AVC (ISO/IEC 14496-10, also known as H.264 according ITU) for transmission. Usage of open API set-up boxes—DVB-MHP (ETSI TS 101 812) has been envisaged to enable households to receive the transmissions from multiple operators, and to secure free-to-air transmission."

5.2.3 Transmission Networks

As mentioned in section *5.1.1*, ownership of the analog transmission systems (broadcasters) or fixed telephony network (IPTV) or cable distribution system (cable operators) were disqualifying preconditions for the award of DVB-T frequencies. The result was that there was only one applicant, and one winner.

5.3 Telecommunications

5.3.1 Telecoms and News

The TV transmission market is divided between two major cable operators (Telekabel and Kabeltel), an IPTV operator (T-home), and a DVB-T operator (Boom TV, owned by Telekom Slovenije). All of them bundle TV services, broadband internet, and fixed telephony. T-home and Telekom Slovenije also bundle mobile telephony to function as quadruple-play providers.

The program offer in the basic packages includes domestic TV stations, a number of stations from neighboring and ex-Yugoslav countries, and a collection of western European channels. In terms of genre variety, it is a mix of general interest, movie, music, sport, and news channels. The entry of two major telecoms operators in 2008 (T-home) and 2009 (Telekom Slovenije) forced cable operators to follow their approach of segmenting offerings between basic and premium packages. Most providers now also offer digital packages with additional movie, sports, and adult channels. News channels are part of the basic package.

The cable operators and T-home are in the process of upgrading existing cable networks to fiber optics. This should enable them to offer TV in HD as well as a range of interactive services. The IPTV operator has started with an online TV service that is a joint project with MPM (see section *4.1.1*). This service is news-oriented and they plan to export the content to mobile smartphones that operate on the Android and iPhone systems.

Must-carry rules exist only for the programs of the PSB.

5.3.2 Pressure of Telecoms on News Providers

As mentioned above, telecoms operators in the TV market—Telekom Slovenije (on DVB-T) and T-Home (on IPTV)—followed the established practice of cable companies of not paying broadcasters. In 2010, both operators faced joint actions when four out of five major broadcasters threatened to ban the rights for re-broadcast on these platforms. Agreement has been reached that these operators will remunerate the broadcasters in the future when cable operators agree to do the same. The issue has not been resolved and is at a stand-off for now, due largely to the reluctance of the cable operators to remunerate TV stations. Telecoms operators will become extremely important once the switch-over is finished because of their position as ultimate gatekeepers. Therefore, if proper regulation and adequate implementation are not introduced, they will become a key factor in determining the success or failure of certain TV services.

5.4   Assessments

Formally, spectrum allocation in Macedonia is depoliticized. In reality, however, the awarding of frequencies within the range appropriate for DVB-T transmission has shown that the government retains a degree of influence over the process. In general, the policies of the regulator take the needs of the public into consideration, and balance the interest of consumers and telecoms operators. However, the regulator has failed to resist pressure and interference from the government on notable occasions.

The introduction of the Law on Electronic Communications in 2005 went some way to providing a basis for a competitive telecoms market. However, practice has shown that there are shortfalls in the procedures for allocation of digital frequencies. Further development in the regulatory framework is a must in order to secure the survival of broadcasters in the digital environment.

The Ministry of Transport and Telecommunication has developed major strategic documents through intensive public consultations with the business sector and civil society. However, their implementation is still weak due to the lack of day-to-day coordination between various state institutions coupled with arbitrary interference by the government. Thus, the problem has been in the implementation rather than in the making of policy and the result has been a range of new problems. The short period envisioned for dual transmission on analog and digital frequencies, coupled with conflicts between broadcasters and cable/telecoms operators, and lack of free frequencies for setting up the new MUX, has made the transition to digital a conflicted and protracted process.

6. Digital Business

6.1 Ownership

6.1.1 Legal Developments in Media Ownership

The Law on Broadcasting Activities of late 2005 instituted anti-concentration provisions that banned the cross-ownership of broadcast media with telecoms operators, publishing companies or advertising agencies: "A natural or legal person that appears as a majority co-owner, shareholder, or related person in a broadcaster cannot found or be a co-founder, or a shareholder in a publishing company involved in publication of a daily newspaper, news agency, investigation and security company, advertising and promotion company, market and public opinion research company, film distribution company, film production company, or telecommunication services company."[169]

The ban on the telecoms operators was conceived in the analog era in the time of the wild growth of cable operators that showed ambitions to enter the TV market, having in mind that in the period (2002–2005) when the broadcast law was being drafted, cable operators had records for piracy, underreporting, and constant refusals to remunerate local TV stations, and the ban was introduced in order to prevent unfair competition. Currently, big telecoms operators that had meanwhile entered the market of TV distribution, such as T-Home and Telekom Slovenije, have been voicing complaints about the ban. It is expected that the ban will be abolished with the new legislation, even though the risk of unfair competition does arise. The specialized section of the law enshrines a complicated system of anti-concentration provisions, to prevent or limit cross-ownership of the broadcasters that operate at different levels of service areas (national, regional, and local).[170] Furthermore, the provisions prohibit any holders of public office and close members of their families from owning broadcasters.

In reality, however, the various bans have neither been respected by broadcasters nor implemented by the regulatory authorities. There have been cases of cross-ownership of television and newspapers (A1 TV and the newspapers *Spic*, *Vreme,* and *Koha e re*), as well as ownership of TV stations by the sons of members of Parliament (Sitel TV and Kanal 5). (See section *6.1.5.*)

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169 Law on Broadcasting Activity, *Official Gazette of Republic of Macedonia* 100/1995, Art. 14, para. 5.

170 Law on Broadcasting Activity, *Official Gazette of Republic of Macedonia* 100/1995, Arts 13–20.

As a result, the new ownership structures have produced media wars in which each side blamed the other for breaching the rules. Meanwhile, political connections of the owners of TV stations contributed significantly to bias in reporting (see section *6.1.3*). This influence provides the backdrop to claims by various organizations that freedom of expression is in decline in Macedonia.

The ineffectuality of the legislative provisions lies in the lack of appropriate procedures established for implementing the law and a weak regulatory authority. The problem has been compounded by growing pressure from telecoms operators to have the limiting legal provisions removed, or at least relaxed, in order to allow them to have ownership in broadcasting. The lack of transparency of media ownership has created an additional problem with some of the biggest news sites, which do not state who their owners are. There is no legal obligation to provide ownership data. Both issues have gained momentum with the growth of digital services, where old legislation cannot be applied, or regulators are hesitant to apply.

6.1.2 New Entrants in the News Market

Since 2005, the market for telecoms operators providing TV and internet services has seen the fastest development. First, the joint Bulgarian-American company Kabeltel bought 17 small cable operators and consolidated them into one system. Shortly afterwards T-home started its IPTV service, and by the end of 2009 Telekom Slovenije had established its DVB-T service.

Meanwhile, a Macedonian software company, Seavus, also entered the market, buying the weekly newspaper *Forum* and Makfax (the only private news agency in the country) in 2007 and 2008 respectively, after which both outlets were converted into online news sites. Both companies were established by active journalists and were on the market for years.

Along with that, a wave of news websites appeared, mostly created by people with limited or no professional journalistic experience. As of 2010, there was one exclusively web-oriented TV service, Makedonija24,[171] which offers a full video news service online. It is unclear who owns it. It is notable that it is used by some of the news portals close to the government, such as Kurir.mk, as embedded video. In general, investors in these initiatives vary from established domestic software and telecoms companies, to foreign venture capital. In this context it is worth mentioning that news aggregators have also attracted a significant portion of the online news audience. The market leader is Time.mk,[172] whose increasing popularity has led to disputes between the newspapers and aggregators over copyright infringements. Most of the new news initiatives have exhibited a pro-government editorial line.

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171   See http://www.makedonija24.mk (accessed April 2011).

172   See http://www.time.mk (accessed April 2011).

6.1.3 Ownership Consolidation

Until mid-2011, there were two major media conglomerates in Macedonia:

- A1 TV, consisting of A1 TV, A2 TV, *Vreme, Spic,* and *Koha e re* daily newspapers, several weeklies, a newspaper distribution system, and a printing house. (These outlets are not all available to the public; while A1's license has not been formally revoked, its frequencies have been, so in practice (if not in theory), it is unable to broadcast.)

- MPM, which includes three daily newspapers, a newspaper distribution system, and a printing house.

This duopoly has squeezed smaller players out of the market and created conditions for constant rivalry and conflict between the two dominant groups. The A1 group dominated the advertising market for years and was constantly accused by its competitors of unfair behavior. Furthermore, the whole group was in constant violation of the anti-concentration clauses of the law and up to the moment of their shut-down the concentration issue had not been processed by the regulators. Therefore in the process of the closure of A1, other media companies showed little or no professional solidarity with both the media and the journalists employed in those media.

In fact, the closure of A1 has opened up a space for new initiatives in the media market; for instance, *Fokus* magazine has announced the launch of a new daily newspaper. More generally, the shut-down of the A1 group marks the start of a reshaping of the media landscape. The disappearance of the largest media group from the market will influence governmental spending in other media as the government no longer needs to invest in a huge propaganda effort against the A1 group. In early 2012, the labor market was flooded with experienced journalists whose availability will make new initiatives more viable. Indeed, *Fokus* has already absorbed some of them. In addition, the stability of other private media that had been secured through government funding will now be somewhat shaken. The government has shown a willingness to invest in MTV through its financial support for its digitization and through legislative changes to secure its financing. This will raise the competitiveness of MTV in the market, though it will remain within the government's firm political grip. Finally, private media will need to explore new models to adapt to this situation, including developing digital services.

Aside from these two largest conglomerates, other significant key players are Sitel TV and Kanal 5, both of which are controlled by the sons of minor political party leaders through management structures[173] (Goran Ivanov, executive manager of Sitel TV, is the son of Socialist Party president Ljubisav Ivanov-Zingo), or through ownership (Kanal 5 is owned by Emil Stojmenov, son of Boris Stojmenov, MP in the ruling coalition). Aside from the journalists from the closed A1, additional lay-offs happened in 2010 and 2011 in different media. According to the journalists' trade union, some 300 journalists lost their jobs, most of whom had been part of the A1 group. Most of the journalists fired from other media claimed the reasons were political, not financial, despite statements to the contrary by managers and owners.

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173 Sitel TV is officially owned by a company called Monteko, even though its name is an abbreviation of Sileks TV and Sileks is a holding of the companies controlled by Lubisav Ivanov-Zingo. It remains unclear whether Monteko is part of the conglomerate or not.

6.1.4 Telecoms Business and the Media

All the key telecoms players (T-home, Telekom Slovenije, Kabeltel, and Telekabel) have adopted distribution platforms and bundled TV with internet and telephony services. Significant investments and joint ventures in recent years have cemented the place of telecoms in the pay-TV market (for details of specific mergers and acquisitions, see section *6.1.2*).

The legal ban on owning TV stations has prevented telecoms operators from becoming directly involved in the production of content, except on the web. There are no data or research available that shows any influence of the telecoms operators on the independence of the media. However, telecoms operators are currently lobbying strongly for the ban on cross-ownership of TV broadcasting stations to be lifted. This coordinated pressure shows clear ambitions and perhaps even plans for entering the TV content market.

6.1.5 Transparency of Media Ownership

According to Art. 20 of the Law on Performing Broadcasting Activities, broadcasters are legally obliged to publish their ownership structure three times a year on their own program service and in one daily newspaper. The Broadcasting Council is mandated to oversee and enforce these obligations.

However, compliance with ownership transparency regulation has been a persistent problem, to the extent that even the authorities have at times claimed not to be aware of informal ownership structures. On several occasions, the regulatory authorities have stated their awareness of active synergy between broadcasters and press outlets (as with A1 TV and the newspapers *Spic*, *Vreme*, and *Koha e re*) but that they cannot take any action because their registration papers indicate no formal breach of the rules. As in the case of TV stations owned by close family of politicians, the authorities have simply provided no explanation and taken no action against the TV stations in question. Often the only information about ownership that the public have to go on stems from the pronouncements of rival media conglomerates themselves who have made persistent mutual allegations of rule-breaking as part of an escalating war of words.

An investigation into the covert cross-ownership between A1 TV and the newspaper dailies *Vreme*, *Spic*, and *Koha e re* was never properly opened. The Broadcasting Council claimed that they had initiated the case in conjunction with the Commission for Protection of Competition, but there has been no action so far. A similar case exists with the AB Channel and the daily *Vecer*, as well as between City Radio, Metropolis Radio, and Jungle TV.

There are no formal or legal requirements for media other than broadcasters to disclose any data on ownership, turnover, or any other publicly relevant matter.

6.2 Funding

6.2.1 Public and Private Funding

In accordance with Chapter XI and Art. 116 of the Law on Broadcasting Activities, PSB is funded primarily through the broadcast tax, except for the satellite service, specialized services for the diaspora, and the parliamentary channel, which are funded from the national budget. As complementary revenue the network may use up to 7 percent of air time for advertising except during primetime. In practice, an effective system for collecting the license fee has not been established, and MTV has been financed through subsidies from other state institutions. In the last two years, a plan for restructuring and consolidating MRT, prepared by the management and adopted by the government, has been used as a foundation for state financing. Parallel with this plan, a new system is to be established for the collection of the license fee through the Public Revenue Office (see section *2.1.3*). The system has been in operation since the first half of 2011 and the first result was that almost 35 percent of the tax was collected, although it is too early to predict any overall success or failure. The situation will be clearer when MRT publishes its 2011 financial reports. See Table 7.

MRT received €5,801,090 from the 2007 state budget.[174] In 2008, MRT's total budget was € 9,948,826, of which only 0.35 percent came from the license fee; the rest came from advertising and other sources.[175] In 2009, government sources contributed €4,546,960.[176]

Table 7.

Government spending on advertising compared with total advertising spend on TV, 2006–2009

	Rate card and actual income from advertising in TV sector (€ million)		Rate card for advertising of Government of Republic of Macedonia (€ million)	Top 5 advertisers in TV sector (%)				
	Rate card	of which net						
2006	121.5	14.1		Unilever (4.26)	Nektar (3.69)	Coca-Cola (3.34)	Danon (3)	T-Mobile (2.72)
2007	180.3	18	1.2	Coca-Cola (4.60)	Procter & Gamble (4.40)	T-Mobile (4.20)	Unilever (3.90)	Hedis markets (3.32)
2008	389	27	17.32	T-Mobile (4.46)	Government of RM (4.45)	Coca-Cola (3.85)	Procter & Gamble (3.28)	Cosmofon (2.77)
2009	472	25.6	12.12	Coca-Cola (4.51)	T-Mobile (3.28)	Vreme (3.23)	Hedis (3.11)	Government of RM (2.57)

Source: Compiled by Roberto Belicanec from the annual reports on media economics issued by the Broadcasting Council, at www.srd.org.mk, February 2010

174 Broadcasting Council, "Analysis of the broadcasting market for 2007," 2008, p. 6, at http://www.srd.org.mk/images/stories/publikacii/analiza%20na%20pazarot%20za%202007%20godina.pdf (accessed 1 June 2012).

175 Broadcasting Council, "Analysis of the broadcasting market for 2008," 2009, p. 7, at http://www.srd.org.mk/images/stories/publikacii/broadcasting%20market%20analysis%202009.pdf (accessed 1 June 2012).

176 Broadcasting Council, "Analysis of the broadcasting market for 2009," 2010, p. 8, at http://www.srd.org.mk/images/stories/publikacii/broadcasting%20market%20analysis%202009.pdf (accessed 1 June 2012).

Advertising has remained the primary source of funding for private media. Aside from generating regular revenue, advertising time has been used by media owners to promote their other businesses (some stations are part funded through cross-subsidies).

According to the statements of media owners and managers, the drop in advertising revenue in 2010 was due to the economic crisis and reduced government spending on advertising. The rate card spending growth was a function of the new licenses for national and satellite TV which resulted in a higher amount of total advertising time available on the market. However, the increase of 162 percent for the rate card value of TV advertising in 2009, compared with 2007, produced only a 42 percent rise in actual advertising spending. That reflects a flexible discount policy applied by the media in order to stay competitive in the overcrowded market. Furthermore, it is evident that despite the rate card growth in 2009 compared with 2008, actual spending dropped by 5.2 percent.

The period as a whole is characterized by significant spending on official advertising by both the central government and publicly owned companies. In 2008, the government became the second biggest sole advertiser and for the rest of the period remained among the top 10 despite significantly reduced spending. Given that government spending was based on the lowest possible discounts, it has in effect contributed to almost half of the private media's income over the period. This has afforded the government significant political influence which has greatly undermined the editorial independence of the major media outlets. An equal distribution of official advertising spending to all media outlets was one of the conditions set by the opposition in order to end its boycott of Parliament (see section *7.3.1*). However, after the most recent elections, the opposition returned to Parliament without having made any further demands on this matter. One might conclude that this media situation had been used as an instrument for political pressure to obtain early elections.

6.2.2   Other Sources of Funding

Apart from the license fee, advertising, and cross-subsidies, the only other form of media funding is small public grants given to certain minority media outlets, especially those broadcasting in the Roma language. There has been no objection to this type of funding by other media. The average newsstand price of the newspapers is €0.25 for dailies and €0.81 for weeklies. This low pricing has resulted in business models that also heavily rely on advertising. There is no domestic pay-TV and classic subscriptions are insignificant due to high postage costs. Digital subscriptions have not yet been introduced. There is paid VOD for the movies within the offer of the telecoms operators. During 2011, some news portals received start-up funding from donors such as the Open Society Foundations. In general, however, donors do not support direct funding of the media. The EU also supported some television production in the framework of the "Broadcast Europe" funding scheme, aimed at promoting the EU through domestic media.[177]

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177 See https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome&nbPubliList=15&orderby=upd&orderbyad=Desc& searchtype=RS&aofr=132663&userlanguage=en (accessed 12 March 2012).

6.3   Media Business Models

6.3.1   Changes in Media Business Models

By and large, old business models remain dominant in Macedonia. In 2009, MPM-WAZ announced their intention to be more active on digital platforms and in new media. Among other issues, it provided information about the launch of an extensive news website, planned for 2010. After several delays, the project was cancelled and the focus shifted to the upgrade of existing websites and concentrated on the consolidation of existing business models as preparation for selling the company.

MPM-WAZ also started TV-like services in mid-2010 on IPTV and mobile devices, as joint projects with T-Home and T-Mobile. Both services were intended to provide personalized news services and to be sustained through advertising. However, as the largest newspaper publisher, MPM-WAZ came under sustained pressure as a result of declining circulation, which forced it to consider a new multi-platform approach. The company underwent an internal managerial crisis that slowed down the processes. The non-executive general manager, Goran Gavrilov, was sacked after only two months in the job, on the demand of the newspaper editors who disagreed with his plan for restructuring the company. (See section *4.1.1*.)

The global economic crisis seems not to have affected the total income of the media companies. On the contrary, the huge amount of government advertising (see Table 7) not only compensated the losses of the advertising money from the commercial advertisers, but also created a growth in income. However, the price for this was changes in the editorial policies that had become openly pro-governmental in most of the traditional media. This flux of state money also had an impact, causing the traditional media to be reluctant to seek for new business models utilizing the internet and other digital services.

6.4   Assessments

At present, traditional media dominate the market and have undergone a process of consolidation and concentration of ownership in recent years, although the demise of A1 and its related newspapers might change this somewhat, with some other players having more of an opportunity. For example a new daily newspaper, *Fokus*, and a news portal, Plusinfo.mk, have been launched, and several other web-based projects are waiting in the pipeline.

The Law on Broadcasting Activity stipulated certain limitations and bans on media cross-ownership, but these have been circumvented through informal and proxy ownership structures linking print media and some telecoms operators with TV stations. Political influence over broadcasting has also been garnered by direct involvement in the management of TV stations by close family members of politicians, as well as by excessive and selective official advertising. All those processes have been ostensibly unrelated to digitization. However, financial pressures stemming from the incapacity to monetize online content and increased competition as a result of released spectrum have no doubt reduced journalists' autonomy in respect of media owners, as well as media owners' autonomy in respect of political elites.

The picture emerging from new digital media initiatives is not dissimilar. These have been, on the whole, pro-government and staffed with people who lack both technical and journalistic professional experience. This has resulted in poor-quality news output and a heavy editorial bias in reporting.

Private media advertising has remained a primary source of income, combined with cross-subsidies from the various business interests of media owners. In a similar way, sales in print media constitute only a small fraction of total income, with the remainder generated from advertising. Media markets as a whole clearly have some way to go in terms of finding alternative models that can support public interest and good-quality journalism.

In a nutshell, multi-platform thinking in the mainstream media is limited. Models to monetize from digital content are almost non-existent, except for VOD services on IPTV that are limited to Hollywood blockbusters. Compounding this is a general skepticism and lack of understanding of the internet and other new media among advertising clients. Although agencies have created new media departments, neither the media outlets nor their advertising clients have shown any faith in the potential of this type of advertising. Clearly, there is a lack of strategy in both creative and business approaches that on the one hand could allow the offer of new products in the digital environment, and on the other, could allow opportunities to monetize content on the new platforms.

Telecoms and other technical companies, such as software producers and other computer-related businesses, have shown a greater understanding of the new media world, but they lack the experience in both content production and content management

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

There are no legal provisions governing citizens' access to digital TV networks, and no free-to-air commercial broadcasting. Two key policy documents, the "National Strategy for Broadcasting Development"[178] and the "National Strategy for Development of the Electronic Communications and Information Technologies,"[179] established procedures that should be undertaken in order to secure the analog/digital switch-over, including its cost. According to the National Strategy for Broadcasting Development, "during the simulcast period, end of 2009–beginning of 2012, a broad public campaign should be undertaken to equip the population with set-top boxes."[180] Both documents refer to the need for legislative intervention here prior to the start of switch-over. The Strategy for Broadcasting Development defines the needs for legislation changes as "a necessity for a legal regime that will regulate experimental service of the digital multiplexes. There is a need for clear, transparent and precise legal procedure for tendering those resources."[181] However, there have been no legal developments in regard to this issue. What is more, public debate on digitization policy is almost non-existent. The media inform the public about government decisions to some extent, but there have been no formal mechanisms of public consultation or engagement in the policy process.

7.1.1.2 Subsidies for Equipment

The Strategy for Broadcasting Development stipulates that "it will be necessary for the state to allocate funds for acquisition of a certain number of set-top boxes and their distribution to the viewers, especially to those who cannot afford them."[182] However, to date no scheme has been established for the state to support low-

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178   Broadcasting Council, "Strategy for Broadcasting Development," 2007, p. 7 (hereafter Broadcasting Council, "Strategy for Broadcasting Development").

179   Ministry of Telecommunications, "National Strategy for Development of the Electronic Communications and Information Technologies," 2007, p. 16.

180   Broadcasting Council, "Strategy for Broadcasting Development," p. 17.

181   Broadcasting Council, "Strategy for Broadcasting Development," p. 16.

182   Broadcasting Council, "Strategy for Broadcasting Development," p. 21.

income groups' expenses in relation to switch-over costs. There has also been no legislative decree to mandate such a scheme.

The problem of the digital divide has been addressed by government policy in other ways as well, by means of the regulatory framework (leading to a fall in the cost of broadband connections) and a scheme to distribute vouchers worth €200 to students for buying computer equipment. This last measure has narrowed the digital gap, though not, of course, in respect of the older population (which is seen as rarely using computers, though there has been no research on this point).

7.1.1.3 Legal Provisions on Public Interest

As already mentioned, no formal legal framework is governing the switch-over process. Existing broadcast legislation makes no distinction between analog and digital media in licensing or content regulation. There are, however, special public interest provisions concerning the must-carry obligations of digital license holders. Telekom Slovenije, the first DVB-T operator, was awarded a license to operate on digital frequencies under the provisions of the Electronic Communications Law. But as a special requirement of the license, the operator is obliged to broadcast the programs of the PSB network free-to-air and the programs of domestic commercial stations under the same conditions.[183]

The public interest has also been invoked in respect of special provisions in more questionable contexts. The process for awarding the frequencies to Telekom Slovenije was organized through the Agency for Telecommunications despite the fact that the Law on Electronic Communications specifically mandates the Broadcasting Council to award frequencies for broadcasting uses.[184] The call for proposals issued on 18 December 2008, published by the Agency for Telecommunications, included clear requirements disqualifying both existing cable operators and broadcasters from the application process.[185] The official explanation of this policy was that it would serve to stimulate competitiveness in the field of TV program distribution and introduce a new platform to the market. However, to some experts the move was seen as undermining the real public interest in preserving plurality and cultural diversity on television. According to Snezana Trpevska of MIM, "It turns out that through this tender no attention was paid to the preservation of domestic cultural diversity. The license is used primarily for re-broadcasting foreign programs. In that sense, it turns out that the real public interest for preserving internal pluralism has not been taken into account."[186] In essence, Ms. Trpevska was arguing that the awarding of the DVB-T frequencies needed to take consideration of the fact that media might not be able to broadcast free-to-air in the digital environment.

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183 Agency for Electronic Communications, "Approval for Usage of Radio Frequencies in Broadcasting Service—DVB-T," no. 104713, Skopje, 4 June 2009.

184 Law on Electronic Communications, *Official Gazette of Republic of Macedonia* 13/2005, Art. 66, para. 5.

185 Agency for Telecommunication, Public Tender no. 02-4140/1, 18 December 2008, Art. 2.2: "Not eligible for applying for this tender are: a) legal entity that provides or plan to provide distribution of TV and Radio services on parallel technical platforms on the territory of RM (cable TV networks and IPTV); b) Legal entity that produce and broadcast audiovisual content."

186 Interview with Snezana Trpevska, professor at the High School for Journalism and PR, MIM, November 2011.

7.1.1.4 Public Consultation

After the adoption of the Strategy for Broadcasting Development, the Broadcasting Council tried in 2006 to organize a forum called the National Coordination Body for Digitization. The body consisted of state institutions, civil society groups, media companies, telecoms operators, and independent experts. According to the strategy it was established as "a consulting body in the process of digitalization."[187] However, after only the first session, the Ministry of Transport and Telecommunications objected to its existence, claiming that all policymaking for digitization should remain under its exclusive auspices. It stated that according to the legal framework only ministries might be considered as policymakers. The Broadcasting Council thus retreated and the forum remained stillborn.

In any case, according to Ms. Trpevska, "the processes of public consultation in Macedonian institutions are formal and superficial."[188] The government has adopted a policy of public consultation on the legislative issues on the web, avoiding direct contact with the stakeholders and using web access as substitute for real debate. Furthermore, unlike the previous praxis of the involvement of civil society and stakeholders in the drafting process, nowadays only final drafts are presented, or they involve the stakeholders in the beginning of the process during the assessment. This tactic allows the government to claim openness but greatly diminishes the ability of the actors outside the government to influence the drafting process. The Ministry of Transport and Telecommunication announced a process of public consultation on the new media law for the second half of May 2012. It is unclear, however, how this process will be staged and what influence it will have on the outcome. The ongoing dialogue between the government and the Association of Journalists of Macedonia (ZNM) does not give strong grounds for hope; although the president of ZNM, Naser Selmani, has repeatedly stated that his organization does not support the government's proposal to regulate print, broadcasting, and internet, the government has ignored this fundamental objection.

7.1.2   The Internet

7.1.2.1 Regulation of News on the Internet

News delivery through the internet and mobile platforms is not subject to specific regulation. Some general provisions in the Penal Code that criminalize incitement to violence and national, racial or religious hatred are applicable online,[189] as is the Copyright Law dealing with intellectual property issues[190] and data protection legislation. The only enforcement to date has been in data protection. On several occasions, certain blogs and websites have been ordered to remove content publicizing personal data and in one case, two doctors were fined and then suspended for publishing pictures of a New Year's Eve party which featured a patient lying on a hospital bed. All cases were initiated or enforced by the Agency for Personal Data Protection. With regard to regulations governing copyright and incitement, no cases have been brought before the courts involving

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187   Broadcasting Council, "Strategy for Broadcasting Development," p. 20.

188   Interview with Snezana Trpevska, professor at the High School for Journalism and PR, Macedonian Institute for Media.

189   Penal Code of Republic of Macedonia, *Official Gazette of Republic of Macedonia* 19/2004, Art. 319.

190   No article has been quoted as almost the whole law establishes general copyright protection.

online activity. Consequently, awareness of this legislation among both individuals and companies operating online is low.

The Broadcasting Law considers real-time streaming as ordinary program services broadcast via an electronic communications network.[191] As such, the law requires such content providers to be licensed as broadcasters. However, in its restrictive focus on linear broadcasting, the law does not apply to VOD services which are subject only to the general rules referred to above. The law does not discriminate between foreign and local content, and the same rules apply as for content providers.

7.1.2.2 Legal Liability for Internet Content

In the absence of any common law precedent, the legal liability of content providers is shrouded in uncertainty. According to the Penal Code, liability for defamation or incitement to hatred or violence rests with the author of the content regardless of the technical means of dissemination.[192] UGC websites, with some exceptions, employ disclaimers to point out that legal responsibility lies with users as individual contributors. But it is not clear whether such disclaimers would stand up in court. No such court case has yet occurred. For copyright infringements, formal liability rests with internet service providers and website owners and users.

However, the absence of legal precedents and uncertainty has had an effect opposite to inducing caution: there is a general view that everything is allowed. There has been an explosion of hate speech and infringements of copyright on social networks and blogs, and even in articles in the mainstream media. The legal framework and the capacity of the law enforcement agencies are inadequate to cope with these developments.

Both the main media and the aggregators have embarked on a self-regulatory approach to news aggregation. In 2009, the major television stations, MPM and several news portals signed a charter that regulates the conditions, form, and volume of aggregated news. The charter stipulated that aggregators may use headlines and first paragraphs for aggregation as links to original news, and that hits on the news should be counted at the point of origin.

So far, the charter has been implemented by the aggregators only in part. The market leader, Time.mk, still refuses to implement the part of the agreement related to counting hits. Thus, links to original news sites open up in their frame while hits are accounted to Time.mk instead of the original content provider. This influences the number of hits that websites report to advertising agencies, which has implications for potential revenue of online news ventures. For the time being, at least, content providers are not pushing for legislative changes or formal regulation, in the hope that disputes can be solved through arbitration and that self-regulation will remain the default framework.

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191 Law on Broadcasting Activity: "The License to Pursue Broadcasting Activity (hereinafter referred to as 'the License') shall be issued for the transmission of a given radio or television program service, regardless of the technical means of transmission, under conditions and in a manner and procedure defined by this Law. It is prohibited to pursue broadcasting activity without a license," *Official Gazette of Republic of Macedonia* 100/2005, Art. 41.

192 This is a general principle of liability established through jurisprudence.

7.2 Regulators

7.2.1 Changes in Content Regulation

The media regulation framework is based on two laws passed in 2005, the Law on Electronic Communications and the Law on Broadcasting Activities (Broadcasting Law). The regulatory system is based on two regulators covering broadcasting and telecommunications. The broadcasting regulator, the Broadcasting Council, was established in 1997 as a semi-independent body empowered to assist the government in making certain decisions, but with the government retaining ultimate authority. Nowadays the system is one of collective decision-making, in order to reduce potential threats to freedom of expression associated with unchecked ministerial authority. The Broadcasting Council is charged with broadcasting content regulation and licensing.

The other regulator, the Agency for Electronic Communications, originated with the Department for Frequency Allocation of the Ministry of Telecommunications. Policy-making remains within the ministry and day-to-day regulation has been transferred to the agency. Unlike the Broadcasting Council, the decision-making process is not collective but usually rests with the director of the agency, under the oversight of five commissioners and parliamentary control. Therefore its institutional links with government are stronger than the Broadcasting Council's. In general, the agency is charged with the technical regulation of the electronic communications networks.

Neither body makes a distinction between analog and digital delivery of content, claiming "technical neutrality."[193] Clearly, however, digitization and the resulting convergence between broadcasting and telecoms sectors have rendered this framework insufficient and inadequate to answer the needs of the digital environment. This resulted in a growing overlap between the defined roles which in turn has precipitated regulatory conflicts and confusion.

Considerations of so-called technical neutrality forced the regulators to improvise with the procedure for awarding digital frequencies to a DVB-T operator in 2008. The Agency for Electronic Communications, using its general powers for allocating radio spectrum, opened up a tender for awarding three frequencies from the broadcasting part of the digital spectrum not as broadcast frequencies but as frequencies "for delivering the radio-communication service, transmission of the digital TV services through public communication network (DVB-T)."[194] What they published in the bid was only technical and financial requirements. Much later, after frequencies had already been awarded, the two regulators signed a memorandum that stipulated the procedures of mutual cooperation in future cases.

The introduction of the IPTV operator on the market and the subsequent VOD service have produced another memorandum for cooperation between the regulators aimed at covering the shortfall of legislation for the new services. Existing regulation does not provide any authority for the regulators in respect of

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193 "Broadcasting license will be issued for broadcasting and transmission of certain radio or TV program service regardless of the technical means for transmission," Law on Broadcasting Activity, Art. 41, *Official Gazette of Republic of Macedonia* 100/2005.

194 Agency for Electronic Communications, Decision for a public tender, *Official Gazette of Republic of Macedonia* 155/2008.

non-linear audiovisual content. The Broadcasting Council tried to compensate for this shortfall with soft regulation. Through the memoranda signed with the Agency for Electronic Communications, it indicated that the new types of content distribution obviously require certain regulatory standards that should be accepted and respected by the operators.

So far, this regulation, which is in effect a self-regulatory approach, has functioned adequately in respect of non-linear audiovisual content. For example, the two biggest telecoms operators (T-Home and Telekom Slovenije) have opened up their services for the regulator and they have developed a regular communication with the Broadcasting Council on the content that they intend to make available on a non-linear basis. Thus far, there have been no complaints raised by the telecoms operators, and there has been no regulatory action by the Broadcasting Council. With the growth of the market, however, the regulation will require serious revision, especially of the implementation of the regulations.

7.2.2 Regulatory Independence

After the June 2011 elections, one of the first laws passed by the new Parliament was an amendment to the Broadcasting Law that added six more members to the Broadcasting Council, to be elected by Parliament upon the proposal of political institutions: the President of the Republic and representatives from quasi-civil-sector bodies (the Union of Municipalities), and other regulatory bodies (e.g., the anti-monopoly commission). In this way the government established effective political control over the Broadcasting Council and has severely endangered its independence.

Until that date, the Broadcasting Council consisted of nine members elected by Parliament on the basis of nominations from institutions such as the ZNM, the Macedonian Academy of Science and Arts, universities, and the Parliamentary Commission for Appointments.[195]

The term of the Council members is six years,[196] staggered so that three new councillors are elected every two years to replace those whose membership has expired. Membership can be terminated prior to the end of the term by Parliament if proposed by the Council itself and only in specific cases.[197] The law does not allow for collective dismissal.[198]

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195 Law on Broadcasting Activity, *Official Gazette of Republic of Macedonia* 100/2005, Art. 23.

196 Law on Broadcasting Activity, Art. 28, para. 1.

197 Law on Broadcasting Activity, Art. 32: "A Member of the Broadcasting Council can resign from office. A Member of the Broadcasting Council cannot be dismissed prior to the expiration of his/her term in office, with the exception of the following cases:—If he/she is prevented, by illness, from participation in the work of the Broadcasting Council for a period longer than six months;—In cases of the appearance of one of the impediments to his/her membership in the Broadcasting Council laid down in Art. 25 of this Law;—If he/she acts in violation of the provisions of this Law;- If he/she was sentenced for a criminal offence for which a term in prison longer than six months is prescribed, or if he/she was sentenced to a prohibition to perform a duty for a period longer of six months;—If he/she is absent from three (3) consecutive meetings of the Council or from five (5) meetings over a period of six months, and has failed to provide a justifiable reason for the absence. The fulfillment of conditions for the dismissal of a member of the Broadcasting Council prior to the expiration of his/her term in office from paragraph 2 of this Article shall be determined by the Council with a majority of votes of the total number of members, upon which the Council shall submit a dismissal request to the Assembly of the Republic of Macedonia. In this case the procedure determined in Article 28 paragraph 4 of this Law shall be applied."

198 There is no specific Article that establishes this rule but the quoted Article is the only way to dismiss any member of the council and due to the self-reference of the procedure in the last paragraph, renders invalid that possibility. No other body has been given authority to perform any procedure that may lead to collective dismissal under any circumstances.

The mandate of the Broadcasting Council consists mainly of specific licensing, regulation, and policy.[199] In their implementation as well as in regard to its budgeting, the Broadcasting Council has full legal autonomy,[200] though it is obliged to undergo a financial audit and to submit annual reports on its work to Parliament.[201] In case of financial misuse, the Penal Law is applied. Parliament itself does not have any powers except to return the annual report to the Broadcasting Council with comments and remarks on its work.

By and large, the body had strong guarantees for its independence up to the latest legislative change in June 2011.[202] However, between 2006 and 2008, the government undermined the council by proposing the creation of a new converged regulator called the Agency for Post, Electronic Communications, and Broadcasting (not to be confused with the Agency for Electronic Communications: see section *7.2.1*). This proposal circulated in the form of a draft Law on Broadcasting. If this merger had happened, it could have led to the collective dismissal of the Broadcasting Council. This pressure ceased after interventions from the international community, especially the European Commission. However, the position of the council in that period was weakened by the looming threat of collective dismissal, and the government managed to get the council's consent and cooperation for opening the bids for the DVB-T operator on its own terms.

The other regulator, the Agency for Electronic Communications, is "an independent regulatory body"[203] accountable to Parliament.[204] It is headed by a Commission comprising five members, including its president,[205] all with a term of five years that is staggered in the same way as the Broadcasting Council. The main criteria for eligibility to the Commission include a university degree in telecoms, electronic engineering, economics, or law, along with at least five years' professional experience in telecoms.[206] The Commission has the following duties: to adopt the statute of the agency (subject to the consent of Parliament), to adopt the procedural rulebook of the agency, to approve its annual report, oversee the plans for the work of the agency, and adopt other by-laws. The Commission also has the power to appoint and dismiss the director.[207] It used this right to dismiss Kosta Trpkovski in September 2007, finding him in breach of Arts 35, 45, 49, 50, and 146[208] of the Law on Electronic Communications.[209]

Thus, decision-making powers in this institution are balanced between the director and the Commission. The director has executive powers within the agency and in respect of its public relations. S/he is responsible for day-to-day regulation of the telecoms market and oversight of the implementation of the Law on Electronic

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199   Law on Broadcasting Activity, Art. 37.

200   Law on Broadcasting Activity, Art. 35.

201   Law on Broadcasting Activity, Art. 35.

202   Law on Broadcasting Activity, Chapter 4.

203   Law on Electronic Communications, *Official Gazette of Republic of Macedonia* 13/2005, Art. 7, para.1.

204   Law on Electronic Communications, Art. 10, para.1.

205   Law on Electronic Communications, Art. 12, paras 1, 2.

206   Law on Electronic Communications, Art. 12, para 3.

207   Law on Electronic Communications, Art. 14, para. 4, Art. 18.

208   All Articles refer to the regulation of the interconnections of the telecoms operations.

209   Agency for Electronic Communications, press release no. 11-94/3, 11 September 2007.

Communications.[210] Among other criteria, both the director and the commissioners must not have any conflicts of interest.[211] Unlike the Broadcasting Council, members of the Commission may be subject to collective dismissal if they fail to provide the annual report to be approved by Parliament.[212] However, there has been no instance of this to date.

Legal guarantees for the agency's independence are relatively strong. The direct appointment of Commission members by Parliament, without any additional outside filters such as nominations from the professional community and/ or civil society, effectively means that the Commission is accountable to the electorate via Parliament, but its composition may be more a function of party politics than expertise and experience. However, the impossibility of their dismissal except in the one case mentioned above, along with staggered terms of office, provide a certain degree of independence.

7.2.3 Digital Licensing

TV and radio licensing is regulated under the Broadcasting Law, which requires "transparency, independence and non-discrimination in the regulatory process."[213] Furthermore, the law lists several firm criteria for awarding licenses, including an obligatory public bidding procedure. In Art. 48, it states:

> the bidding documentation consists of common, technical, production, programming and
> other preconditions that applicant has to fulfill paying special attention to:
> - conditions and requirements regarding the program
> - financial requirements linked to the ability of the candidate to perform the service
> - basic technical conditions, standards and parameters for production
> - basic technical conditions, standards and parameters for transmission
> - license-awarding criteria that will be used in the evaluation of the application.

Art. 51 of the law further sets out the evaluation criteria for the applications judged by the Council.

To date, the Broadcasting Council has licensed more than 20 operators without any complaints over the fairness of the procedures. Furthermore, there have been no complaints from any of the minority-language media on grounds of discrimination.

Transparency in the decision-making process for licensing is, however, a more problematic issue. Voting for the award of licenses during the sessions of the Council has been conducted without any public debate, thus giving the impression of a predetermined decision reached by the council members in advance. For instance the session of the council on which they awarded 14 satellite licensees lasted only half an hour, with voting having taken place with no discussion or debate.

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210 Law on Electronic Communications, Art. 17.

211 Law on Electronic Communications, Art. 12, paras 9, 10.

212 Law on Electronic Communications, Art. 16, para. 2

213 Law on Broadcasting Activity, *Official Gazette of Republic of Macedonia* 100/2005, Art. 4, para. 5.

7.2.4 Role of Self-regulatory Mechanisms

Self-regulation by the ZNM has existed since its foundation. There is an independent body within the association called the Council of Honor, with a mandate to oversee ethical and professional standards. The ethical standards are outlined in the Ethical Code adopted by the association's assembly. The code is valid for all media regardless of whether or not they participated in its drafting. However, the findings of the self-regulatory body are routinely disputed. In one case, the journalist Ivona Talevska even pressed charges against the Council for defamation because it found one of her reports on the NATO summit in Bucharest was not in line with professional standards. She is not a member of the association and therefore claimed that the Council of Honor had damaged her professional credibility. (The case is ongoing.) Nevertheless, over the past five years the association's assembly has on several occasions publicized major breaches of ethical and professional standards in the mainstream media. In 2010, it adopted a new statute that recognized online media contributors and bloggers as journalists, although there have been no cases to date involving online media.

It is also noticeable that certain internet media, such as Mnoogo.mk, have already drafted their own ethical codes. These include ethical obligations on users regarding UGC, as well as restrictions on advertising, including the non-acceptance of alcohol advertisements. However, adherence to these internal ethical rules, especially by users, remains voluntary and inconsistent.

7.3   Government Interference

7.3.1   The Market

The government is the second-biggest advertiser in Macedonia, after T-home (see Table 7).[214] As mentioned in section *6.2.1*, this form of intervention has raised suspicions that public money is being used to gain political influence over editorial policies. In the best judgment of the present authors, outlets that are critical of the government do not receive advertising from the government. According to the Macedonian Media Sustainability Index (MSI), "it is unclear how the government decides which outlets to place advertisements with, thus adding grounds to existing suspicions that it is done to interfere deliberately."[215] Moreover, the MSI has substantiated claims that the mainstream media have become less critical of the government in recent years.[216]

The problem of government interference with the media through advertising was cited by the political opposition in January 2011 as one of the major reasons for their withdrawal from Parliament. Among their conditions for ending the boycott was the introduction of media legislation to guarantee the equal and non-

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214 Broadcasting Council, "Broadcasting market analysis for 2008," p. 85, at http://www.srd.org.mk/index.php?option=com_content&view=arti cle&id=95%3Aistrazuvanje-na-srd-makedonskite-gledaci-baraat-pomalku-nasilstvo-na-tv&catid=42%3Atop-temi&lang=en (accessed 11 April 2011).

215 MSI 2008, IREX, p. 71.

216 MSI 2008, IREX, p. 71.

discretionary distribution of state advertising funds. The withdrawal of the opposition from Parliament led to early elections held on 5 June 2011. The government was returned to power, but with fewer seats. Even after the closure of A1, and with the retention by the government of its same discriminatory practices of allocating its advertising, the opposition dropped its boycott.

7.3.2   The Regulator

Despite the fact that the Broadcasting Law explicitly states that holders of public office or members of their families cannot own TV or radio stations,[217] this provision is currently being violated by two major media with national coverage, Kanal 5 and Sitel TV. As already explained (see section *6.1.3*), the fathers of the owners of these operators are Members of Parliament who support the ruling coalition. No regulatory action has been taken against these two stations, though this violation has continued for more than five years. At different periods of time, such breaches of anti-concentration legal provisions have not been tackled by the regulatory bodies because the regulators were not inclined to fall foul of politically well-connected media owners. In December 2011, for example, a session of the Broadcasting Council devoted to discussing the ineligibility of certain owners of the major stations in the country was postponed, on the ground that there was a need to broaden the issue. Some Council members demanded that all TV stations needed to be treated equally, and that all of them needed to provide data on their possible conflict of interests. This illustrates how mere procedures can be hijacked to postpone regulatory action.

Even though the registered owners of the publishing company may be nominally different, there have been joint market operations and other indications that imply that the real ownership and type of activities are banned under anti-concentration law (see section *6.1.5*).

7.3.3   Other Forms of Interference

Over the last five years there have been instances in which major media institutions have been investigated for tax evasion. For some, these investigations mask what is really an effort by the state to interfere, pressure, and control the editorial line of these outlets. Investigations have often culminated in full-scale police raids of media premises, characterized as assistance to the tax inspectors. Such was the case with A1 TV and the newspapers *Vreme* and *Spic*, whose cases are still going through the courts while the company's bank accounts have been frozen, hindering their everyday business operations.

It should be mentioned, however, that the owner of A1 TV is a highly controversial businessman who has been the subject of tax investigations in the past, prior to his involvement with the media. All of the A1 media were shut down on the grounds of tax evasion. Prior to the shutdown of A1, however, the government had led a media campaign against the TV station. The prime minister stated publicly that A1 was a TV station whose pronouncements should be met with skepticism. This campaign gave many the impression that the A1 shutdown was executed primarily to silence the media and that the allegation of tax fraud was merely the excuse.

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217 Law on Broadcasting Activity, Art. 11.

While there is not much in the way of overt or direct interference by the state in the day-to-day workings of journalists, indirect extra-legal pressures are commonplace. In July 2010, several reporters from Kanal 5 were sacked by the owner for non-professional reporting. The owner of Kanal 5 claimed that they fell short of professional standards in their reporting, while the journalists claimed that they were sacked because of their critical reporting of the government.

In another development, the editor of *Spic* newspaper, Branko Gerovski, was threatened with his life and the lives of his family by anonymous persons via mobile phone, and two years proved insufficient for the police to solve the case. There was also a public call on Alfa TV expressed by the Kanal 5 talk show host, Milenko Nedelkovski, who directly appealed to the audience "to destroy those treacherous bastards," referring to a list of several prominent journalists who were critical of the government. Although this was an incitement to violence, Mr Nedelkovski has never been sanctioned. The most scandalous occasion of interference, however, was the call of the Ministry of the Interior to the citizens of Macedonia claiming that whenever "they feel manipulated or endangered by the reports of A1 TV, the police are at their disposal, ready to help them legally if they want to press charges."[218]

7.4   Assessments

There is no policy or concrete action plan for digital switch-over, and there is a lack of mechanisms to guarantee the fair inclusion of all players in the process, as well as an insufficient legal framework. Therefore, digitization is ongoing under legislation mostly designed to regulate the analog world. Even though the process started well with the adoption of the Broadcasting Development Strategy and the establishment of a coordinating body to include different state, commercial, and civil society institutions, it has been stalled by the government with its claims to exclusive authority in the policymaking process. The government, however, has not yet produced any policy document or even a single piece of legislation that will put the digitization process on track. The exception is the process of digitization of the public broadcaster that was given legal grounds and funds in order to complete it.

The potentially disastrous consequences of this inaction have to some extent been offset by the regulators' actions and memoranda of cooperation aimed to secure at least the basic rules for digital services. Those efforts, however, are certainly not enough to solve the problem of deficient policies, laws, and action plans. The technical plan for the allotment of digital frequencies and its clear timeframe contributed to the process of awarding licenses for the three digital DVB-T MUX allocated for pay-TV services. In the absence of formal policy, this has resulted in a lack of frequencies to secure a viable period of simulcasting on analog and digital signals prior to switch-over. The expected revision of the legislation, due at the beginning of 2012 and still awaited, presents an opportunity to set the basic principles for licensing and regulation in the digital

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218   See http://www.mvr.gov.mk (accessed 20 April 2011).

environment, as well as to tackle the issue of accessibility to digital networks for both broadcasters and users. The concept of the law recently presented by the Ministry of Telecommunications envisages that this matter should be regulated.

The implementation of the bid for the DVB-T operator, conducted without an adequate legal and policy framework or recourse to public consultation, has fueled public conflict between broadcasters and Telekom Slovenije's Boom TV. The improvised way in which the licensing was conducted, excluding the formal regulating authority for broadcasting and including highly discriminatory provisions for the competitors as well as the broadcasters themselves, has engendered suspicions that the Agency for Telecommunications, the body which administered the bid, has been captured in commercial and political terms.

State subsidization of the media through official advertising has proved to be another strong challenge for media regulation. Based on unclear principles and a lack of statutory criteria, it has increasingly become seen as a lever for state control over the media. Along with this, the authorities have continued to interfere in and discipline the media for critical reporting, using claims of tax evasion among other things.

Over the past five years the level of public consultation over policy with industry, civil society, and the public has been steadily decreasing. In the beginning of this period, during the drafting of key policy documents, the path of digital policymaking looked set on a full participatory approach, fostered by attempts to establish a National Coordinating Body for Digitization. In the past two years, the tide has turned and the government has narrowed the scope of cooperation in the field of media regulation at large.

Although the authorities maintain openness about accessing documents during their drafting procedures, for example, and allow comments and written objections, they have hardly given way to any relevant policy initiative.

8. Conclusions

8.1   Media Today

8.1.1   Positive Aspects

Competition in the telecoms sector has resulted in new platforms for TV distribution and the increased penetration of broadband internet. This in turn has facilitated the explosion of social networking, improved accessibility to information, and empowered users through UGC.

The growth of broadband has been accompanied by a proliferation of online news outlets. Although traditional media have been slow to catch on to the digital revolution, they have established their online presence and are allocating increased resources and attention to new media platforms.

The entrance of the big telecoms companies to the TV distribution market has to some extent stabilized the market and pushed other cable companies to extend their offer of channels and generally improve the quality of their offerings.

New media are extensively used for mobilization by civil society groups. Furthermore, UGC has provided a platform for the expression of a much more diverse range of views than is provided for by the traditional media. To this extent, the public sphere has been enriched.

While the phenomenon of digital news in various contexts has precipitated a crisis in professional journalism, there is a growing awareness of the need to shore up professional values, legal protection and social and physical security, and media funding. One manifestation of this is a new initiative for establishing a trade union of journalists and reforming the ZNM, started in 2010.

8.1.2   Negative Aspects

Alongside digital development, with its promise of greater openness, empowerment, and autonomy, strong counter-forces have been at play in Macedonia, as shown by a ruling coalition that seeks to extend its power and control over the media through various means. This in turn has precipitated an unprecedented political crisis and deep-rooted instability. The effect has been a reduction in media freedom that has offset any gains achieved through digitization.

While a plurality of voices may be blossoming online, traditional media remain by far the dominant sources of news and information in society, demonstrating a contraction in the diversity of views expressed. The financial uncertainty wrought by digitization and, more particularly, the economic crisis have greatly contributed to the fall of the readership of newspapers and have shrunk the classical advertisers' budgets. This has increased the dependence of the mainstream media on state subsidies via official advertising. This in turn has led to a marked increase in biassed reporting and state propaganda. Aside from this, journalists have been silenced either by media proprietors threatening dismissal, unknown persons threatening violence, or extra-judicial pressure by the state (such as tax raids). Furthermore, the state interventions such as excessive advertising, legal actions against the critical media, and political links of the media owners with political parties has led to a high polarization of the media. This has undermined the quality of news reporting in the traditional media.

Parallel to this, there has been a process of consolidation of media ownership, often covert so as to circumvent legislative restrictions. This has reduced competition and closed down the space for new entrants in traditional media.

Part of the problem is that the legal framework regarding critical points of media ownership concentration and public sector broadcasting has not been implemented. The cause has been both a lack of political will and an over-extension of the government's influence over regulatory authorities.

Instead of adopting a clearly defined and consistent framework, digitization policy has been largely improvised, with the result that there has been an inefficient switch-over process, an over-short period of simulcast prior to analog switch-off, a lack of public engagement or consultation in respect of accessibility and affordability, and discrimination in digital frequency allocation. The updating of existing legislation with rules for new types of services and regulations for the digital environment is long overdue. Several attempts by the government to introduce such regulation have failed.

Ethnic divisions in society continue to split and undermine the media. In 2010 and at the beginning of 2011, media coverage of low-level ethnic tensions inflamed problems instead of providing a professional service to citizens (see section *1.4*). If this trend continues, the media will pose a threat to peace and security.

8.2   Media Tomorrow

As well as contributing to the solution of the problems of a lack of plurality and government interference with the media, digitization has itself become a problem in urgent need of policy attention. The extent to which it will become a force for the good of all Macedonian society depends largely on the political context.

For the time being, changes in media consumption habits are likely to put pressure on media companies to adopt a multi-platform approach. Newspapers, especially, will bear the costs associated with disruption to traditional business models as they struggle to find new sources of revenue in the digital landscape.

Telecoms companies look much better placed to reap financial rewards from digitization as they continue to expand in the fields of new media and broadcasting. The improved infrastructures will boost the further development of non-linear services. Furthermore, with the rise of smartphones, mobile media will be a key area of growth for news outlets. Despite the difficulties facing traditional players in adapting their business models to the digital environment, it is likely to be the established brands that reap the benefits of new news platforms rather than new entrants. For one thing, telecoms companies have demonstrated a preference for working with established news providers, as reflected in joint ventures and cross-industry cooperation to date.

List of Abbreviations, Figures, Tables, Companies

Acronyms and Abbreviations

BIRN	Balkan Investigative Reporting Network
DTH	Direct-To-Home
DVB-T	Digital Video Broadcasting-Terrestrial
EU	European Union
FYROM	Former Yugoslav Republic of Macedonia
ICJ	International Court of Justice
IDSCS	Institute for Democracy "Societas Civilis" (*Институт за Демократија "Societas Civilis"*)
IPTV	Internet Protocol Television
ISPPI	Institute for Sociological, Political and Juridical Research (*Институт за социолошки, политички и правни истражувања*)
ITU	International Telecommunication Union
LGBT	lesbian, gay, bisexual, and transgender
MCIC	Macedonian Center for International Cooperation (*Македонски центар за меѓународна соработка*)
MCIJ	Macedonian Center for Investigative Journalism (*Македонски центар за изстражувачко новинарство*)
MDC	Media Development Center
MIM	Macedonian Institute for Media (*Македонки институт за медиуми*)
MPM	Medija Print Makedonija
MRT	Macedonian Radio and Television (*Македонска Радио Телевизија*)
MSI	Media Sustainability Index
MTV	Macedonian Television (*Македонска Телевизија*)
MUX	multiplex
NGO	non-governmental organization
NLA	National Liberation Army

UNDP	United Nations Development Program
VOD	video on demand
VMRO-DPMNE	Internal Macedonian Revolutionary Organization—Democratic Party for Macedonian National Unity (*Vnatrešna makedonska revolucionerna organizacija—Demokratska partija za makedonsko nacionalno edinstvo*)
WAZ	Westdeutsche Allgemeine Zeitung Media Group (WAZ Mediengruppe)
ZNM	Association of Journalists of Macedonia (*Здружение на новинарите на Македонија*)

Figures

Tables

Companies

JPAU Makedonija

Kabeltel

Media Print Macedonia (Medija Print Makedonija)

Monteko

Orka Holding

Seavus Media Group

Sitel TV and Kanal 5

Telekabel

Telekom Slovenije

T-Home

VIP-Mobilcom, Austria

Westdeutsche Allgemeine Zeitung (WAZ) Media Group

Mapping Digital Media: Country Reports

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.

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