



STRATEGY

FOR DEVELOPMENT OF BROADCASTING ACTIVITY IN THE REPUBLIC OF MACEDONIA - (PROPOSAL)

for the period 2013-2017



Skopje, December 2012

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PREFACE

Pursuant to Article 22 of the Broadcasting Law (BL), the Council is bound to prepare a Strategy for development of broadcasting activity in cooperation with the competent institutions in the field of broadcasting, electronic communications and information society, taking into consideration both opinions and views of non-governmental organizations and other entities involved in the activity.

In April 2012, by decision of the Broadcasting Council, a working group was established for the preparation of a Strategy for development of broadcasting activity in the Republic of Macedonia for the period 2013-2017, whose work, alongside the employees from the Administrative Office of the Council, also actively participated the nominated representatives from the following institutions: Ministry of Information Society and Administration, Ministry of Culture, Ministry of Justice, the Agency for Electronic Communications, Public Enterprise Macedonian Broadcasting, Public enterprise Macedonian Radio and Television Commission for Protection of competition.

Basis for the development of the Strategy were the analyzes prepared and commissioned by the Broadcasting Council in the past few years, studies of other relevant institutions and organizations in the Republic of Macedonia, directives, declarations, recommendations and other documents of the European Union or the Council of Europe, the acts and analyzes of other European regulatory authorities. In the process once again was confirmed the great cooperation of the Broadcasting Council and the European Platform of Regulatory Authorities (EPRA) and Mediterranean Network of Regulatory Authorities (MNRA). In the early stage of preparation of the strategy, meetings were held with representatives of several entities: broadcasting companies, operators of public communications networks, government institutions, professional associations, universities and non-governmental organizations.

In the course of preparation of the Strategy, in order more efficiently applying of the Broadcasting Law, the need arises to develop several strategic rulebooks. Therefore, at the request of the Council, the European Commission has approved two TAIEX missions for the preparation of rulebooks for effective implementation of legal regulation. In both missions, the TAIEX expert Ms. Sandra Basic Hrvatin was engaged. The first mission was realized in the period of 20 to 24th of August and the second in the period of 05 – 09th of November 2012.

As a result of TAIEX missions, the following rulebooks were prepared:

- Manual for creating market conditions for sustainable economic growth of the media industry and fair competition
- Manual for the imposition and enforcement measures under the Broadcasting Law
- Manual for assessing media pluralism (internal pluralism)

TAIEX expert has made a significant contribution to the development of the Strategy, especially in defining strategic goals and document compliance with the European legislation.

Within the public debate were held several meetings with representatives of the different target groups, inviting over sixty relevant institutions and organizations whose activity is related to broadcasting. A meeting was held with representatives of the political groups in the Parliament of the Republic of Macedonia.

Simultaneously, all interested parties were given the opportunity their observations, comments and suggestions to submit to the Council in electronic or written form. All

expressed opinions during the debate and received contributions were carefully reviewed and some of them are embedded in the Strategy.

An integral part of the strategy is the Action Plan for its implementation, including specific measures, activities, indicators, carriers and deadlines. Broadcasting Council will actively monitor the implementation of the Action Plan and other carriers of activities at least once a year to report to the Council on the implementation of activities in terms of their competence and then the Council, to the Parliament and to the Government will be submitted a summary report including his activities.

Strategy for the development of broadcasting activity in the Republic of Macedonia for the period 2013-2017 is a document in which, based on a detailed and comprehensive analysis, the conditions in the field of broadcasting are detected and a measurable and achievable solutions that will contribute to the advancement of broadcasting are determined. The strategy is based on professional and scientific knowledge and in it is integrated 15 years of experience of the Council in carrying out his statutory responsibilities in the development of broadcasting in the Republic of Macedonia. During its preparation, in addition to international experience were taken into account, also, the specifics of the Macedonian broadcasting sector.

The Council sincerely thanks all the subjects who took an active part in the preparation of the strategy and will use all available capacity for successful implementation.

VISION

By realization of the strategy for development of the broadcasting activity in the Republic of Macedonia the following situation is expected:

Macedonian media sector contains an abundance of various program contents, professionally produced in high quality, traditional family values are held in high esteem and various and variable tastes of the audience are satisfied as a whole and in specific segments. The programs are open for various political views and opinions, the informative content is accurate and impartial and editorial culture is at a higher level and is based on respect for professional journalistic standards and principles. Pluralism protection of independent media ownership is provided and independence of the public broadcasting service by which they represent the pillar of democracy. The completed digitalization process provides quality reception of audiovisual media services and enables the development of innovative programs and services. The level of media literacy is high, the freedom of expression is in line with the constitution of the Republic of Macedonia and the international standards and the digital gap has been reduced to a minimum. Media sector creates conditions for continuous development of the Republic of Macedonia as a modern democratic multicultural and multiethnic society.

CURRENT SITUATION WITH PROPOSED MEASURES AND RECOMMENDATIONS

1. Pluralism and diversity of program content

The Broadcasting sector in the Republic of Macedonia is composed of public broadcasting service, broadcasting companies, non-profit broadcasting institutions and except these, the audience is offered nonlinear media services provided by the broadcasters and operators of public communications networks. Despite the large number of media, there is a need for increasing the variety and quality of the program offer.

The level of estimation of professional and ethical standards in the media and journalism as a profession in Macedonia is in declining, whereupon a part of the reporters do not distinguish the disregard of human dignity, language of hatred, discrimination based on race, gender, sexual orientation, religion and ethnicity.

The number of program services of the Public Broadcasting Service in one part was legally restricted due to working in analog terms. In future legal regulation for MRT, it should be considered progressively in order to enable development of specialized channels. Its current program services are generally profiled according to the requirements that they should fulfill. Basically there is genre diversity. In the last two years, efforts have been made to be achieved some of the principles for the realization of the functions of public service broadcasting (universality, diversity, independence, individuality and quality). It should be worked on attractiveness, inventiveness and analytics of the programs, devising original stage solutions, harmonization of standards for technical quality of programs and alike. It is the obligation to nourish the cultural identity of communities and respect for cultural and religious differences to build an approach that will be common for all radio and TV programs, offered by MRT. Radio and TV services of ethnic communities need to create a program schedule and the editorships of all the languages of the ethnic communities to take part in the programs. Parliamentary channel does not provide enough informing of the citizens of parliamentary activities and should be reorganized into specialized service under the editorial responsibility of MRT. Generally, MRT as a public broadcasting service lacks common uniform editorial policy.

In the TV offer of the commercial sector dominate services with predominantly entertaining general format, which is more visible at the national and regional level. In radios there is a greater diversity in terms of the format of services. TV has quite similar genre structure in which the feature film program dominates. Programs from domestic production are lacking, primarily plays and programs for children, and programs that meet the educational function are reduced to minimum. Media at local and regional level are lacking information about local and regional issues and events. In radio stations pop music is dominant.

In the nonprofit broadcasting sector in Macedonia there are three student radios. A concept is required for further development of the media community.

The audience in order to inform still is using the television the most, but the role of the Internet as a platform for daily information is growing continuously.

1.1 Measures

- MRT to be given opportunities to create specialized services, based on its financial conditions and needs of the audience and by means of a well-defined transparent and inclusive procedure in which the regulator compulsory participates.
- The public broadcasting service to provide a common editorial policy of all radio and television program services he offers and by means of nurturing culturing identity of the community and respecting the cultural and religious differences, to build approach based on estimation of the program standards
- Parliamentary channel to be reorganized into political channel as a specialized service under the editorial responsibility of the MRT with programming concept in which the tools of professional journalism are used.
- MRT should by means of public consultations to check citizens' opinion about its program
- To stimulate the development of commercial specialized program services.
- To motivate the media at local and regional level to provide information about local and regional issues and events
- The direction of development of non-profit broadcasting institutions in the Republic of Macedonia to be elaborated in a separate document.
- To stimulate the development of multi-ethnic media.
- To retain obligations for broadcasting originally created program and vocal-instrumental music in Macedonian language and in the languages of ethnic communities, and in the Law to be determined which period of twenty four hours these obligations should be fulfilled.
- To be envisaged an obligation of the commercial broadcasting services along with the television program services annually to broadcast a certain number of hours premiere originally created feature film program.
- Commercial television stations broadcasting at state level, to fulfill their obligation for European audio-visual works by means of broadcasting works of independent producers
- To ensure the protection of minors appearing as perpetrators, accomplices or victims of crime or any form of violence or accidents
- Increasing awareness among providers of linear and non-linear media services and media workers manifestations of hatred and intolerance on different grounds in media products and to provide tools for their avoiding.
- To increase editorial culture in the media, to strengthen awareness of the importance of independent editorial policy, professional journalistic standards and respect of human rights in media products by means of self-regulatory mechanisms.
- Providers of linear and non-linear media services gradually to make their programs available for persons with sensory disabilities (hearing and sight)
- Audio-visual works financed by the State Budget or other public funds to be adapted for people with sensory disabilities (hearing and sight)
- Providing clear rules for program standards for non-linear audiovisual media services and their proper application.

2. Illegal media concentration and transparency of ownership

Provisions of the current Broadcasting Law which refers to the horizontal, vertical and diagonal integration of capital, i.e. the thresholds that allow the participation of a natural or legal person in more broadcasters or other companies, ensure pluralism of ownership and opportunities for development and consolidation of the broadcasting entities. Broadcasting council of the Republic of Macedonia in the period from 2008 up to now, has established illegal media concentration in a total of eight broadcasters, in the sense that the founders or managers of these broadcasters simultaneously figured as founders of companies registered for activities that are incompatible with broadcasting. Following the implication by the Council, all eight broadcasters have eliminated the illegal media concentration. It has been proven in practice that when there is a hidden ownership linkage, the Council does not have sufficient authority to take actions aimed at unveiling the real owners of some media.

In cases when there is no formal ownership connection and the Broadcasting Council has doubts that there is a common approach on the market, by means of banned agreement and/or harmonized behavior between the broadcaster and companies registered for any of the activities pursuant to the Broadcasting Law incompatible with the broadcasting activity (advertising, film production and distribution of audiovisual works, telecommunication services, society for market research and public opinion company conducting investigation and security activities or the company in the field of press that publishes a daily newspaper or news agency), the Council will inform the Commission for protection of competition and shall submit all information and data in order to act in accordance with their legal mandates. In this sense, it is necessary to make certain amendments to the existing Memorandum of cooperation between the Broadcasting Council and the Commission for Protection of Competition.

In terms of transparency of ownership, which is provided by the broadcasters' legal obligation to publish this information in a newspaper of its own program, the experience showed that most broadcasters fulfill this obligation. These information are available for the public on the website of the Broadcasting Council (www.srd.org.mk).

2.1.Measures

- When preparing the new legal media regulation, the authorized proposer (Ministry of information society and Administration) in the section relating to illegal media concentration should take into consideration the new types of media.
- Changes and amendments to the existing Memorandum for cooperation between the Broadcasting Council and the Commission for Protection of Completion and the forming of a common committee for cooperation that shall hold regular meetings
- In the new media regulation to be provided obligation of the Broadcasting Council to publish data on the owners of broadcasters on its web site.

3. Economic potential of the broadcasting industry

In the period from 2007 to 2011, the total revenues realized by the public broadcasting service have variables. However, in each of these years a significant share in the total revenues funds on various bases were transferred to the account of the Macedonian Radio Television (hereinafter MRT) from the Budget of the Republic of Macedonia (2007 - 535.61 million, in 2008 – 732.03 million, in 2009 – 360 million, in 2010 – 417.65 million and in 2011 – 305.3 million). The funds as revenue generated from the broadcasting tax in this period have shown continuous growth.

Advertising revenues have highest value in 2008 (64.85million) and the lowest in 2011 (15.08 million).

From the data on the revenue structure of commercial television stations, it can be seen that almost no television, including the television broadcasting program at national level and that are already well established as important entities in the television industry, do not generate revenue from the sale of programs.

A serious barrier to development of the broadcasting industry in general, is the practice of selling advertising time on unfair selling prices. Some broadcasters, mostly those who have significant market power, in order to gain as much of the advertising budgets, to the advertisers offer prices that are far lower than those listed in the official list prices and the actual prices, bringing the rest broadcasters in disadvantageous competitive situation. This practice is particularly harmful and at long term causes serious negative consequences for all parties in the television market. It is necessary to take measures in order to prevent further distortion of competition and to create conditions for a favorable economic environment for all parties in the market. In this sense it is necessary continuously to monitor the market situation and to take appropriate measures and activities to prevent these occurrences.

In the practice so far, another way of violating the market competition was the broadcasting program contents without regulated copyrights by some broadcasters, as well as retransmission foreign channels without regulated copyrights by operators of public communications networks (in 2011, the joint participation of foreign channels in total ratings was 20%). In the last period, the Broadcasting Council took measures aimed at preventing such occurrences, leading to improvement of the situation in most of the operators of public communications networks. The Council continues within its legal powers to undertake measures in order to prevent these occurrences.

3.1 Measures

- In the new media regulation to be provided an obligation of MRT to prepare regular annual economic analysis based on which will be calculated funds that the public service needs in order to perform public nature functions, which will be the starting point for calculating the amount of broadcasting fee.
- In the new media legislation to be provided an obligation the rules for state aid control to apply in the financing of MRT. It is necessary in the future for any subsidies from the state budget to be submitted to the commission for protection of completion in accordance with the Law on state aid control.
- In the new media regulation to be determined the rules for advertising and to be predicted the obligation of the orderers of advertising spots whose broadcasting is financed by public funds, irrespective of whether they are broadcasted on the public service programs or on the commercial broadcasting companies, to be established clear, transparent, fair and non-discriminatory criteria for the selection of media that will broadcast these videos.

- Amendments to the current memorandum for cooperation between the Broadcasting Council and the Commission for Protection of Competition and the establishment of a common committee for cooperation that will hold regular meetings in order to monitor market conditions continuously, ascertaining harmful contracts (by determining unfair sales prices) violating the competition, concluded between a certain medium and other market entities (with other media, advertising market intermediaries, operators of public communication networks, etc.)

4. Regulation on audio and audiovisual media services

The Broadcasting Law has arranged terms and manner of broadcasting and matters of public interest in the field of broadcasting.

Since 2005, when adopted, so far the law has undergone several amendments. With them among other things: harmonization with the law offences; some terminological renaming were made, standardization of bankruptcy and liquidation of the public broadcaster and commercial broadcasting company was performed; the amount and manner of determining the monthly amount of the license fee was prescribed, the possibility of bankruptcy and liquidation of the public broadcaster MRT was revoked; authorization, of the Public Revenue Office to determine and charge a broadcasting tax in accordance with the Law on tax procedure, was granted; the number of members and authorized nominators for members of the Broadcasting Council was increased.

In the course of application of the Broadcasting Law, Broadcasting Council, despite the implemented amendments, has noted certain ambiguities and inconsistencies in it, constituting an obstacle of effective application of the law in practice, for example, unclear provisions, insufficiently regulated questions, lack of misdemeanor provisions in part of the Articles in the Law and so on. The law also does not include audio and audiovisual media services that have appeared with the development of information and communication technologies that have not yet been aligned with the Audiovisual Media Services Directive.

There is a lack of domestic regulation that creates an obligation of the domestic institution to keep a register of holders of public functions at all levels of government, creating real terms for consistent application of Article 11 of the Act, which prohibits these persons and their family members to perform broadcasting activity and to be owners of media or have a share in the ownership of the media.

Broadcasting Council, for the purpose of consistent and non-selective application of Article 11 of the Broadcasting Law, in April 2012 has ordered the broadcasters in the Republic of Macedonia to harmonize their work with this regulation not later than 09.30.2012. During this period, six broadcasting companies whose functioning was problematic from the point of view of Article 11 in conjunction with Article 18 of the Broadcasting Law, harmonized their working.

It is still obvious that the retransmission of program services for which the copyright and related rights are not regulated, and certain regional and local broadcasters occasionally broadcast cinematographic and television movies without regulated rights, which is a violation of those rights and unfair competition.

Practice has shown the necessity of a body / institution to be responsible for registration of program packages of operators of public communications networks. Now the responsibility is divided between the Ministry of Culture, which issues certificates for regulated Copyright and Related Rights and the Council, based on certificates, registers the packages.

It is necessary to establish a right of supervision of the regulator on the work of the public communication networks, broadcasters and other audio and audiovisual media service providers, in terms of respecting copyright and related rights.

Broadcasting regulation has no precise provisions on the exclusive rights for broadcasting, especially when domestic and foreign broadcasters simultaneously broadcasted in a public communication network, emitting the same program.

It was found that in certain domestic regulations, are contained solutions to specific issues that are different from the solutions contained in the Broadcasting Law. The point is the Law on Higher Education, the Law on the Legal Status of church, religious community and religious group and the Electoral Code

4.1 Measures

- Granting licenses for linear media services to be performed on the basis of competition and issuing licenses for non-linear media services to be performed and based on request / notification.
- Clear and precise rules on the conditions under which the license may be revoked permanently or temporarily both for linear and non-linear media services.
- Regulation for operators of digital terrestrial multiplexes and the manner, conditions and procedures for the transition of the existing broadcasters from analogue to digital broadcasting.
- Obligation for keeping and updating the Register of office-bearers in the Republic of Macedonia.
- In the media regulation to be defined the terms "public office-bearers" and "family" in the context of restrictions on media ownership.
- Preventing and sanctioning, through supervision by the Broadcasting Council:
 - the possibilities for illegal retransmission of program services by means of public communication networks and other potential possibilities for breach of copyright and related rights in the field of traditional broadcasting, and thus unfair competition,
 - Violation of the laws and bylaws, program requirements and restrictions as well as the terms in the license for performing activities.
 - Exclusive jurisdiction of the Broadcasting Council for registration of packages with the program services of operators of public communications networks.
- Jurisdiction of the Broadcasting Council, in the supervision (ex post), to check the documentation for regulated copyright and related rights for retransmission and transmission of audio and audio-visual contents by operators of public communication networks, broadcasters and other media service providers.
- To be provided a legal requirement for broadcasters to indicate contents by so called digital thumbprint etc.
- To be standardized the amount of the fee of broadcasting license for conducting (broadcasting) activity with the economic conditions in the market.
- Obligation of nonlinear media service providers to pay an annual fee for supervision.
- Obligation of operators of public communication networks to pay an annual fee for supervision.
- Obligations of the Broadcasting Council, in conjunction with the evidence registry of representatives of movie, sports and other television rights and representatives of program services in the Republic of Macedonia.
- Arranging the exclusive rights and further regulation of the approach to events of major importance.
- Right and obligation of the Broadcasting Council for education of the supervision entities
- Mutual harmonization of the Law on Higher Education, the Law on the Legal Status of Churches, Religious Communities and Religious Groups, Electoral Code and the new media regulation.
- Stimulating self-regulation and co-regulation processes.

5. Audiovisual media services in the digital environment

Technological development, especially the development of digital technology has changed the perception of the media. Traditional broadcasting have got strong competition of new interactive media contents.

The Internet has caused essential changes in the use of audiovisual contents. Surveys have shown that to a large group of users of media contents the television is not any longer their primary medium. Much of the media attention focuses on the personal computer or the Internet and the new forms of media entertainment, such as the computer games and virtual worlds for socializing.

Despite the convergence of technologies and platforms, it is expected convergence of terminals for signal reception. Terminals in itself will integrate several reception technologies, thereby the television becomes interactive and subordinated to the needs of the consumer.

The process of digitalization of the broadcasting activity in the Republic of Macedonia is in its final stage. Terrestrial televisions in the Republic of Macedonia are in the period of simultaneous analog and digital broadcasting programs on the television services. The analogue broadcasting switching off will take place on 31 May 2013.

Existing broadcasting companies that broadcast television program at local level will be allowed to broadcast at regional level without competition if they fulfill the requirements specified in the bylaws prepared by the Broadcasting Council. Other local broadcasting companies will be able to broadcast by their own digital terrestrial transmitter (for local service area by one broadcaster) or via digital multiplex operator intended for broadcasting at local level (for local service area with more than one interested broadcaster for digital broadcasting at local level).

Distribution of audiovisual media services via digital terrestrial platform was launched in September 2009 by granting of three multiplexes. This platform performs retransmission of program services from Macedonia and abroad.

In January 2012, both multiplexes of the Public Enterprise "Macedonian Broadcasting" started working, intended only for broadcasting of programs of the public service broadcasting, and to the analogue broadcasting switch off and commercial broadcasting companies programs at national and regional level.

Multiplexes MUX 6 and MUX 7 are intended for broadcasting television services of commercial broadcasting companies that broadcast national and regional level program. These two multiplexes upon conducted tender procedure have been given to public communication network operator who is obliged to broadcast a signal for free reception (free to air).

Possible negative effect of the digitalization of terrestrial television is the emergence of "digital gap" in the majority of users who use only terrestrial mode of signal reception. The digital gap is expected to reduce by providing reception devices free of charge for the most vulnerable social categories by the Government of the Republic of Macedonia.

By completion of the digitalization process it will enable more rational use of frequencies. Liberated frequency range, called digital dividend, will be used for public mobile communications networks and services of the following generations (primarily 4G), which is in line with the recommendations of the European Commission.

According to the survey on the level of public awareness about the transition to digital broadcasting conducted by the Broadcasting Council, almost two-thirds of the households in the Republic of Macedonia have television sets with a cathode tube of the older generation,

in which is not incorporated the receiving device for digital terrestrial television, and roughly the same number of the examinees do not know that in 2013 the analogue television broadcasting will be switched off.

The digital media world offers the user greater creative freedom and option to choose contents. This is enabled by the electronic program guide intended for target navigation, based on personal preferences and desires; the digital video recorder by which it can be temporary postponed the watching audiovisual contents and to skip advertisements, as well as the service "video on demand".

5.1 Measures

- To specify the legal framework in the field of digital terrestrial television broadcasting.
- To determine the conditions the local broadcasters should fulfill in order to obtain a regional broadcasting permission.
- To provide digital terrestrial broadcasting of television program services at local level.
- To raise public awareness of the benefits of switching off the analog signal and the introduction of digital television.
- To complete the process of digitalization of the public communication networks.

6. Media Literacy

At present it can be given only a partial assessment on the level of citizens' media literacy in the country because a comprehensive analysis has not been carried out yet. Researchs have been conducted on various indicators and more relevant subjects who occasionally have activities in this context, but it is not enough in order to get a relevant image of media literacy. Observed from the aspect of *media education*, the media literacy is present in the syllabus in Macedonian, Albanian, Turkish and Serbian language in the nine-year primary school from first to ninth grade. It is part of the syllabus for the third year in Macedonian Language and Literature, Albanian language and literature and Turkish Language and Literature in secondary vocational education and is not envisaged in the syllabus for high schools.

Within the three-year improvement project of media literacy in the education in the Republic of Macedonia it is published a rulebook on media literacy in the mother tongue teaching (intended for teachers), but there is no continuous training for teachers, educational activities and providing didactically resources (such as indicators in the field of media education). The concept of media literacy is not embedded in *media policy*, i.e. in the domestic media legislation and the regulatory bodies of this field each from their own perspective, organize educational campaigns or workshops. There are no information about the engagement of the *media industry* in raising the media literacy, and many researchs (domestic and foreign) indicate that in the media there are a lot of potentially harmful contents or that the basic human rights and freedoms are not obeyed. Many *civil society* organizations have activities in the context of media literacy development.

6.1 Measures

- The concept of media literacy to be included in the media policy of the Republic of Macedonia.
- To ensure further development of media literacy in the education.

1. PLURALISM AND DIVERSITY OF PROGRAM CONTENTS

The issue on reflection and assessment of media pluralism in a democratic society is multi-layered and multi-dimensional endeavor which means reviewing series of programming and a number of economic aspects. The principles of implementation of this procedure are subject to a number of European documents¹, some of them created by the regulatory bodies themselves. Given the fact that this is a document that should provide strategic guidance for the further development of broadcasting in Macedonia, pluralism is presented by the previous analysis and researchs, which will serve as a basis for making references.

Maintaining of media pluralism is important because it contributes to the well functioning of the democratic society by: "Informed citizens - able to access and use a wide range of points of view from various platforms and different media owners and preventing excessive impact on the political process - of any owner of the media."²

It follows that a media pluralistic society will remain to exist provided that a variety of views are ensured and if the situation where a media owner will have too much impact on the public, is avoided. The second issue concerns the so-called external pluralism, in the sense of "the scope and the number of persons that have a control over the media enterprises in the context of their ability to affect opinions and control the agenda"³, i.e. the issues on competition among the media, which is covered in Chapter 2.

This part of the strategy shall deal with the reviewing of the so-called internal pluralism, i.e. the question "how the range of views expressed in the media enterprises can provide enough variety (plurality), including the effects of the rules on impartiality in the news of the broadcasters, the culture of the informative editorships and the audience's expectation"⁴.

Editorial boards' culture is actually a phrase that means a series of collective values shared by members of an informative editorship, which are reflected in the characteristics of the editorial meeting, the deployment tasks, checking the text, arrangement of the news, the language used by the people⁵. It is directly related to the provision of internal media pluralism because it covers the level of professionalism, i.e. the level of editorial culture of the medium is directly related to the readiness to ensure pluralism of opinions, points of view and attitudes.

Lead by the fact that the diversity of views should be developed within the frameworks of each medium, but also in the media sphere in general, program contents pluralism that are offered to the audience in Macedonia, will be examined at three levels:

- Diversity of offered program services in terms of media with different program nature, format i.e. features
- Diversity of genre offer within the frameworks of program services and
- Diversity of viewpoints.

¹ Leuven at. all, (2009) Independent study on indicators for media pluralism in the Member States - Towards a risk-based approach, study of the European Commission available at:

http://ec.europa.eu/information_society/media_taskforce/doc/pluralism/study/final_report_09.pdf

² OFCOM (2012) Measuring Media Plurality: Ofcom's advice to the Secretary of State for Culture, Olympics, Media and Sport, .: 8 (bold in original), available at: <http://stakeholders.ofcom.org.uk/binaries/consultations/measuring-plurality/statement/statement.pdf>

³ Ibid

⁴ Ibid pg.: 8 – 9

⁵ Dean Rosenstiel, T., et al. (2007) We Interrupt This Newscast: How to Improve Local News and Win Ratings, Too New York: Cambridge University Press pg.: 180

In the first two levels the pluralism will be examined in terms of broader genre offer in terms of what programs the audience expects knowing what kind of services are available, and what kinds of programs are offered by the broadcasters itself by the creation of program schemes within the nature of their own media. The third level will give heed to the viewpoints transmitted in the news and information programs⁶.

In order to consider the issue of pluralism in a more comprehensive context, it is necessary to take account of political pluralism of the audience or users which refers to "the availability to the citizens (in terms of will or initiative) and opportunities (in terms of skills) for access, critical appraisal, consuming or active usage of media by extracting, analyzing and / or supporting certain political beliefs and opinions that are propagated through the media"⁷.

Media pluralist Macedonia compulsorily should have a wide range of various independent media operating on different platforms, their range and usage should be relatively high to people of various demographic characteristics and different regions, so the users will actively use a higher number of sources⁸.

1.1 Nature of services

In December 2012, the Republic of Macedonia, besides the Macedonian Radio Television has a total of 148 broadcasters - 66 TV and 82 radio stations, 13 of which broadcast program at state level⁹, 27 at regional and 108 at local level.

The numerousness of the media that are available to citizens in a state, can create conditions for diversity, but at a higher degree of pluralism in the program offer other measures are needed and their professional adherence. The first of these measures that are taken in Macedonia are concerned with the nature i.e. the characteristics of program services.

Each commercial program service i.e. any radio or television station, the moment it receives permission to perform broadcasting activity, obliges itself that will broadcast program service of a particular nature - still also known as a format. As a basis for determining the modalities of the format, the core of nature of the journalism has been chosen - the fact that it fulfills three functions: informative, entertaining and educational, and the Rulebook¹⁰ in which they are specified, has been tested in practice and has been adapted to the real possibilities for its realization. In all televisions and those radios that emit more than 10% talk content per week, the format is determined by the media function that fulfills these contents, i.e. whether the goal is to inform, entertain or educate. There are seven format variations for television and talk and talk and music radios (four general and three specialized). In radios with less than 10% talk per week, the format is determined by the music they broadcast.

6 Most of European regulators deem that it is methodological vivid political pluralism to be analyzed in the news and informative programs, because it is expected to transfer, suppose and contrast different political views and attitudes and have the greatest impact on the formation of public opinion and the determining the political agenda. For more details see the Broadcasting Council of the Republic (2010), political pluralism in news MRT, p. :11-14.

7 Leuven at. all, (2009) Independent study on indicators for media pluralism in the Member States - Towards a risk-based approach, European Commission study (italics in original), p.: 45 available at: http://ec.europa.eu/information_society/media_taskforce/doc/pluralism/study/final_report_09.pdf

8 According to the parametres elaborated in OFCOM (2012) Measuring Media Plurality: Ofcom's advice to the Secretary of State for Culture, Olympics, Media and Sport, pg.: 11, available at: <http://stakeholders.ofcom.org.uk/binaries/consultations/measuring-plurality/statement/statement.pdf>

9 Macedonian Radio is considered as a single entity, but it broadcast many radio and television program services, as explained below in the analysis.

10 Details of the method of determining the format offers the Rules for the formats of radio and television program services (Consolidated text), available at: http://www.srd.org.mk/images/stories/Pravilnik_z_a_formatite_na_rtv_programskite_servi

The nature of program services of the broadcasting entities in the nonprofit sector is determined by the license and arises from the needs of the community they are intended for. Namely, non-profit radio licenses are granted to less specific interest groups or communities which have special media needs that not at all or to a large extent are unable to satisfy by means of the programs of commercial and public sector. Hence, in the license, as obligations which the radio must fulfill from program aspect, are stated the characteristics resulting in a program appropriate to the needs of the community.

1.1.1 Macedonian radio television

Macedonian Radio obtains its right to broadcast directly by the Broadcasting Law, and in order to perform the functions of the public service broadcaster. Hence, MRT is not bound by format, as the entities of the commercial sector, but its program offer, in accordance with the European and international principles, should be shaped so that it will respect the principles and characteristics of universality, diversity, independence, individuality (and quality) of the program. In fact, the expectations of it are greater, because it needs to fulfill its mission of public service in the society.

MRT is a system from a number of television and radio program services. With the current legal solution, and as a result of the restrictions imposed by operations in the analog environment, some of the services that are designed for domestic audience is defined as the final, which is the limiting factor in terms of development of the public service¹¹. Part of the services, which are designed for the emigrants or generally for audience outside the country is not clearly determined¹². By the future legal decision they need to be more accurately determined and those services that receive funding from the Budget of the Republic of Macedonia, it should be determined automatic mechanisms for the inflow of funds in order to avoid any possibility of impact on the independence of public broadcasting service.

In the future media law it should be prescribed more precisely the minimum number of services that MRT should broadcast for the domestic audience and then to leave space to the public service, depending on the needs of the audience and the financial capabilities to conceive, create and develop other specialized services. It should be developed a solution for public debate on their necessity, having in mind that they predominantly will be funded from the broadcasting tax, and the regulatory body in charge for the contents should give an opinion.

11 For example: "MRT, on the territory of the Republic of Macedonia, broadcast one television program service in the Macedonian language and one television program service in the language spoken by at least 20% of the population that is different from the Macedonian language and other minority communities." Article 11, paragraph 1.

12 For example: "MRT broadcast at least one radio and one television program service via satellite for the emigrants and citizens of the Republic of Macedonia who live in Europe and other continents in the Macedonian language and the language spoken by at least 20% of the population that is different from the Macedonian language and other minority communities.", Article 117, paragraph 5.

1.1.2 Commercial sector

Program offer by formats indicates entertainment dominance. Among the top ten commercial television stations at national level, only six have mostly entertainment general format. This format have six of the nine regional broadcasters who are struggling for Skopje's audience, one in Albanian , one in Bosniak, and four in Macedonian language.

At local level there are 13 televisions with a common format that fulfill the three media features, 33 mostly entertainment general format and one with predominantly informative general format. Although at first glance TV stations with mostly entertainment general format frequently appear, the situation with diversity in terms of the nature of the offered program services is actually improved because if there are more than two of this kind stations in one area - they broadcast programs in the languages of the different communities.

A total of three radios that broadcast program at state level, one of which is talk and music, and two are music and talk radios with a common format.

In the territory of Skopje, for now as being the only broadcaster region, among the radios there are four talk and music radios of common format that in the talk part of the program have to fulfill two of the three functions, four music and talk radios of general format, two specialized talk radios with entertaining function, two music radios of general format, one music radio specialized in pop music, one music and talk radio specialized in pop music, one talk and music radio with predominantly informative general format, one talk and music radio with mostly educational general format and a music and talk radio specialized in classical music.

Regarding the radios of local level there are 27 music and talk radios of a general format, ten talk and music radios mostly informative general format, six talk and music radios mostly entertainment general format, three music radios of general format, three talk radios mostly entertainment general format, two talk radios with two media functions, five talk and music radios with two media features, two talk predominantly informative general format and one specialized music radio format for newly created folk music. The situation in these radios is similar to that of local television and for the same reasons: because they broadcast program in different languages and in different areas.

Regular one-day monitors, whose purpose and focus is the monitoring of compliance with the obligations under the law and bylaws, as well as format's analyzes, provide information about whether the broadcasters pay heed to adhere to the format. They show that those broadcasters who are more prone to respect professional principles in operations are more serious and in the implementation of the format. Those broadcasters (primarily television) who by the program service they broadcast fail to fulfill the format, it can be said that conditionally belong to two groups: the first ones are guided only by the principle of economic income and does not perceive nor accept the wider public responsibility they have due to the ability to affect public opinion, and the latter are on the edge of existence, but do not accept the fact that their investment in broadcasting is unsuccessful.

Research of the audience¹³ conducted in 2012 shows that 66% of the respondents watch TV primarily to inform, as opposed to 18% of which entertainment is primary, and 14% watch it primarily due to educational reasons. Radio usually serves as entertainment to 51% of the respondents, daily information to 25%, and to learn something to 11%. In addition, most of the respondents lacked a specialized local TV station, as follows: 18% lacked documentary channel, 17% film, 15% sports, 11%

¹³ Survey of public opinion for the purposes of the Broadcasting Council of the Republic, conducted by the Institute for Democracy "Societas Civilis" in Skopje

channel for cultural events, and 10% kids channel. These findings open space to stimulate the development of specialized program services in the commercial sector by announcing competitions for this kind of services. Also efforts should be made licenses for televisions with mostly entertainment general format at state level and level of the city of Skopje to be granted, only in case it's a matter of offer conceptually different from the existing ones.

1.2 Genre diversity, program inventiveness

1.2.1 The offer of the public broadcasting service: reality and expectations

In the first place by the public broadcasting service is always expected diversity in the offered genre program. In fact, it is expected to be an example of respect for professional standards and a supporter of social values. He should work on behalf of the public interest, and for that purpose, by the law is stipulated that there should be a program schedule in the interest of the public, that will produce and broadcast programs for all segments of society, including various specific social groups, i.e. the marginalized groups, and the elderly as a audience with specific media needs, and deaf and hard of hearing people other persons with disabilities; would not discriminate and will respect human rights; through its programs - on which government, political organizations and centers of economic power will have no influence - will reflect different ideas; election will cover balanced providing free airtime to political options; through programs will nurture the cultural identity of the community, will respect the cultural and religious differences, will inspire the culture of public dialogue, nurture languages, to assist in the building of Macedonia as a multiethnic and multicultural environment; would develop domestic audiovisual works and internationally will affirm Macedonian cultural identity; would inform about the regional and local particularities and events. All this is a program of the standards which have drawn public service mission in the Republic of Macedonia.

MRT television offer intended for the audience in Macedonia consists of the first program service - MRT1, the service of languages of the ethnic communities - MRT2 and the Parliamentary channel on which frequency is also broadcasted the program of MRT. In addition, the public broadcasting service also broadcasts satellite channels intended for emigrants.

In recent years has been done more analysis of the MRT program offer. The intersection of the analysis of television services performed from 2007 up to now, shows that in the last year or two, efforts have been made to reach the principles of universality, diversity, independence, uniqueness and quality i.e. measures are taken in the direction of realization of the public broadcaster's function.

From the point of view of the diversity of the offered program, the comprehensive weekly analysis¹⁴ of 2011 has shown that about half of the program MRT1 has an entertainment feature, and the rest is almost equally arranged between programs with informative and educational function; MRT1 program is physically accessible to almost the entire audience in the Republic of Macedonia; efforts are made to broadcast programs which are intended for different target groups; basically it strives the programs in their premiere show to be located in periods when it is expected to reach the intended audience and that the number of programs available for people with hearing impairments is increased.

¹⁴ Broadcasting Council of the Republic (2011) Report of the analysis of television program services of the public broadcaster MRT (3-9 October 2011), p.: 18-19, available at: http://www.srd.org.mk/images/stories/Analiza_na_TV_programski_servisi_na_JRS_MRT

The first program of MRT offers: genre variety informative program "but should continue to work on the quality, attractiveness, inventiveness, analytics, profoundness of its realization"¹⁵; there are more domestic audiovisual works, mostly documentaries, but some are too often repeated and it is necessary further increasing of the Macedonian film production (own, co-production, custom-made, bought); the share of European audiovisual works is increasing, and in the further development of the feature film program, it would be better to pay more attention to European cinema, not just series and animated films; option for free airtime campaigns of public interest is still too much present; Public service needs more programs for children and cultural programs; he requires a more serious effort to design original stage solution programs; there is a need to balance the quality standards of the programs. It is necessary legally to determine precisely what is meant by announcements of public interest that can be broadcasted for free, and MRT by means of public consultations should check the customer satisfaction for its program.

Things are driven by long dead point but "it is necessary continuously to work on building a new, better quality service so he could become a true public forum and a place for critical thought and deliberation, program that offers a variety of information quality shaped audiovisual units. "¹⁶ In September 2012, the first MRT program made more visible conceptual and technical changes, the results of which should be yet seen.

Rebranding also happened in MRT2 as a program service in which are broadcasted media products of the editorships in the languages of ethnic communities. On this service there is a time division of the periods of the day and week that resulted in the Albanian language weekly editorial broadcast 98 hours of programming, editorial Turkish about 17 and a half hours, and editorials of Bosniak, Vlach, Roma and Serbian have approximately one-half to two and a half hours of program a week. Among the programs in all languages dominates the entertainment function, and the design of the program has concrete practical obstacles:

The duration of each of them influences the ability to shape the program schedule, i.e. the first two programs consist of several wholes and except news have information, entertainment (music and dance program) etc.. Others basically function as an programme with a specific name ... These blocks, depending on the choice of editorial contain news, press releases, informative or entertaining - informative passages, songs, interviews or documentaries about important persons in the community and so on. "¹⁷

This service is aimed at a number of ethnic communities and the purpose of its existence is to satisfy the media needs of the ethnic groups living in Macedonia, which the need to increase the capacity and improve the quality of the programs of the smaller ethnic communities is obvious. At the same time, the service should be a place of our merging, a place where we would will learn from each other.

In this context, another important disadvantage of the broadcasted contents is that they do not encourage the promotion of inter-community relations in a multi-ethnic and multicultural society, such as the Macedonian, through the promotion of mutual understanding and tolerance. Given the fact that the contents are not translated in the languages of other ethnic communities, the viewers due to the language barriers are forced to watch TV programs only when it is in their mother tongue. "¹⁸.

¹⁵ Ibid

¹⁶ Ibid. pg.:20

¹⁷ Ibid. pg.: 9

¹⁸ Broadcasting Council of the Republic (2010) Analysis of MRT programs in 2010, p.: 50.

The Advisory Committee of the Council of Europe in the second opinion related to the implementation of the Framework Convention for the Protection of National Minorities (FCNM)¹⁹ about the approach and the presence of national minorities in the media recommends the Macedonian authorities to develop and support initiatives for greater understanding and intercultural dialogue, both through content and through the selection of participants in the programs, especially through the creation of multicultural programs. To effectuate this recommendation, it is necessary the public service to build such an approach to the obligation to nurture the cultural identity of communities and respect the cultural and religious differences, which will be based on compliance with program standards and will be common to all radio and TV program services he offers.

In the context of the recommendation it seems that the time and space on the second MRT program service could be used better by means of application of an integrated approach by which it would have been obtained a service that is available to everyone all the time. One of the possible solutions is instead to divide the day into blocks that will belong to various editorials, they all together to contribute to the construction of program and the creation of programs. For example, the programs can be mutually realized by journalistic products made of all editings, and with the opportunities offered by digitalization, such mutual programs could be watched in all languages, including Macedonian. This will provide a variety of ideas, abundance of aspects for each topic, processing angles different from the experience of each of us as members of their own community. In one place you will be able to see different ways in which politics, economics, health, religion, education, entertainment, literally every sphere of social life is reflected in members of different groups and will contribute to acquaint with the others. In this way it will get a program service that will promote cohesion, rather than reflect the divisions in society. In addition, the practical benefit will be the ability each of the programs to be broadcasted at a time that is suitable to reach the target audience. It is indisputable that the first program service MRT should cherish and apply such an integrated approach.

Parliamentary Channel, whose existence basically was supposed to be one of the means for civil verification of the Members of the Parliament, should be profiled in real program service that will be an integral part of the MRT. There is no doubt that in a democratic society there is a need to establish a direct link between citizens - voters and their representatives in parliament. The Council since 2007 stands for, and that are the key notes of the Conference on broadcasting transmission of the parliamentary activities by means of specific TV channels and public broadcasting systems²⁰ that the control over the channel should not have the Assembly, but it is necessary to ensure its editorial independence ; it should be broadcasted independent quality programs through which the reporting on parliamentary activities will make more interesting and more comprehensive taking into account the reach to the audience, not ratings. In the Conference²¹ are also raised several other issues - some of them already mentioned in Macedonia, and some new ones. For example, it is indicated that the parliaments themselves can do something due to better taking advantage of this opportunity and directly to fulfill the requirements of transparency and accountability in their own working²².

19 Advisory Committee on the Framework Convention for the Protection of National Minorities: Second Opinion on "the former Yugoslav Republic of Macedonia Adopted on 23 February 2007, pg.: 22, available at: <http://www.unhcr.org/refworld/category/COI/COESFCPNM,,MKD,487778032,0.html>:

20 Organized in October 2006 by the Inter-Parliamentary Union, the Association of Secretaries General of Parliaments and the European Broadcasting Union.

21 The Challenge of Broadcasting Parliamentary Proceedings, p.: 30 - 32 available at: http://www.ipu.org/pdf/publications/ebu_en.pdf

22 In Sweden, the legislature introduced new working procedures so that the majority should first explain its proposal, o the public can understand the debate that will follow.

It is also stated that the most successful channels are those that do not cover only the Parliament but the whole political process²³. It may be considered to transfer events from the European Parliament and also the citizens to be directly informed about political events there.

The necessity of changing the current way of editing of the Parliamentary Channel is most clearly seen from the fact that the channel should be concentrated on the work of the Parliament, the activities of the legislature in 2011, were represented by only 14.49% in the program²⁴. In 2010, almost three times more prevalent were the programs aired by the MRT logo than parliamentary activities²⁵. Necessity of change and directions for its development in the future, except the Broadcasting Council, have pointed the entities of the Non-Government sector in Macedonia in its analysis of public broadcasting service. Thus, the authors of the "Analysis of public broadcasting in the Republic of Macedonia in the context of European media policy", specify that for the editorial responsibility of channel should be obliged MRT, it should broadcast only parliamentary activities, the Assembly should establish a separate legal entity, but to stay involved in the formulation of the program concept with Editorship of MRT. It also recommends the development of the new concept preceded by a comparative analysis of these channels in other countries in Europe²⁶.

Based on these previous Macedonian analyses based on comparisons and examples of the Conference on broadcasting transmission parliamentary activities, future conceptual placement of the Parliamentary Channel can be founded on the following postulates:

- Editorial responsibility for the service to bring back in the hands of the Macedonian Radio and Television, which would eliminate the current collision course with the Broadcasting Law, where the Article 11 stipulates that national authorities can not perform broadcasting and in Article 4 it is clearly stated that the broadcaster has editorial responsibility. In this way will be ensured respecting the principle of autonomy, independence and liability of the service and a guarantee of the constitutional right to freedom of expression, reception and transmission of information or ideas. The Council of the Parliamentary channel can participate in the creation of the general concept of the channel, but not in his editorial policy;

- The channel primarily would be devoted to the work of the Assembly, would have retained the current transmissions or postponed broadcasting of the sessions of the Parliament and its bodies, but at a higher level of technical performance and professional journalism;

- In addition, the channel would be devoted in monitoring the activities of the Government and the President. In the concept should be clearly pointed out under which circumstances and which activities of the Government should appear on the program of this service (in live or recordings from a number of sessions, press conferences and speeches of the Prime Minister). In addition to ensure balance in the coverage of political processes in the country and pluralism of political views of the service, for each government appearance - the parliamentary opposition would have adequate time from the Parliament (special places for making statements or a separate studio) to express her position or comment on the topics

23 And again Sweden is listed as an example in which to make a balance, at the time of transmitting the government press conferences, the opposition and a space is given in the parliament itself to oppose and to give his opinion .

24 Broadcasting Council (2011) Report of the analysis of television program services of the public broadcasting service MRT (3-9 October 2011) pg.25 available at: http://www.srd.org.mk/images/stories/Analiza_na_TV_programski_servisi_na_JRS_MRT.doc

25 Broadcasting Council of the Republic (2010) Analysis of MRT programs in 2010, p. 53

26 Trpevska S. Jakimovski I. Sopar c. Petkovska B. Trajkoska g. (2010) "Analysis of public broadcasting in Republic of Macedonia in context with the European media policy," Macedonian Institute for Media and the School of Journalism and Public Relations, Skopje p: 23 available at: http://vs.edu.mk/attachments/1142_277_izvestaj.pdf

addressed by the executive power. Furthermore, the concept would not specify when and how the channel would be reporting about the activities of the President;

-Despite all these additions, on the channel will remain a lot of space to be used for formulating the program schedule that will consist of programmes shaped primarily in the genres with informative feature in which Members of Parliament will participate.

In genre it could be: current-news programs featuring interviews and debates, current-news programs with documentary approach, newspaper publications or specialized programs for specific target group, an issue of wider public interest or for the activities of the European Parliament. However, this scheme should be relatively stable (planned at a time when Parliament usually /most often has no activities) so that the audience with certain absoluteness to know when and where certain programs can be watched²⁷;

-For specific questions, it can be presented the views and opinions of non-parliamentary political parties;

- In the future legal decision a further specification of provisions should be made for funds allocated for this channel from the state budget, so it can be predicted the amount of percentage, also that these funds will be automatically will be transferred to a special account of this service, so the MRT will be obliged to use them only for that service and to present them separately in the financial report.

MRT in the entirety/whole of the offer, an important segment are the radio programs such as the first program of Macedonian Radio - Radio Skopje, Macedonian Radio - two Macedonian Radio Radio - Program communities, Channel 103 - alternative radio program which is broadcasted in the region of Skopje and the program service intended for the diaspora and special programs in a foreign language for the neighboring countries and Europe.

Two thirds of the programs of Radio Skopje are informative, and the remaining part is evenly allocated among the contents of educational and entertaining feature. It is above all, citizens' information service with a diverse range of genres shows, different fields and areas, local events, for different segments of the audience (farmers, children, blind, Macedonian folk music lovers and others.), which are mostly emitted in the appropriate term. "Exceptions are programs in the field of culture / art, often broadcasted in the late night hours, thereto it is concluded that the first program radio service is generally, but not entirely universally available."²⁸ In fact, in the dead of the night, due to the decision of the Public Service, the contents that at one time were separate program are moved- Third program also known as Radio culture. The fact that the program is not completely canceled, indicates that MRT is aware that its existence is important for the realization of the mission of the public service.

Over the last few years, Radio two is continuously working in order to "profile itself as a medium that entertains, with features more similar to the commercial media than the public service."²⁹ More than the half of the program is of entertainment feature which by genre is not particularly diverse - there is entertainment, especially music shows (with domination of pop music), entertainment - informative and sports.

27 Proposal for the stability of the scheme is in the context of the advice given by a representative of the BBC BBC Parliament to the conference of Inter-Parliamentary Union, the Association of Secretaries General of Parliaments and the European Broadcasting Union, and more detail can be reviewed in "The Challenge of Broadcasting Parliamentary Proceedings", pg.: 7 available at: http://www.ipu.org/pdf/publications/ebu_en.pdf

28 Broadcasting Council (2012) Analysis of radio program services of the public broadcaster MRT (3-9 October 2011) p.: 13 available: :

http://www.srd.org.mk/images/stories/Analiza_na_radio_programskite_servisi_na_javniot_radiodifuzen_servis_MRT_3-9_Oktomvri_2011_godina.pdf

29 Ibid. p: 2

"In summary, there are no programs for specific target groups, the music is dominant, there is a insignificant talk coverage, program contents are not so diverse, there are no news almost nor information programs that would provide a forum for public debate, and with the exception of two - three programs there are no programs this service is recognizable for³⁰.

If in the public service there is a tendency Radio Skopje and Radio two to be seen as complementary services, the first of which will be predominantly informative, and the latter more entertaining then it is necessary this concept to give better meaning, especially in the part of the second program service that not should persist to move closer to the commercial radios. Public service should offer the audience different entertainment than the one offered by the commercial radio stations, especially due to the fact/ that in the past on the second program of Macedonian Radio there were many examples of how it can and should be done.

Radio program in the languages of ethnic communities is conceptualized so that during the morning and afternoon programs in Albanian and Turkish are broadcasted, and in the interspace are placed the editorships contents in Bosniak, Vlach, Roma and Serbian language. The programs in Albanian and Turkish are usually realized by a show host in a Studio and by information from correspondents, so that it can be said that the program abounds of informative content, information services, information about current events in the field of economy, education, culture, etc. . Programs of other four editorships due to the shortness are completely dedicated to one topic. In general view, about four-fifths of the programs have an informative function, followed by the contents with entertaining and in the end those with educational function. Recommendation for an integrated approach of creating programs - is applicable in program languages of the ethnic communities in the Macedonian Radio.

Generally it can be concluded that the program services offered by the public broadcasting service requires a common editorial policy.

MRT in order to work for the public interest ,in its programs should take account for preserving and nourishing the national identity and linguistic culture. This is regulated by law provisions by which on the TV programs daily it should be broadcasted 30%, radio services 40% program originally created in Macedonian or in the languages of the ethnic communities, and to broadcast 45% of vocal-instrumental music in the same language. Television services that fulfills both obligations to protect and foster cultural identity, but occasionally there is a problem with the fulfillment of the obligation to broadcast vocal-instrumental music in the Macedonian language on the radio services.

Macedonian Radio Television, through its website, offers nonlinear MTV ON DEMAND service by means of which can be accessed to some of its television products. However, this page does not have any information on the offer of the Macedonian Radio.

MRT must consider its own radio program services also to make available through the Internet and in live and on-demand. Offering the service radio on demand, MRT will be able to provide bigger viewing, especially of the contents that are intended for younger audiences (e.g. culture programs that are broadcasted overnight or contents broadcasted on Channel 103, which usually can only be heard by the audience in Skopje) and simultaneously will catch up with the current broadcasting development.

30 Ibid. p.: 22

1.2.2 Commercial broadcasting entities

Broadcasting companies are characterized by concise programme format in terms of their license. Indeed, they can create their broadcasting programme within their format with no restrictions at all, as well as to make editorial decisions about the implementation of stated format. Namely, each media function can be realized through a variety of genres.³¹

Despite the great variety of options, terrestrial broadcasters who broadcast at state level offer a very alike programme with predominant entertainment content, among which the TV serials and soap operas prevail.

Two out of six television satellite broadcasters have substantial variety of entertainment contents, whereas the others offer a greater diversity of genres in their programme.

As for commercial broadcasting companies broadcasting radio program, they could be considered in two groups because of the different content expectations due to their format difference. One is the music and talk radio where the talk content is mainly informative by nature. The other type music and talk radios with common format offer a greater variety of pop music in English.

Regional broadcasters are expected to be more target oriented towards specific needs of Skopje audience, yet all media is broadcasting predominately entertainment content putting emphasis on feature film or music program or both types of programme.

Local TV programme is monochromatic – almost all TV broadcasters offer predominately entertainment program mainly broadcasting music and feature film program. Very few of the broadcasters have more serious approach towards program creation and realization in terms of providing genre diversity. In this regard, and having in mind that local media should consider local audience needs, Broadcasting Council continually emphasizes the importance of local informing. One of the practical measures it employs in local broadcasters motivation to incorporate information regarding local events is by awarding more points to those who employ such program when applying for broadcasting license. Nevertheless, the revision of their program shows that only a very few of them provide local news and the survey of audience opinion on the TV and radio programs in 2007, 2009 and 2012 present that the majority of the respondents (in some cases even more than two-thirds) do not use local TV or radio broadcasters for information purposes on daily events.

In general, regional and local radios offer entertainment program, and as for the music preferences, the pop music is predominant; the other music genres are less present (with exception to the radio stations that specialize in certain type of music); and tracks are mostly from English speaking countries or former Yugoslavia.

A very few media in Macedonia, pay more attention to originality while creating their broadcasting programme and in designing quality programme that would target audience needs that have not been covered by other media, thus gaining audience attention.

In order to direct and apply broadcasting media offer to what is intended for, it's necessary to obtain information on Macedonian audience radio and TV preferences. According to data about TV programe rating in the first half of 2012, the audience rated highest the TV and radio entertainment programmes, especially the soap operas and the sports. Commercial broadcasters business decisions are expected to be driven by audience demands, yet

31 Programmes with informative function: news, news programme, information and entertainment, info-service; with educational function: educational, documentary, documentary-entertainment, educational-entertainment; with entertainment function: entertainment, entertainment-informative, feature film, sports, music programme, quiz, games, reality shows. Depending on the method of the programmes information edition in the field of culture, art and humanistic science, they could belong to any of the three functions. For more details see the Decision for radio and TV programmes classification available at: http://www.srd.org.mk/images/stories/Odluka_za_klasifikacija_na_rtv_programi.pdf

broadcasters should consider offering other more unique and creative entertainment programmes with better production as well.

Winning audience long term attention however demands more than someone's programme imitation, which leads to boredom, rather than to audience share increase. In a period's time, it could lead to lowering audience expectations concerning programme offer. Such lowering of standards of what can be expected from Macedonian media, by itself would be startling, even so it would be too pessimistic to declare a quality programme would not be presented and recognized by audience. Above all, if we take into consideration the results from the conducted Research on the audience opinion in 2012, TV is generally watched in order to stay informed, and not for entertainment and Macedonian radio broadcasting lacks home specialized broadcasting entities.³²

Besides, for the purpose of providing a greater genre variety, it is necessary to insist upon it at all levels (state, regional and local) to follow the programme conditions stipulated with their license.

On the other hand, regional and local media should accept the fact that local audience is to be won offering quality local content program. Likewise, during digitalization process it should be considered not to lose local media, because their disappearance would certainly present a loss.

It's essential to enact legal obligation on commercial broadcasters with TV program service to broadcast original premiere feature film program in Macedonian or in minority language in one year's period, as follows: at least 20 hours (in 2013 and in 2014, out of which at least 12 hours in 2014) at state level, at least 8 hours ((in 2013 and in 2014, out of which at least 5 hours in 2014) at regional level and at local level at least 5 hours ((in 2013 and in 2014, out of which at least 3 hours in 2014). This will help in the fulfillment of the obligations on preserving and promoting the national identity and language. Namely, commercial radio media are obliged to broadcast program in 30% originally created in the language to which a broadcasting license was obtained and another 30% fall off to broadcasting vocal-instrumental music in the same language. Commercial TVs usually fulfill both obligations, though a more frequent lack of that fulfillment could be ascertained in the past two years, both for broadcasting program in Macedonian and the language of the community. This is present in all TVs at state, regional and local level. Commercial radio stations usually do not fulfill the obligation of broadcasting vocal-instrumental music in Macedonian. Also, it's not less frequent contents regarding legal obligation to be scheduled in less attractive and available periods or program, thus future legal obligation should frame time period for this fulfillment between 6 and 1 pm. Besides, upon harmonization with European Union legislation, a 10% obligation of their budget for European audiovisual projects from independent producers should be considered placing on commercial TV stations broadcasting at state level.

Apart from all those issues, there exist other tools for enhancing home TV production. This could be realized with Government or state help in budgeting or by means of other measures intended for home production stimulation. In addition, funds distribution should be realized with public procurement procedure based on precise and transparent criteria.

³² Details are given in 1.1.2

1.3 Political pluralism in politics and audience pluralism

When considering pluralism from political point of view as an aspect of media pluralism, we should bear in mind that different media platforms have different demands in regards to objectivity. On the one hand, to radio broadcasters, in particular, to the public radio broadcasters applies the legal regulation that their program should be open to all political views and events should be impartially presented in order to provide equality of different stands and points of view, so that the audience could form an independent opinion for the variety of events and issues. On the other hand, press is free of regulation, and if we take into account its historical development, it's very common to have print media with public political provinece. Online media in Macedonia, as well, are free of all regulation, and from journalistic point of view, they present an area which is increasingly gaining importance as a source of information. According to research data, audience opinion on programs in 2007, 11.6% out of the respondents used the Internet as a source of information, to increase up to 31.7% in 2009, and in 2012 it amounts to 39%. In 2010, a report has been realized on the type of online media available to Macedonian audience, whereupon, it has been concluded the following:

“... two groups of informative web pages exist: The first is presented by web presentations of traditional media, i.e. the online variants of newspapers, TVs and radios. The second group is presented by web pages of media intended only for Internet presentation which furthermore can be divided into three subgroups: entertainment, informative web pages, thematic informative web pages and news informative web pages. The research focuses on web presentations of news agencies and to online news compilers”³³ (The above citation uses the term web pages instead the more precise term – web locations).

This is an area to which a legislative is yet to follow and to effectively apply in Macedonia. Namely, European experience in the application of the Audiovisual Media Services Directive shows that the issue on regulation of non-linear audiovisual services offered online is a media service and it does not subject to the regulative.³⁴

The singularity of the demand for openness of programmes for the diverse stands and in particular for the impartiality, is that broadcasters are guaranteed an independence and liability in the creation of programmes and in editing politics. “...The impartiality cannot be precisely measured ... (as) ... in reality, the mere differentiation in choice making and omitting certain news is subjective and would be difficult to identify or distinguish in terms of legislative”.³⁵ Furthermore, in regards to “... topic's nature, type of program or channel, the assumed audience feedback on content and degree to which the content and the approach are symbolized to audience. The context ...is important”³⁶.

Exactly, as far as context is concerned, the most representative period for reaching a conclusion in terms of pluralism of politic views is the election period, when all media that will inform on the elections are obliged to do so following concise rules on equal informing according to proportionality or equality principle, depending on the type of elections and media size (broadcasting at state, regional or local level)³⁷. Monitoring results from other analysis made by the Broadcasting Council³⁸, show that majority of the media in the period

33 Petreska – Kamenjarova ., Richliev Z. and Trpevska S. (2010) Research on the state of online media and online journalism in Macedonia, Macedonian Institute for Media, pg.: 5

34 More details on ongoing trending in Europe on the defining non-linear service that should be covered by a legislative see in Chapter 1.4 Non-linear programme service

35 OFCOM (2012) Measuring Media Plurality: Ofcom's advice to the Secretary of State for Culture, Olympics, Media and Sport, pg.: 16, available at: <http://stakeholders.ofcom.org.uk/binaries/consultations/measuring-plurality/statement/statement.pdf>

36 Ibid.

37 Detailed results from monitoring of elections held after the first Strategy for development of the broadcasting activity (2007) can be found in the Broadcasting Council of the Republic of Macedonia (2008) Report on the media coverage of early parliamentary elections in 2008, Broadcasting Council (2009) Report on the media coverage of the presidential and local elections in 2009 and Broadcasting Council of the Republic of Macedonia (2011) Report on the media coverage of early parliamentary election in 2011.

of elections do not pay attention to providing pluralism of political stands during election period. Also, there are media that demonstrate professional advancement by balancing their informing process in the election period, yet there exist some other media that have even retrograded their already misbalanced informing.

For the exact same reason, it's essential to work on the improvement on editors culture of media that should pay due respect to professional principles of journalism.

All content media create and broadcast is intended for audience. The purpose of their news is to inform the audience and not to influence the process of creation of public opinion.

Hence, political pluralism in Macedonia has to be monitored in aspect of pluralism of audience, i.e. to estimate media availability to people, the level of their consuming or active using by analyzing and/or supporting certain politic beliefs and options promoted through media and the level of their critical evaluation.

Such conceptualization is possible if the research results of audience opinion are considered upon the TV and radio programmes that Broadcasting Council has ordered in 2007, 2009 and 2012.³⁹

It can be seen that the predominant source of information used by the audience is the TV. According to 2012 data, a 75% of the audience is informed by TV on daily basis, though between 2009 and 2007 a certain decrease of 85.1% to 77.3% can be noticed. 14% of the audience uses the radio as a source of information on a daily basis, i.e. there is a constant decrease between 2007 with 28.6% and 2009 with 22.6%. As for print media as a source of information, a percentage of about 24% is noticeable. The two previous researches show an increase in its consumption of 31.5% in 2007 and 34.1% in 2009, which could result from the web usage of newspapers. The greatest increase, reaching its peak, for everyday information source has been noticed in the Internet with 39% in 2012, and between 2007 and 2009 with an increase of 11.6% to 31.7%.

The comparative results show that the audience considers daily informative programme gives less information on politic stands. Also, the audience gives notice of: the government influence on news broadcasted on public broadcaster, influence on the commercial media owners and on news politics in general.

Commercial media should take measures for strengthening their financial as well as professional position of journalists, to insist on improving the culture of news desk as well, and to work on raising awareness among both owners and journalists in the need to separate managerial from editorial decisions, i.e. the importance of the independence of editorial policy.

38 Significant indication for pluralism of political viewpoint are presented in the Report of the monitoring of the public broadcaster – Political pluralism of TV news, page 3, available at: http://www.srd.org.mk/images/stories/lzvestaj_od_monitoringot_na_JRS_-_Politickiot_pluralizam_vo_TV_vestite.doc and Broadcasting Council of the Republic of Macedonia (2010) Political pluralism of the MRT news, pgs.:27 – 28.

39 It' about researches Programme preferences of TV and radio audience. Audience opinion survey, carried out by the Opinion Research and Communications Agency based in Skopje Rating Agency (May 2007), Audience opinion survey, carried out by the Opinion Research and Communications Agency from Skopje Rating Agency (august 2009), Audience opinion survey, carried out by the Institute of Democracy "Societas Civilis" from Skopje (august 2012).

1.4 Non-linear program services

1.4.1 Real situation

Information communication technology development in the past five years has provided the appearance of non-linear media service in Macedonia, i.e. services for programme watching according to their time preferences by means of catalogues prepared by service providers offering programme selection. Audience is offered various non-linear services on demand. For instance, the existing linear service – above all TVs at state level and other TVs at local level – in their webs make available the content already broadcasted (usually the articles or other programmes from their own production) thus assuring their subsequent rerun watching/listening, i.e. they offer service known as catch-up TV or catch-up radio in the English speaking areas. Almost all radios have online live streaming programme available and radio broadcasting at state level has separate Internet channels for the different type of music (Latin, dance, love songs). In order to have more simple and direct approach to users, most media (radio as well as TV) have created their own Facebook and Twitter profiles.

Some of the telecommunication operators provide video service on demand, some offer a possibility of legal programme downloading to rent – DTR options to viewers for a certain period of time, others offer catch-up TV form making the home content broadcasted on home linear service available a few days more, and so on. In the past, it has been offered a near video service on demand as well. Apart, there are more non-linear services acting as online media, i.e. webs producing or compiling content from other media making it more available to users on the Internet.

Apart from the non-linear service, the market offers smart TV sets that provide the user the advantages of the so called connected TV, which is a hybrid device that encompasses two networks – on the one side it provides reception of linear programme service, and on the other, it provides access to wide range of non-linear content by means of broadband network – the Internet.

The current state of non-linear offer of the media service in Macedonia should be considered in view of the degree and way of its legislation. Broadcasting Law from 2005 does not cover the non-linear media service. In order to prevent their development obstruction during harmonization of home media legislation process with EU Audiovisual Media Service Directive, the Broadcasting Council has signed a Memorandum for collaboration with various public media service operators defining rules for providing such service.

1.4.2 Future regulation of non-linear media

Future regulation of non-linear audiovisual media services should be further developed in line with Strategy 2007-2012, because what is projected in the strategy is in line with Audiovisual Media Service Directive stipulation. According to the Strategy, non-linear services apply to basic limitations in the free choice of expression according to European Convention on Human Rights and Fundamental Freedoms, article 10, line 2, while the rules covering commercial communication, promotion of European audiovisual works and for minors protection are a bit different.

One of the essential issues should be taken into account upon regulation of non-linear service is the need of grading and differentiating media depending on their media role in the process of creation and dispersion of media content. This is what the Recommendation of the Committee of Ministers to member states on a new notion of media stands for.⁴⁰

Bearing in mind the experience of the countries who already have aligned their regulative with the Directive, the Recommendation points out that upon the laws and acts application, it should first be ascertained which form of the newly formed non-linear media could be considered a media service and afterwards to enframe their scope of responsibility. That's why the Recommendation states six criteria for the media that could be subdued to the regulation in the newly formed conditions provided by the contemporary information communication technology. These criteria (different in complexity, i.e. not all criteria are compulsory) present an intention to act as media service, and the basic media service purposes are: the editorial control, the professional standards, the range and the dispersion of media content and the consequent audience feedback.

All criteria should be made flexible in their application, so as to follow the continual development in this area, the multidimensional side of it, different levels of editorial control which bear different level of responsibilities. All things considered, the new regulation frame should provide clear media protection and to precisely define their basic obligations and liabilities, and upon their application grading and differentiation should exist.

1.5 Non-profit media (community media)

The Broadcasting Law from 2005 introduces the third broadcasting sector – the non-profit broadcasting entities. It also stated which subjects could found non-profit broadcasting entity (educational, cultural and other entities and civil associations and foundations) and to programme content, having in mind demands and interests of specific target groups.

In relation to media type, European experiences are different – generally it refers to radio stations although the existence of local and regional TVs it's not unusual. That's the reason for the use of the term community media instead of community radio. In view of the current legal placement in Macedonia, a non-profit broadcasting could be realized only on radio.

The main purpose of community media existence is not to generate profit, but to strengthen the identity of the specific groups or community, meanwhile providing their members to merge with other groups in society. It could be reached by programme content created solely for this community (alternative music, reports and debates on issues usually not covered by popular media, programs with community presenters or in foreign languages, programmes on intercultural dialogue, educational programs, and many other).

It could not, however, be ignored the fact that in order to assure community media running, it's vital to provide certain financial funds. In most European countries, other forms of budgeting are allowed as well, such as funds from commercials, provided that such funds are not being used as profit, but being reinvested in the media service.

The Declaration of the Committee of Ministers of the Council of Europe from 11th of February 2009 emphasizes the role of community media in promoting social cohesion and intercultural dialogue.⁴¹ The Declaration indicates general characteristics of community media such as their non-profit character, voluntary participation of the members of the community in their creation and administration of programmes, activities of social benefit and welfare of the community, property of the community to which they aim for, involvement in inclusive and intercultural activities.

40 Recommendation CM/Rec(2011)7 of the Committee of Ministers to member states on a new notion of media, available at: <https://wcd.coe.int/ViewDoc.jsp?id=1835645&Site=CM&BackColorInternet=C3C3C3&BackColorIntranet=EDB021&BackColorLogged=F5D383>

41 Declaration of the Committee of Ministers on the role of community media in promoting social cohesion and intercultural dialogue, available at: http://www.cmfe.eu/docs_Declaration_Community_media_adopted_CM-11-02-09E1.pdf

In Macedonia, so far 4 broadcasting licenses have been awarded to non-profit radios. Three out of the four are intended for the student population, and one for the specific demands and interests of the Turkish minority in the area of the City of Stip and surroundings, however after a year and so, the radio has stopped running due to financial reasons. In order to provide development of this broadcasting sector, it's necessary to create a separate concept for development of community media in which the emphasis would be on the community radio. This concept would anticipate parameters upon which it could be defined which communities would satisfy their needs by means of community radio existence, whereupon it should also be taken into account the way these sector could serve for the purpose of multiculturalism and protecting and preserving culture of minority.

1.6 Programming standards on human rights

Level of compliance with professional and ethical standards in media and journalism as a profession in Macedonia is in decline. This is not one-sided conclusion of the Governor, but a fact recognized by the media sphere and noted in the Action Plan for Improvement of the Media Landscape in the Republic of Macedonia, Macedonian Institute for Media and Association of Journalists of Macedonia in which one of the three headings is entitled "Quality journalism, ethical and professional standards".⁴² Created in months involving media experts and professionals directly involved in daily operations of the media (owners, editors, journalists), the document concludes that ethical and professional standards are not respected, there is "transmission / uniform journalism ... growing trend of tabloid media propaganda domination", the quality of journalistic articles, especially at local and regional level is "even more worrying", there is a lack of investigative journalism, public lacks knowledge of what professional journalism looks like, and the reasons can be found in the multitude of media and to the ownership structure, the economic independence of reporters and a lack of continual debate among owners and journalists, as well as lack of effective self-regulation.⁴³

Seen from a regulatory point of view, focal points for the consideration of the necessity of increasing the level of professionalism in broadcasting are discrimination on various grounds, violation of human dignity and hate speech. Even more, weaknesses in respect of professional journalistic standards regarding these issues have been detected in several other analyzes of media discourse in Macedonia. Hate speech is an issue that should be treated seriously whether it occurs often or not. This severity indicates intensification of studying this issue in European ground. And still there is no unified definition of hate speech, but the usually quoted is the one of Recommendation No. R (97) 20 of the Council of Europe, hate speech, "according to which it is a term that covers" all forms of expression which spread, incite, promote or justify racial hatred, xenophobia, anti-Semitism or other forms of hatred, based on intolerance, including intolerance expressed by aggressive nationalism and ethnocentrism, discrimination and hostility against minorities, migrants and people with immigrant backgrounds.⁴⁴ "However, to assist in easier identification of the limitation - where public speaking through the media is out of the guaranteed inviolability of freedom speech, the Council of Europe in 2009 published Manual on hate speech. Difficulty in determining hate speech is that "... this type of speech does not manifest itself inevitably

⁴² Macedonian Institute for Media and Association of Journalists of Macedonia (2012) Action Plan for Improvement of the Media Landscape in the Republic of Macedonia pg. 10, available at: http://www.mim.org.mk/index.php?option=com_k2&view=item&id=405:akciski-plan&Itemid=90&lang=mk

⁴³ Ibid. pgs:14 - 15

⁴⁴ Recommendation No. R (97) 20 of the Committee of Ministers to Member States on "Hate Speech" available at: http://www.coe.int/t/dghl/standardsetting/media/doc/cm/rec%281997%29020&expmem_EN.asp

through the expression 'hatred' or emotion. 'Hate speech' can be hidden in statements which at first glance may seem rational and normal.⁴⁵

"Therefore it is necessary in making a decision whether holding a certain position is keeping democratic debate or hate speech are subdued to the existing legal and institutional practice (European Court of Human Rights and Macedonian courts and institutions). In addition, to give the media and journalists direction as how to proceed in cases of hate speech, it is advisable to prepare an act that would develop ways for the media to ensure the respect of the legal provision which prohibits incitement of hatred and intolerance on different grounds.

It seems that the Macedonian media find it more difficult to assess when they fall for discrimination in reporting diversity, especially on the basis of gender, sexual orientation⁴⁶, or belonging to a certain marginalized group. Among the key problems detected in the media⁴⁷ regarding the treatment of marginalized groups pointed out is that some of them have serious resistance to accept the concept of "marginalized group"; most do not recognize their discrimination and social exclusion; comments of some media have negative stereotypes prejudices, homophobic and nationalistic statements and hate speech; some do not respect the right to privacy of the members of these groups or reinforce their negative representation before and during elections; others do not respect the measures already imposed by the regulator, and only a few are sensitive in their selection of appropriate expressions in the naming of members of marginalized groups. In fact, the treatment of members of marginalized groups is one of those issues that directly affect the respect of professional journalistic principles that journalistic community needs to face with and offer solutions through self-regulatory acts and education. One study, in which 28 qualitative interviews have been conducted with journalists and editors, has shown that a majority of them "agree that among the journalists there are many prejudices against sexual orientation, to some marginal groups and to people with disabilities, people are not aware that all people are equal in their essence, "and even that there are" instances when some journalists openly support prejudices towards some marginal groups and to members of the 'gay' community"⁴⁸ One of the topics related to the respect of the professional principles regarding human rights and freedoms is the treatment that broadcasters show in their programmes gender issues and the way they represent women and men. Researches on these issues in 2012 ordered by the Broadcasting Council⁴⁹, show that both information and entertainment programmes among terrestrial broadcasters that broadcast at state level are highly gender asymmetrical. The treatment of topics is totally ignorant to gender difference when talking about functions and professions there is gender neutralization, using masculine grammatical gender for nouns as supposedly gender-neutral, which actually presents a neoconservative upturn. On the other hand, the person comes down to gender or age and stereotyping in cases such as insisting on the terms "old woman" or "man." In the representation of women and men there exist sexual objectifying women. That gender is an issue to be worked upon in terms of

45 Webber A. (2009) Manual on hate speech, Council of Europe Publishing, pg.: 5, available at: <http://book.coe.int/ftp/3342.pdf>

46 For more details see: Trajanovski Z., Cvetkovik I. and Panajotov S. (2011) Media and Marginalized communities: media discourses and discrimination against members of marginalized groups (drug users, sex workers, LGBT, people living with HIV) available at: <http://archive.coalition.org.mk/images/mak%20Bang%20final%20B.pdf>

47 This information comes from Coalition "Sexual and Health Rights of Marginalized Communities" sent to the Council for the preparation of this Strategy.

48 School of Journalism and Public Relations (2012) „Reporting Diversity in Macedonia" Key results from the qualitative research of the attitude, perception and practice of editorials in their treatment of diversity, pgs.: 5-6, available at: http://vs.edu.mk/attachments/1141_.pdf

49 Surveys are realized by Professor Katerina Kolozova and a research team and are available at: http://www.srd.org.mk/index.php?option=com_content&view=article&id=93&Itemid=76&lang=mk (November 2012)

raising awareness among media workers and audience, shows the data of a survey from 2012 on audience opinion, where 40% of the respondents completely agree and 30% somewhat agrees with the viewpoint that women and men in the news are represented equally.

This situation highlights the need to ensure a more comprehensive approach to the issue of raising the level of professionalism among media workers. Of course it is necessary to continue with various forms of formal and informal education aimed at a higher level of compliance with professional standards. Apart from this, it is necessary to work on establishing a system of self-regulation so that journalists could recognize hate speech, discrimination based on race, gender, sexual orientation, religion and ethnicity and violation of human dignity of members of marginalized communities.

1.7 Protection of specific groups of audiences

1.7.1 Minor audience

Protection of minor audience of the programs that might adversely affect it, it is regulated in the Broadcasting Law and the Rulebook for Minor's Protection from the programmes that may adversely affect their physical, mental and moral development, which is accompanied by another document - Comments to the Rulebook. Article 70 of the Law determines that it is forbidden to broadcast pornography, excessive violence, or other programs that may seriously jeopardize the development of children and youth. Article 71 imposes an obligation in the classification of the programs, and the Rules and Comments to it⁵⁰ explain more accurately the media which parameters to base their programme upon, which acoustic and visual signals to use for indicating types of programmes, how and in which time periods to broadcast. The Council has conducted a series of trainings and presentations regarding their application. Article 88 contains provisions on children and advertising, including the ban on the participation of minors in political advertising.

Rules on advertising and minors seldom have been violated. The attitude of entities in broadcasting, over time, has become more serious towards the prohibition of Article 70 (with only sporadic breaks) and towards classification application of Article 71. Namely, TVs regularly mark their programs, and the most common violations now refer to periods of their broadcasting, consistency in applying the signs before and during the broadcast, and proper labeling of promotional announcements for programs.

Practice shows that what now the regulator and the audience need to turn their attention to is the need to protect minors in cases of reporting on crimes, violence or accidents. The Code of Journalists of Macedonia⁵¹ stated that the journalist must not interview or photograph children without the consent of parents and tutors, unless it is in accordance with the rights of the child. However, the reality of the media reporting on these issues highlights the need in future media regulation to provide for the protection of minors being executors, accomplices or victims of crimes or participating in any form of violence or accidents. In addition, the Council is necessary to amend the current act to protect minor audience encompassing details and guidelines for practical solutions in such situations.

⁵⁰ Rulebook for Minors' Protection from media programmes, which could be harmful for their physical, emotional and moral growth and Comments of the Rulebook available at: http://www.srd.org.mk/index.php?option=com_content&view=article&id=85&Itemid=50&lang=mk

⁵¹ Available at <http://www.znm.org.mk/drupal-7.7/mk/node/440>

1.7.2 Persons with sensory disabilities (hearing and sight)

The need audiovisual media content to be adapted for people with sensory disabilities or those with impaired hearing and sight it's not just an obligation to comply with enacted by the Audiovisual Media Services Directive. This is an issue that deserves due respect because of the number of such persons (eight thousand visually impaired, out of which three thousand children and young people aged up to 18 years, eleven thousand hearing impaired, out of which five thousand children and young people aged up to 18 years), but also because of the development and the price reduction of new communication technologies, opening up more opportunities for these individuals to easily access electronic media and media content.

Part of the public service news programmes have already incorporated sign language, which makes broadcasting content more available to deaf and hard of hearing people and so is the existing legal obligation effected. In fact, Macedonian television practice has demonstrated the use of sign language and subtitling as a way of adapting audiovisual content for deaf and hard of hearing persons. Post-synchronization foreign feature films and serials, which state-level commercial television has intensively applied in recent years is facilitating access to such content for the visually impaired. However, this communication is depriving to hearing impaired viewers, therefore the use of combined method of post-synchronization and subtitling is indispensable. Digitalized broadcasters can use audio descriptive services (audio description system), where in a separate audio channel, in addition to the dialogue, there is an explication of the feature film or serial film scenes, with the help of the narrator's voice. This screen production of domestic or foreign origin becomes accessible to the blind and people with low vision.

Facilitating access by persons with impaired hearing and sight to media content is very important for the process of their social inclusion and therefore in digitalization, media regulation should apply to both linear and non-linear services in the public, commercial and voluntary sector broadcasting, gradually making their programs accessible to people with sensory disabilities (hearing and sight). This would mean that the obligation of the MRT (Macedonian Radio Television) should plan and broadcast programs intended for persons with impaired hearing, the new law should be extended to people with visual impairments. In addition, for the MRT it's obligatory to make available for people with sensory disabilities (hearing and sight) news in prime time news program in which everyday life issues are being covered and educational program for children.

Likewise, to enrich the production of Macedonian audiovisual works adapted for people with sensory disabilities (vision and hearing), such obligation should refer to works financed from the state budget funds or other public funds.

2. ILLEGAL MEDIA CONCENTRATION AND TRANSPARENCY OF OWNERSHIP

2.1 Anti-concentration measures covered with the BL (Broadcasting Law)

Chapter III of the Broadcasting Law incorporates measures regarding unauthorized media concentration. Taking into account the various forms of capital integration in the broadcasting and other sectors, stated measures refer to the control of participation in the ownership of broadcasters and other companies, as well as to the so-called thresholds broadcasters' share in advertising revenues (advertising share), share rating in the level of coverage of population in Macedonia.

Broadcasting Law allows horizontal integration, but implies restrictions on participation in the share capital, as well as in terms of the number of broadcasters that a physical or legal subject may possess. Namely, in accordance with paragraphs 1 and 2 of Article 14 of the BL

(Broadcasting Law), a physical or legal subject can simultaneously participate in the ownership of up to five commercial broadcasters (Figure 1.), As follows:

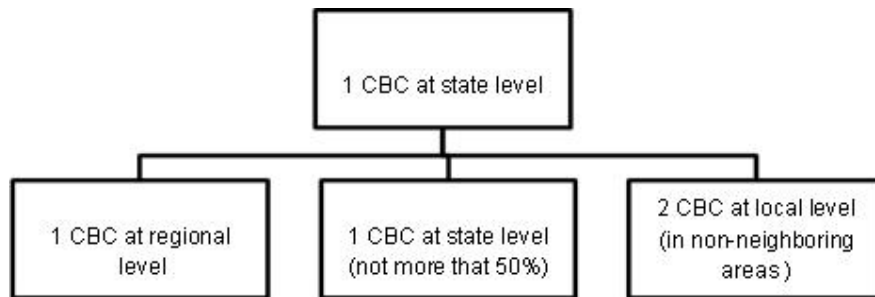


Figure 1. *Horizontal integration according to Article 14, paragraph 1 and 2 of the BC*

Paragraph 3 of Article 14 of the Law refers to the horizontal integration of broadcasters broadcasting program at regional and at local level. Limiting the share of property is not planned, but only the number of broadcasters that a physical or legal subject could owe. Pursuant to paragraph 4 of Article 14, physical or legal subject, may simultaneously appear as a founder of a maximum of three broadcasters that broadcast locally, but only in non-neighboring areas.

Article 17 of the Law enacts so called thresholds participation of broadcasters in advertising revenues, the total audience / rating and coverage of the population, over which a particular merger will be considered unauthorized media concentration. More specifically, the illegal media concentration is considered to exist when broadcasters subject to the merger are gaining a dominant position and when:

- merger of capital gives broadcasters a dominant position on the advertising market, i.e. their share in total advertising time sales upon merging is over 30%;

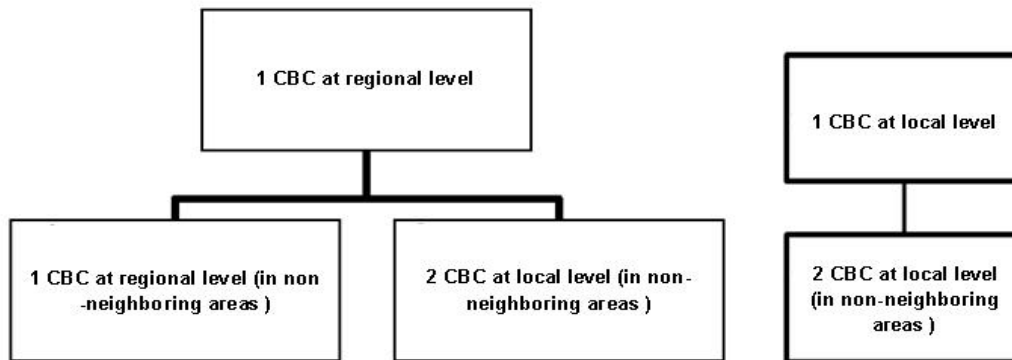


Figure 2. *Horizontal integration in accordance with Article 14, paragraph 3 or 4 of the BL*

- merger of the capital provides broadcasters the possibility of holding dominant position in the formation of the public opinion, particularly their share of rating is more than 40%;
- capital merging of broadcasters at regional and local level gives broadcasters coverage to a maximum of 50% of the population of the Republic of Macedonia.

Vertical integration is a participation in ownership or Integration of the capital of a broadcaster and commercial company with related activities.

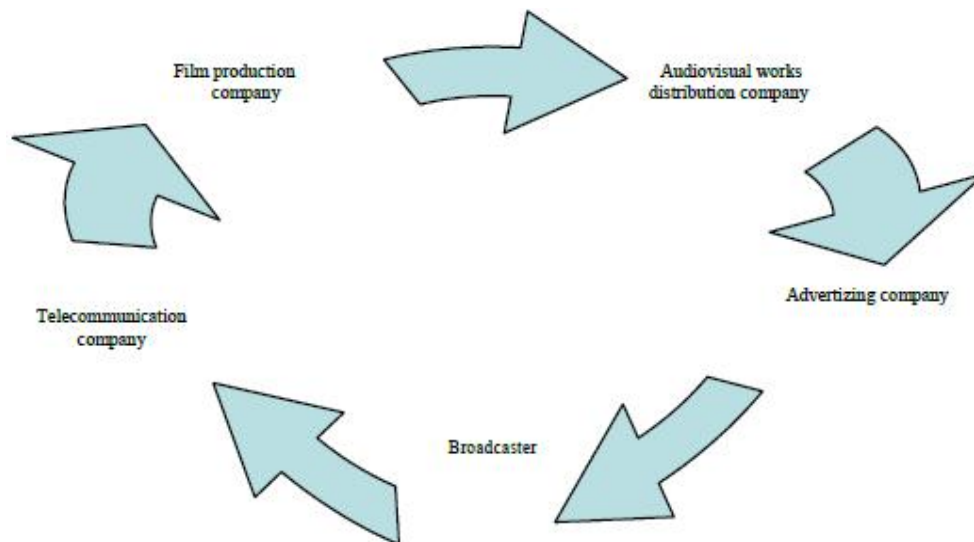


Figure 3: Unauthorized vertical integration in accordance with Article 13 and 14 of the BL

Article 13 of the Broadcasting Law enlists activities creating unauthorized media concentration in relation to the vertical integration such as certain advertising, film production and distribution of audiovisual works and telecommunication services. Neither a media broadcaster, nor a founder of a broadcaster may participate in the ownership capital of companies registered for such activities.

Diagonal integration involves participation in capital ownership or integration between legal entities that do not belong to the same market, as broadcasters that broadcast television programmes, radio stations and print media.

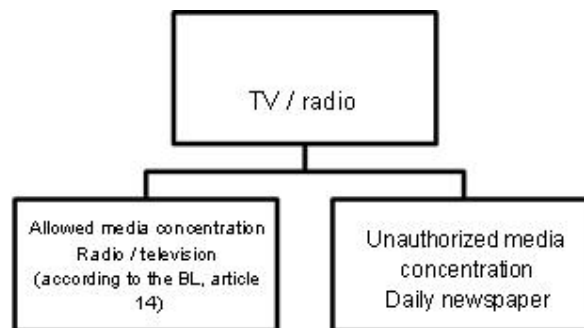


Figure 4: Unauthorized diagonal integration in accordance with Article 13 and 14 of the BL

In terms of the integration of broadcasting media with print media, the restriction applies only to daily newspapers, to be more concrete, neither the broadcaster nor its founder can participate in the ownership of the company that publishes daily newspaper. As for the diagonal integration between television and radio sector, it is subject to the same restrictions as in the horizontal integration, defined in Article 14 of the Law.

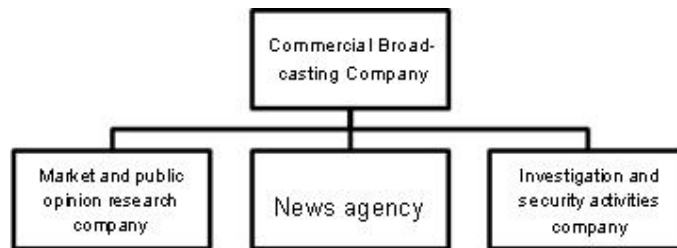


Figure 5: Unauthorized integration with other activities according to Article 13 and 14 of the BL

The law determines what other activities are inconsistent with Broadcasting activity. Namely, in terms of the Law, an authorized media concentration exists when a broadcaster or broadcaster founder participate in the share capital of the company for market research and public opinion company, conducting investigation and security activities, as well as news agency.

2.1.1 Previous experiences

In the period from 2008 onwards, the Council detected a total of 8 cases of unauthorized media concentration, in the sense that the founders or managers of these broadcasters simultaneously figured as founders of companies registered for activities that are inconsistent with media broadcasting. Pursuant to its statutory responsibilities, the Council suggested these broadcasters to break up the created illegal media concentration within a time limit determined by law. All broadcasters, with no exception at all acted upon the suggestion and coordinated their work in accordance with the legal provisions. These cases were ascertained on the basis of the insight view into the data distribution system that the Central Register of the Republic of Macedonia, whereupon it was ascertained what other companies are in possession of broadcasters owners.

However, in cases where there is a hidden ownership association, the real situation has shown that the Council does not have sufficient authority to take an action in identification of the real owners of some media. In order to overcome this situation, in 2007 the Council signed a Memorandum for collaboration with the Commission for Protection of Competition, but so far this cooperation has not given the expected results.

In this regard, in cases where there is no formal ownership ties, and the Broadcasting Council has doubts over a common approach to the market by means of forbidden agreement and/or coordinated behavior between the broadcaster and companies registered for any of the activities according to the Broadcasting Law incompatible with broadcasting (advertising, film production and distribution of audiovisual works, telecommunication services, market and public opinion research, daily newspaper publishing or news agency), the Council shall inform the Commission for Protection of Competition and shall provide all information and data in order to act upon legal mandates. In this sense, it is necessary to make certain amendments to the existing Memorandum for collaboration with the Commission for Protection of Competition.

2.2 Transparency of ownership

The need for transparency of media ownership results from the impact that media have on the formation of public opinion. Transparency of ownership allows the audience to adequately evaluate information, ideas and opinions promoted on the media, and to form their own attitude towards them. Following European Council recommendations [Recommendation (94) 13 on measures to promote media transparency] and

[Recommendation (2007) 2 on media pluralism and diversity of media content], the Broadcasting Law incorporated provisions that guarantee the transparency of media ownership. Namely, according to article 20 of the Law, broadcasters are obliged to publish data on the ownership structure and the changes in ownership structure at least once a year, and no later than March 31 in one daily newspaper, and publish their programme three times a year obeying time parameters defined by Broadcasting Council. The Council is responsible for keep up with the fulfillment of this obligation.

Experience so far has shown a high degree of fulfillment of this obligation by broadcasters. On the other hand, the Broadcasting Council several years now publishes data on the owners of broadcasters on its web, thus allowing audience access to this data at any time. However, future legislation should enact an obligation publishing data on owners to be a legal obligation of the Council.

3. ECONOMIC POTENTIAL OF THE BROADCASTING INDUSTRY

3.1 Number of broadcasters

A total of 66 subjects have a permission to broadcast television programmes. Apart from the public Macedonian television which has three broadcasting channels (MRT 1, MRT 2 and the Parliamentary Channel), another 10 subjects broadcast TV programme at state level, 4 out of which by means of terrestrial transmitters, and 6 by satellite (audience receives their signal through satellite receiver or as a part of a programming package offered by operators of public communication networks). In the city of Skopje (at regional level), a total of 9 local television stations broadcast their programme and 47 television stations at local level.

The total number of commercial radio stations is 79, 3 out of which broadcast at state level, 17 at regional and 59 at local level. Three non-profit radio stations have broadcasting license, one of them broadcasts at regional level and two at local (in the city of Stip and in the city of Bitola).

In May 2007, after the completion of the procedure for the transition from a system of concessions to the license system, the total number of commercial television stations was 52, out of which 5 at state level, 11 at regional and 36 at local level. This number has significantly increased over the next year, when a total of 27 broadcasting licenses were awarded (16 for satellite TVs and 11 for local television stations), and in 2010 three more (one satellite station and two local cable televisions). In the same period, a total of 13 subjects have lost the right to broadcast.

It was expected that awarding licenses for new programming services, will contribute to the enrichment of the pluralism and diversity of domestic programming services, on the one hand, and to encourage competition and the development of the broadcasting industry, on the other hand. However, the practice adopted quite different experiences. Not only variety of programme content has not been provided, but TV's offer is the most uniform and unattractive ever. From financial point of view, the activity of most of the emerging market entities created unfair competition towards the "old" subjects, given that some of them do not transmit the signal via satellite, but directly through the operators of public communication networks, avoiding the cost for transmission of the signal (which amounts to an average of about 430,000 to 490,000 denars per month, i.e. 5.16 to 5.88 million denars per year). Hence, the income of the "old" television stations that broadcast programme at state level in 2009 decreased by 7% and in 2010 by 0.6%. Such experiences confirm the conclusion that due to the specific character of the broadcasting activity, when it comes to media, the increased number of parties in the market does not necessarily lead to the enrichment of the offer. On the contrary, as a result of the economic weakening, media are not able to invest in the enrichment of their programme offer.

In this regard, it's crucial, upon issuing new broadcasting licenses to set precise and transparent criteria candidates must meet, as well as strict adherence to these conditions. Opportunities for market entry of new entities should be open, but before awarding the license, the Broadcasting Council should make a detailed revision of the fulfillment of all the necessary technical, economic and programming conditions of the applicant as a proof that a quality programme content will be offered and that its activity will contribute to increasing pluralism and quality of the programme in order to meet audience needs, and that will contribute to the promotion of competition in the market.

3.2 Public broadcasting service

3.2.1 Public broadcasting funding

The method of funding public service broadcaster is defined in Article 116 of the Broadcasting Law, where as possible sources of income are listed broadcasting fee, revenue from the sale of advertising time, sponsorships, donations, sales programme and the services and resources provided by the Budget of Macedonia for the current year.

In digital broadcasting era, it is necessary to provide the financial resources for public broadcasting service so that it can offer its contents through multiple platforms, in order to provide universal access for all individuals and social groups in society, as well as adequate financial resources in order to be able to offer additional specialized content and services, personalized interactive services and services on request apart from the general programme.

In order to ensure the fulfillment of the functions of public interest and to raise the quality and diversity of programme content, MRT common interest is to provide a safe and stable funding of public service. Funding should be appropriate for the public service, to enable the fulfillment of its role in the information society.

According to the Recommendation CM / Rec (2007) 3 of the Committee of Ministers to member states on the role of public service media in the information society, adopted on 31 January 2007⁵², and in terms of digital broadcasting, when technological changes lead to significant changes in the market, the most appropriate source of funding public broadcasting service remains the so-called traditional model of funding, i.e. radio and television fees, the state budget and advertising. The advantage of the fee over budget funding is that it provides greater independence of the public service. The main problem is the collection of the license fee not just in Macedonia, but in many European countries as well.

⁵² http://www.srd.org.mk/images/stories/doc/eu-docs/Recommendation_Rec_MKD.pdf

a) broadcasting fee

The most important source of revenue for the MRT should be the license fee, given that under the provisions of the BL; most of the activities of the public service should be covered exactly by this income.

According to Article 119 of the BL, license fee funding is intended for the program created and transmitted by the first Macedonian language television programming service (MRT 1) as well as by the second television program service, which is broadcasted in the language spoken by at least 20% of the citizens other than Macedonian language and other minority communities (MRT 2), and so is the case for the program creation and transmission of radio program services in Macedonian (Macedonian Radio - First program, Macedonian Radio - Radio 2) and the radio service program in language spoken by at least 20% of the population other than the Macedonian language and other minority communities (Macedonian Radio – Channel of minority communities).

The license fee is a resource covering the cost for specific radio program services in foreign languages, intended for neighboring countries and Europe, and radio program services in Macedonian and in the language spoken by at least 20% of the population other than Macedonian and other minority communities language intended for the Macedonian emigrants abroad.

Broadcasting Law from November 2005⁵³ enacted a fee in the amount of 2.5% of the average monthly net salary per employee in the last three months, according to data released by the State Statistical Office. Calculating and charging the fee, as well as keeping the registry of subjects due to pay the broadcasting fee, was a responsibility of the PB MRB (Public Broadcaster – Macedonian Radio Broadcaster). However, public service has failed to adequately perform these obligations and payment of the license fee was very low. As a better solution the Joint Stock Company "Macedonian Post" was selected to perform these activities. Neither this decision gave better results.

In 2008, amendments⁵⁴ to the BL were enacted and the method of calculating the license fee as a percentage of the average paid salary was abolished. The fee was determined to 130.00 denars, with the possibility of adjustment of this amount once a year, depending on the cost of living index for the previous year. With the previous method of calculating, the fee amounted to about 350.00 denars, so this reduction was expected to be an incentive for taxpayers to pay this fee.

Given that this has proved to be an effective way for charging, another amendments⁵⁵ to the BL were brought in 2010 regarding the license fee. In fact, in November 2010, liabilities for calculation, assessment and collection of the license fee funds fall to the PRO (Public Revenue Office) again. In January 2012, according to the changes in the BL, the fee was set to amount to 190.00 denars⁵⁶.

In the last five years, the funds as an income obtained from the license fee the MRT presented, showed a steady growth (of 9.03 million denars in 2007, 12.49 million denars in 2008, 56.75 million denars in 2009, 194 47 million denars in 2010 and 632.61 million denars in 2011). The huge amount of money from the license fee in 2011 is due to the different way accounting presents this type of income (the amount of 632.61 million denars was the invoiced value and not the actually collected one). According to the annual report of the financial operations of the MRT in 2011, the value of overdue accounts claims of license fee dating 31.12.2011 amounted to 345.13 million denars.

53 Official Gazette of the RM, No. 100/05

54 Official Gazette of the RM, No. 103/08

55 Official Gazette of the RM, No. 145/10

56 Official Gazette of RM, No. 13/12

Hence, it results that a total of 287.48 million denars was charged.

It is apparent that the measures taken to improve the collection of the fee yielded results, yet more is to be done in this direction. It is necessary to take an action towards increasing the percentage of the license fee collection. Certainly offering quality and diverse public service programme content will create a different impression on people as taxpayers in the license fee payment, provided they feel that public service truly meets their needs, this obligation will not be seen as a burden, but that those funds are intended solely to satisfy their needs.

It is particularly important to determine the way of calculating the amount of the license fee - it should reflect the funds that the public service needs to perform its functions. The amount of funds provided by the license fee should be sufficient for the public broadcaster to provide stability in the exercise of its functions, and in terms of digital broadcasting can take advantage of opportunities to enhance the accessibility of the programme contents to the audience, offering them a variety of platforms. Having in mind the changing habits of users in terms of the way we consume media, it is necessary to provide funds and the MRT apart from existing programme services of general format, to offer specialized programme services, personalized services and service on demand. Likewise, the amount of the fee should anticipate a longer period of time in order to allow public service opportunity for long-term planning.

b) Income from advertising

With the adoption of the Broadcasting Law in 2005, certain limitations were imposed on public service advertising, regarding commercial broadcasters. The Public Broadcaster was not allowed to broadcast advertising spots during the period between 17.00 and 21.00 on the television programme services and in the period between 09.00 and 14.00 radio programme services, except in broadcastings and integrated recordings of sport events, cultural events or events of great importance. The duration of the advertising could not be more than 7% or 4 minutes and 12 seconds of a real broadcasting hour time, i.e. 7% of total broadcasting period in a day.

In January 2012, with amendments to the Broadcasting Law, this limitation is reduced to 13.33% or 8 minutes of airtime during one real hour, or a total of 13.33% of the broadcasting time over a day's period, and in respect to the period between 17.00 and 21.00, the limitation does not apply to its own production programme and other programmes produced in the Republic of Macedonia.

In the period between 2007 and 2011, the MRT achieved the least revenue from advertising in the last year, when revenues were lower by 71.4% than in 2010 (Figure 6).

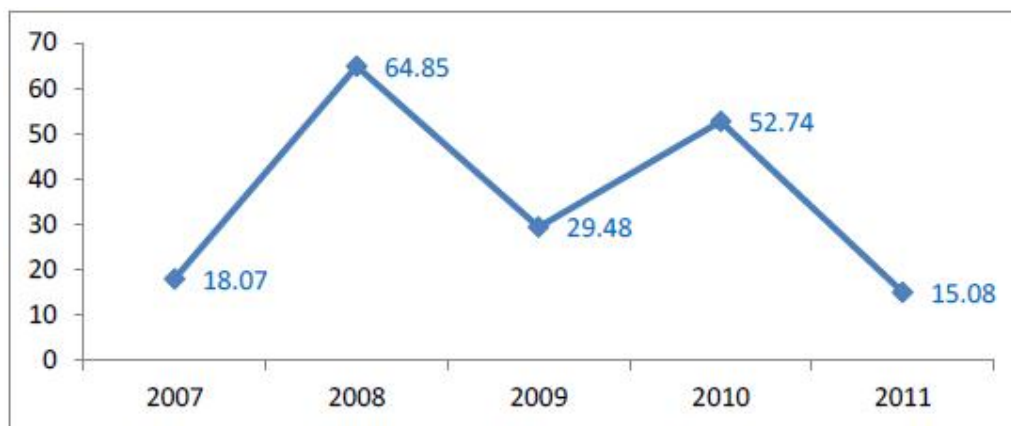


Figure 6: Revenues from advertising in the period 2007-2011 (in Millions)

It is apparent that the public service realized its higher revenue on this basis in the years when he had purchased exclusive rights to sporting events. In 2008, when the MRT achieved a total of 64.85 million denars from the sale of advertising time during European Cup, and in 2010 a total of 52.74 million denars from advertising during the World Cup. Advertising revenues in 2007 amounted to 18.07 million denars, and in the last year only to 15.08 million denars. In the last four years the share of the three television programming services MRT (MRT1 MRT2 Parliamentary Channel) of the total audience, continually declined (from 11.61% in 2008 to 8% in 2011).

According to the annual report on the financial operations of the MRT for 2011 the sale of advertising time was planned to produce 40 million denars, which is almost 25% less than it had been realized in 2010 (52.74 million denars). It is unclear why, MRT planned to achieve less revenue from advertising than once succeeded in doing so. On the other hand less planned funds were anyway realized only in the amount of 37.7%.

Public Broadcaster should act in a direction of providing revenue from advertising based on the attractiveness of the offered programme (regardless whether it is from own production or commissioned by independent producers). This will provide the MRT to generate income from ads, certainly within prescribed time framework and as well as other restrictions enforced by the Broadcasting Law not only in the years when it has bought advertising rights for important events (predominantly sport events), but continually. It should not be understood that the attractiveness of the programme could be at the expense of quality and public interest that programme content broadcasted by the Public Broadcaster should meet with. Quality production would certainly attract viewers, which would increase the rating of the programme broadcasted by the Public Broadcaster, thus enabling the marketing department in the MRT to provide more advertising time.

c) Income from Budget of the Republic of Macedonia

According to the BL, the Budget of Macedonia covers the cost for creating separate radio services in foreign languages intended for the neighbouring countries and Europe, as well as for Macedonian emigrants abroad in the language spoken by at least 20% of people other than Macedonian and other minority communities, so it covers costs for the creation and broadcasting of TV and radio service via satellite. The amount of these costs is determined in the separate financial plan proposed by the public broadcaster and adopted by the Parliament.

The Budget of Macedonia covers the costs for the broadcasting of the Parliamentary costs for the broadcasting of the Parliamentary channel, whereas the costs for the foundation of the Parliament broadcasting service intended for broadcasting activities are provided by the Parliament of the Republic of Macedonia.

In 2007, 76.5% of the total revenues of the MRT were funds that the Government transferred to the public broadcaster, out of which 74.7 million denars upon a Government Decision for the operation activities, 413 million denars for the Recovery Program of the MRT and 48.21 million denars upon the decision of the allocation provided by the Ministry of Finance, which has overtaken the payment obligation of the MRT towards the electricity transmission system operator, the joint stock company MEPSO.

In 2008, according to the Recovery Program, the Budget of Macedonia has transferred 703.93 million denars representing 86.97% out of the total revenue of the public broadcaster for stated year. Funds in the amount of 28.1 million denars were transferred for special programmes following the directions of the BL.

In regards to the Recovery Program the MRT has received 360 million denars in 2009 and another 357 million denars in 2010. Also the Budget transferred 60.65 million denars in 2010 as a support of the digitalization process of the radio and TV system of the MRT.

The MRT upon Government's proposal has received funds in the amount of 305.30 million denars in 2011 as a state support.

Controlling rules for awarding state aid⁵⁷ apply to financing the public broadcaster. For this purpose, it's essential to precisely define functions and responsibilities of the public broadcaster and to provide supervision of their fulfillment. Public broadcaster, on the one hand, obtains public funds, and on the other it participates on the market competing with commercial broadcasters in terms of the sale of advertising time, the purchase of broadcasting rights, etc. Therefore, it's vital to be careful in awarding public funds in order to prevent overcompensation, i.e. not to disturb market by taking advantage of public funds awarded only for the purpose of issues of public interest. Provided that the public broadcaster apart from carrying out activities of public interest (financed by public funds), it carries out other commercial activities as well (financed by commercial funds), it should keep accounting records in two separate books of accounts, which would provide a better control and would prevent possible overcompensation.

In case of possible future Budget subsidies, a report should be submitted to the Commission for Protection of Competition in accordance with the State Aid Law.

d) Additional commercial revenue

Public broadcaster needs to generate income from commercial activities too. According to the Action Plan for digitalization of the public broadcaster, the MRT, a budget is planned to cover the digital equipment purchase. The State Aid Law proclaims that such equipment will provide the MRT to create programme on demand, as well as to obtain income from equipment's renting. For each purchase of equipment a report should be submitted to the Commission for Competence Protection.

3.2.2 Total revenues, income structure, total operating costs and operation result

Total revenues that the MRT has accomplished in the last 5 years (2007 to 2011) show different values⁵⁸. The highest value of 1271.3 million denars has been accomplished in 2011, which is 81.54% more than the revenue in 2008, 161.73% more than the revenue in 2009 and 73.89% more than the revenue in 2010.

The increase in total revenues from the activities of the public broadcaster in 2011 are mostly due to two reasons: the way of presenting accounting records on revenues obtained from license fee⁵⁹, thus this year income is presented as an invoiced amount, unlike previous years when only the invoiced income from the fee is presented as a revenue whereas the high income (in the amount of 314.75 million denars) is presented under the category "other operating income". In the annual report for 2011 the financial performance of the MRT does not accurately categorize revenues belonging to this group.

In the period between 2007 and 2010, the dominant share in the revenue structure falls for the funds on various bases transferred by the Budget of Macedonia to the MRT (with 76.48% in 2007, 80.76% in 2008, 74.1% in 2009 and 57.13% in 2010). The share of these funds out of the total revenues of the public broadcaster in the last year has amounted to 24.01%.

According to the invoiced value, the share of the license fee has a steady growth of 1.29% in 2007 to 49.76% in 2011.

⁵⁷ Statement of the European Commission of the application of rules for awarding state aid in public broadcaster

⁵⁸ Data is provided by the MRT's annual reports on the financial activities

Table 1. Structure of the MRT revenue in the period 2007 – 2011 (in million denars)

MRT's income structure	2007	2008	2009	2010	2011
License fee income	9.03	12.49	56.75	194.47	632.61
Advertising income	18.07	64.85	29.48	52.74	15.08
Budget funds transferred upon Government decisions	74.4	0	0	0	0
Income from subsidies provided by Ministry of Finance	48.21	0	0	0	0
Budget funds upon Recovery Program	413	703.93	360	357	0
Budget funds intended for special programme according to BL	0	28.1	0	0	0
Imprest funds by Government	0	0	0	60.65	0
Budget funds for financial support of the MRT given by the Government	0	0	0	0	305.3
Other operating income	123.3	61.33	34.03	62.55	314.75
Foreign income (technical support)	8.21	33.7	5.01	2.86	2.73
Renting income	6.08	2.05	0.47	0.82	0.82
TOTAL	700.3	906.45	485.74	731.09	1271.29

There has been a steady growth of the share of the fee of 1.29% in 2007 to 49.76% in 2011 (according to the value of the invoiced amount).

Advertising revenues (with 19%) participate with the least share in the last year, and the highest (with 7.21%) in 2010. There is a steady growth of the total expenses in the MRT. Notably, compared to the last year, in 2007 and 2008 there has been a higher rate of expenses (of 2.76% and 5.62% respectively), whereas in 2009 and 2010 there has been a lower rate of expenses of 19.51% and 7.56% respectively. The main expenses have been realized for salaries and other compensation of employees in the public broadcaster. The MRT has presented a negative financial result in the amount of 78.14 million denars in 2007 and 150.49 million denars in 2008, 24.37 million denars in 2010 and 512.9 million denars in 2011.

3.3 Commercial broadcasting companies

3.3.1 Financial performance of commercial TV broadcasting companies⁶⁰

In the period between 2007 and 2011, TV programme had five subjects broadcasting at state level (such as Sitel TV, Kanal 5 TV, Alsat-M TV, A1 TV⁶¹ and Telma TV). During this five years period, Sitel TV and Telma TV have had a continuous positive financial result. Kanal 5 TV only has showed negative results in 2007, whereas the other four years were profitable.

Alsar-M TV has had three years of positive results (2007, 2008 and 2011) and two years of negative results (2009 and 2010). In 2011 the most profitable have been Sitel TV (with 587.49 million denars), followed by Kanal 5 TV (with 348.57 million denars), Alsat-M TV (with 154.05 million denars) and Telma TV (with 111.62 million denars).

Sitel TV has had the greatest share of audience with 22% followed by Kanal 5 TV (with 9%), Alsat-M TV (with 7%) and Telma TV (with 3%). In TV's revenue structure the largest amount

⁵⁹ According to State Audit Office recommendations

⁶⁰ Data is provided by regular annual broadcasting analysis reports submitted by the Broadcasting Council

falls off to the revenue from advertising time sale (over 94% for stated five years period). No TV has obtained revenue from the sale of its own programmes. In 2011, the greatest portion of the total expenses these four TVs realized has been intended for purchasing programmes (30.66% out of total costs).

Licenses for TV programmes broadcasting via satellite were awarded in 2008, but only a few subjects began broadcasting that year. 2011 was the most profitable year for Alfa TV (with 61.14 million denars) and Nasha TV (with 59.81 million denars). The other subjects have achieved significantly lower incomes. The only income source was the sale of advertising time. Dominant costs share (with 36.56%) of satellite TV have had salaries and benefits costs for employees. Programme purchase has participated with 10.66% of the total cost. In 2011 the only TV to achieve positive financial results was Nasha TV, whereas all other TVs have suffered a loss. This situation suggests that this business model has proven effective, which is probably mainly due to the high cost of satellite transmission signal (430,000 to 490,000 denars per month).

At regional level, i.e. in the area of the City of Skopje, a television programme is broadcasted by a total of 9 subjects. Total income regional broadcasters have realized in 2011 amounted to 55.71 million denars. In the period between 2007 and 2011, the highest total revenue has been achieved in 2009 amounting to 88.22 million denars (Figure 7.). In regional broadcasters, less than half of the total cost (in 2011, 46.81%) have been direct costs of creating a programme. In each of the last five years, the most significant share in total revenues have had Era TV, Skopje TV and MTM TV (in 2011 they had 67% of the total revenues in this industry). The sale of advertising time has been the most important source of revenue for regional broadcasters, though with a smaller share in total revenues than in television at state level (in 2011, 58.65% of total revenues were generated from advertising). Each of the last five years, showed a negative result of regional broadcasters operation in general.

In 2011 all of them have had total revenues in the amount of 151.91 million denars. 2011 has been an exception, showing a decline of 21.11% in total revenue compared to the previous years, meanwhile the other years have had a positive growth rate of total income. What's typical for this market segment is the small number of subjects participating in larger portion of the total revenue. In 2011 only nine TVs (Tera TV and Orbis TV from Bitola, Kiss TV and Koha TV from Tetovo, M TV from Ohrid, Vis TV from Strumica, Iris TV and Star TV from Stip and Nova TV from Kumanovo) have achieved 49% of total revenues. In 2011, 86.22% of the total revenues have been generated from the sale of advertising time. Only in 2007, the result of the operation of the local TVs has been negative (in the amount of 0.23 million euros), where the remaining four years have been profitable.

61 This subject has broadcasted programme until 31.07.2011. The Council does not possess data from the financial activity of A1 TV for 2010 and 2011

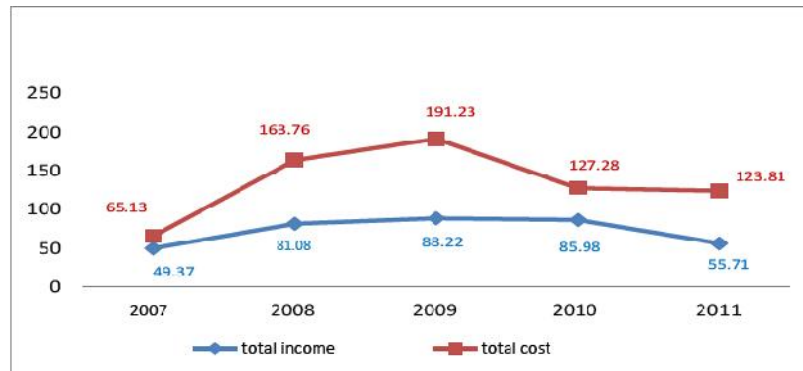


Figure 7: Trends in total revenues and costs of regional broadcasters in the period 2007-2011

The total number of television stations that have been licensed to broadcast locally in 2007 was 36, in 2008 and 2009, 47 and in 2010 and 2011, 49 television stations.

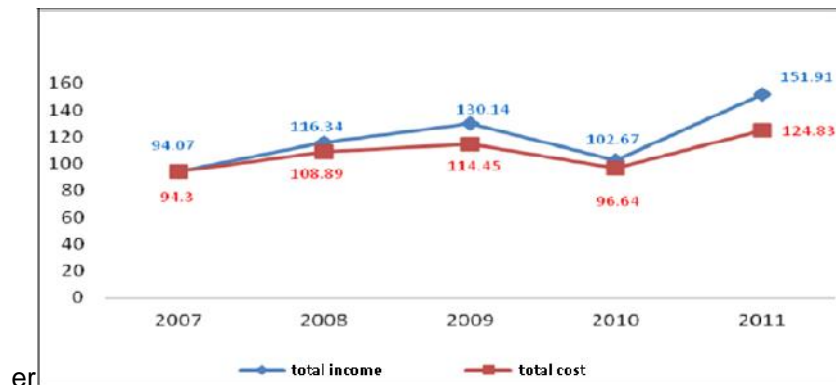


Figure 8: Trends in total revenues and expenditures of local television stations in the period 2007-2011

From the data on the revenue structure of commercial television stations, it can be seen that almost no television, including TVs broadcasting programme at state level that are already well established as important actors in the television industry, does generate revenue from the sale of their own programme. No TV has produced quality audiovisual content that can be considered cost effective product worthwhile offering to different platforms and whose sales will generate income.

One of the most important links in the value chain in broadcasting is the independent production, because it provides quality content, fresh ideas, involvement of a number of artistic and technical creative staff and development related economic activities. This very important industry is funded by broadcasting industry. Existing law imposes an obligation only for public broadcaster, to set aside at least 10% of the annual funds allocated for production of television programme by independent producers from Macedonia. However, this obligation is not imposed to commercial television. The upcoming legislative should impose the obligation of the 10% of the funds for TV programme by independent Macedonian producers to commercial TVs as well. This proportion should be achieved

gradually and based on appropriate criteria in the scope of recent works during this five year's period⁶².

In this context, what's important is the role of broadcasters in stimulation of the development of the music industry in Macedonia. With the existing legal solution, broadcasters are required a certain percentage of the vocal-instrumental music to be in Macedonian language or in the language of the non-majority ethnic communities in Macedonia.

A Serious barrier to the development of the broadcasting industry in general, is the unfair advertising time sales practice. Some broadcasters, mostly those who have significant market power in order to gain as much of the advertising budgets of advertisers, offer to advertisers far lower prices than those listed in the official list prices and actual prices, thus disturbing the market competitiveness. This practice is particularly harmful and it causes serious negative consequences in long term for all parties in the television market. It is necessary to take measures in order to prevent further disturbance of competition and to create conditions for a favorable economic environment for all parties in the market. In this context it is vital to continuously monitor market conditions to take appropriate measures and activities for preventing such behavior, discovering harmful contracts (by discovering unfair selling prices) that disturbs competition, concluded between a media and other entities on the market (with other media, with advertising market intermediaries, with public communication networks, etc.). Strengthening the cooperation between the Broadcasting Council and the Commission for Protection of Competition is essential, given that only activities conducted by regulatory bodies can ensure the promotion and development of competition in the broadcasting industry. In this regard, the necessary amendments to the existing Memorandum for collaboration between the Broadcasting Council and the Commission for Protection of Competition and establishment of a committee for mutual collaboration that will hold regular meetings in order to continuously monitor market conditions, ascertaining harmful contracts (unfair selling prices) which disturbs competition, concluded between a media and other entities on the market (with other media, with advertising market intermediaries, with public communication networks, etc.).

With regard to the promotion and protection of market competition, the Council will contribute within their legal powers, and by monitoring the fulfillment of the obligations of the Act consequently imposing sanctions on those broadcasters that fail to meet these obligations. Council will regularly submit annual broadcasting market analysis, and data and conclusions arising from this analysis will be used in the creation of its regulatory licensing policy in the promotion and protection of competition, taking measures to consolidate and encourage the market development.

It is necessary to define rules for advertising campaigns financed by public funds, regardless of their broadcasting: public or commercial broadcasting programmes, as well as to determine an obligation for contracting authorities these advertising spots to establish clear, transparent, fair, non-discriminatory criteria for the selection of media that will broadcast these videos. The need for establishing criteria is presented in the Action Plan, as well, for improving the situation of the media in the Republic of Macedonia. Possible criteria in the Plan referred to are "... approach to the target audience, rating and trust, language of community, geographical distribution, etc."⁶³

62 Audiovisual Media Services (AVMS) Directive

63 Macedonian Institute for Media and Association of Journalists of Macedonia (2012) Action Plan for Improvement of the Media Landscape in the Republic of Macedonia pg. 6, available at:
http://www.mim.org.mk/index.php?option=com_k2&view=item&id=405:akciski-plan&Itemid=90&lang=mk

In this Plan, as one of the activities that need to ensure economic viability of media and the stability of the media market, is also presented the following⁶⁴:

"Establishment of independent mechanisms and bodies in the field of media industry and the market, which would regulate the relations between market players, would monitor the distribution of the ads and the application of agreed mechanisms, for instance: codes, self-regulatory bodies, multipartite industry committees which would determine the criteria and ways of working in the industry (for example: lowest advertising price"

So far, another way to disturb competition on the market used by some broadcasters was the broadcasting of programme content or transmission of foreign channels with no copyright regulated by the operators of public communications networks (in 2011, total participation of foreign channels in ratings was 20%). Recently, the Broadcasting Council overtook the responsibility to take measures aimed at preventing such behavior of broadcasters, which led to improvement of the situation in most of the operators of public communications networks.

Until the adoption of the Broadcasting Law in 2005, it was thought that the principal barrier to the entry of foreign capital in broadcasting is the highly restrictive provisions of the old Act of 1997. Under existing law, foreign legal and physical subjects may appear as founders of broadcasting companies under the same conditions as domestic. However, despite this opportunity, foreign investors show little or almost no interest at all to invest in our market. At present, only two TVs that broadcast at state level have been established by foreign capital (Alsat-M TV and News 24 TV).

In regional TVs only Pink Mak TV was in ownership of a foreign entity (the sole founder of the broadcaster was a legal subject, Company for information and marketing PINK INTERNATIONAL COMPANY from the Republic of Serbia). This subject was the founder of the satellite television Pink 15 TV too, but it showed no real interest in developing the business, which resulted in a consequent lack of obligation fulfillment in the broadcasting activity (low quality content with no translation or a very poor and reduced translation had been broadcasted, employees were left with no salaries paid, now pending for legal resolution, nor the annual fee for broadcasting has been fully paid). Because all these circumstances, the Council has revoked the license for broadcasting to this TV.

In the period between 2007 and 2011, foreign capital was present in two TV stations more: regional TV Era (had as a founder the legal subject from England, Balkan Media Group Limited until 2009, afterwards this entity had another ownership structure and the new owner was a legal subject Nova TV - First Chasten Channel Inc. from Bulgaria, but only after two months this company left the ownership as well) and the satellite television Era SAT TV (with a founder from Bulgaria, the legal subject DIEMA BIZN EAD), which from December 2010 no longer has permission to perform broadcasting activity.

64 Ibid, pg. 7

3.3.2 Financing of commercial broadcasting companies in terms of digital broadcasting

With the changing ways in which users (audience) consume media, broadcasters need to develop new business models, not only in order to remain competitive in the market but also to take advantage of all new sources of revenue that allow digital broadcasting. Digitalization and convergence of technology for transmission and reception of programming content allow the broadcaster to offer the audience the same programme content by means of different platforms. This certainly offers an opportunity for additional revenues as well, depending on the technology applied. In addition to traditional advertising spots broadcasted on linear programming services, broadcasters will be able to offer advertisers access to the target group of audience and by advertising spots, links and banners placed on their web sites, advertising in the programme content which will be transmitted by the mobile TV and more. Broadcasters will be able to earn revenues by charging the access to certain content (audio and video on demand) too.

3.4 Financial performance of commercial radio broadcasting companies ⁶⁵

In 2011, three commercial radio stations (RA Antenna 5, RA Channel 77 and RA Metropolis) aired program at state level. Mutually achieved total revenues amounted to 71.92 million denars. Most of these funds were generated by Antenna 5 (56% of total revenues) and Channel 77 (39%), the radio station Metropolis earned only 5% of total revenues. In the period from 2007 to 2011, the last was the most favorable for these three entities. Except for 2008, when there was a slight decline in revenues compared to 2007, in the next three years, the total revenues have increased continuously. Most important source of revenues for this segment of the market were advertising revenues, earned 68.37% of total assets. Almost 75% of advertising budgets for this market segment the advertisers have designated for advertising on Antenna 5, about 21% for advertising on Channel 77 and only 4% for advertising on Metropolis. In 2011, these three radio stations mutually have spent a total of 51.80 million. All three radio stations realized a positive financial result.

In 2011, the city of Skopje (at regional level) a total of 16 commercial radio stations aired radio program. Radio stations mutually achieved total revenues in amount of 50.89 million, which is the lowest amount in the last five years. Only FM radio station Club achieved more revenue than the previous year. All other radio stations have reduced their revenues. Five radio stations (RA Buba Mara, RA City, Fortuna RA, RA Watt and RA Sports Radio 90.3 FM) achieved 65.57% of the total revenues of the regional radio market.

⁶⁵ The information in this chapter are provided by the regular annual market analysis of broadcasting prepared by the Broadcasting Council

In the revenues structure the advertising revenues have the most important share (89.82%). In 2011, the regional radio stations have spent a total of 53.82 million, which is only 0.34% more than the previous year. Eight radio stations achieved a positive financial result and the same number of radio stations suffered loss. Total revenues realized by local radio stations in 2011 amounted to 37.36 million, which is the best achieving in the period of last four years. Dominant source of revenues was the sale of advertising time, earned 93.12% of total revenues. The most revenue of this kind generated RA Kiss of Tetovo (3.94 million) and Super Radio Ohrid (2.21 million). In 2011, the subjects of the Radio market mutually made the total cost in the amount of 29.14 million. The major part of these funds were direct costs of creating program (70.54%). In 2011, a total of 36 entities have worked with making profit and the rest without making any.

4. REGULATION ON AUDIO AND AUDIOVISUAL MEDIA SERVICES

4.1 Current broadcasting regulation

The Broadcasting Law ("Official Gazette of RM", No.100/05 ") regulates the terms and manner of performing broadcasting activity and the matters of public interest in the field of broadcasting. As objectives that the Broadcasting Law should have provided("Official Gazette of RM", no.100/05 "), the following objectives were determined: ensuring freedom of expression in the broadcasting activity in accordance with the Constitution of the Republic of Macedonia and the international agreements ratified by the Republic of Macedonia; protection of consumers' interests, stimulation, promotion and protection of cultural identity, educational and scientific development; encouraging the development of creativity, language and traditions in the broadcasting activity; promoting and stimulating competition and broadcasting development; transparency, independence and non-discrimination in the regulatory processes, as well as independent and efficient broadcasting service.

In the period from 2005 until this moment (2012) the Broadcasting Law ("Official Gazette of RM", no.100/05 ") has undergone several changes and amendments. The first amendments and additions were made in February 2007, and were published in the "Official Gazette of RM", no.19/07 ". Broadcasting Law ("Official Gazette of RM", no.100/05 "No.19/07), was amended in August 2008. In 2010, two amendments were made to the Broadcasting Law. The first amendments were published in the "Official Gazette of the RM "no.6/2010, and the second amendment in the" Official Gazette of RM" no.145/2010. In July 2011, another amendment was made to the Broadcasting Law, which is published in the "Official Gazette of RM", no.97/2011. Broadcasting Law has undergone amendments in January 2012 , which were published in the "Official Gazette of RM", no.13/2012. With these amendments, among other things: harmonization with the Law on Misdemeanors was done, some terminological interventions were made, bankruptcy and liquidation of public broadcasting service (MRT) commercial broadcasting companies were standardized, the amount and manner of determining the monthly amount of the broadcasting fee was determined, the possibility of bankruptcy and liquidation of the MRT as a public broadcaster was eliminated, and obtaining an authorization to the Public Revenue Office to determine and charge the broadcasting tax in accordance with the Law on Tax Procedure and increase the number of members and authorized nominators for members of the Broadcasting Council.

Broadcasting Council, for the purpose of consistent and non-selective application/implementation of Article 11 of the Broadcasting Law, in April 2012 ordered the broadcasters in the Republic of Macedonia to harmonize their work with this regulation not later than 30.09.2012. Within this period five (5) commercial broadcasters (television), of which two (2) at state level, 1 (a) regional and 1 (one) local broadcasting, whose working was troublesome from the point of view of Article 11 of the Broadcasting Law has coordinated their working. Council has initiated proceedings for revoking the license for performing broadcasting activity for the discordant two (2) broadcasters to 30.09.2012, of which 1 (one) radio state and 1 (one) regional radio. Inclusive 05.10.2012, which means in the course of the statutory period of 15 days from the initiation of the procedure until the date

for deciding on the legal destiny of the license, the Council ascertains that both broadcasters have conformed their working with Article 11 of the Broadcasting Law and reached conclusions for halting the initiated proceedings to revoke the license.

In the course of application of the Broadcasting Law, Broadcasting Council of the Republic ascertained certain ambiguities and inconsistencies in the same, which constitute an obstacle to an efficient implementation of the law in practice, for example, obscure provisions, insufficiently regulated issues, lack of misdemeanor provisions in one part of the Articles in the Law and alike⁶⁶ Regarding the number, i.e. the amount and quality of the necessary amendments and supplements to Broadcasting Law and its non-compliance with the European broadcasting regulation and horizontal non-synchronization with part of the domestic regulations, as most rationally of legal and technical point of view the solution that consists of adopting a new regulation imposes.

4.2 Harmonization of the national legislation with the European regulation

Republic of Macedonia has an obligation to harmonize its legislation with the EU, i.e. to harmonize its national legislation with the Audiovisual Media Services Directive, by the recommendations and standards of the Council of Europe, as well as the recommendations of the European Commission, noted in the progress report on Republic of Macedonia.⁶⁷ The current Broadcasting Law regulates the broadcasting in the Republic of Macedonia (linear media services) and is in compliance with the Directive "Television without Frontiers". However, it does not contain provisions for the regulation of non-linear audiovisual services, covered /regulated by the Audiovisual media services Directive, and hence the necessity for harmonization arises. Regardless of the way in which the harmonization of the national media legislation shall realize the compliance with the European legislation - Audiovisual Media Services Directive, it will have to contain legal solutions on the following issues:

a) Regulation of linear programming services (traditional broadcasting)

In terms of program characteristics, linear programming services are those in which there is a determined and pre-established program scheme, the selection of contents depends on the broadcaster's editing policy and the program moves from one (broadcaster) to multiple entities (viewers). The future broadcasting regulation is necessary to contain provisions that will define the conditions under which the linear programming services will be performed, and in particular:

⁶⁶ Reports on the work of the Broadcasting Council for 2008, 2009, 2010 and 2011, published on the regulator's website www.srd.org.mk

⁶⁷ Presentation by the Minister of Transport and Communications of the Republic of Macedonia, Mr. Mile Janakieski, under the title Need for harmonization of Macedonian legislation with the Audiovisual Media Services Directive, by the recommendations and standards of the Council of Europe as well as the European Commission noted in the report on the progress of the Republic of Macedonia, published on the website www.mtc.gov.mk

- The format of the program service;
- The level of audience / rating (at national, regional or local level), and
- Other standards that compulsory should respect the subjects that will be granted these types of services.

The procedure for granting license for television or radio broadcasting for these types of services, depending on the type of the technical means by which the service should be transmitted, it is necessary by regulation to be realized in two ways, as follows:

1.By public competition, if the broadcasting is through the limited resource: radiofrequency or digital terrestrial multiplex. Regarding this way of granting license for television or radio broadcasting, it should be stipulated provisions that shall precisely determine the content of the Decision for publication of the public competition, the application for participation, evaluation criteria as well as the granting license procedure. The procedure should be precise, transparent, non-discriminatory and with clear rules. Also, it is necessary to provide the regulatory body to make a decision about publishing a public competition for granting license for television or radio broadcasting, upon receipt a written request by an interested party, in accordance with the study prepared by the regulatory body by which it should be determined the justification for the publication of the competition, and especially in terms of fulfillment of the objectives of the law and the needs of the audience.

The amount of the existing fee payable by the broadcasters at the expense of the Broadcasting Council of the Republic for the license for performing broadcasting activity should be adapted to the economic and financial situation in the Republic of Macedonia, following the examples of countries in the region.

2.Without public competition, if the broadcasting is performed by means of an electronic communications network (wired or Internet Protocol-based) or satellite. If broadcasting is performed by means of electronic communications network or satellite (without use of limited resources), it should be stipulated the necessary permission granted by the regulator on the basis of application, submitted by the interested party. Also it should be precisely prescribed the contents of the application, the period in which the regulator will make the decision for granting the license.

The applicant should fulfill the minimum technical, space, financial and personnel conditions in providing television or radio broadcasting prescribed by the regulator. It is necessary to determine a liability, the regulatory body to keep special and public Register of the broadcasters of the Republic of Macedonia. Considering that linear media services are delivered on the basis of a specific program scheme, they should have exactly determined format of the program service in their license. It is essential the issue on the conditions and the procedure for permanent and temporary revoking of the license of the traditional broadcasters as well.⁶⁸

⁶⁸ The new electronic media legislation of the Republic of Croatia and the Republic of Montenegro, which is in line with the European Directive on Audiovisual Media Services provides the opportunity for permanently or temporary revoking of the concession / license and unlike the current Broadcasting Law of the Republic of Macedonia which is only familiar with permanent revoking of license for performing Broadcasting activity.

b. Manner, conditions and procedure for transition of existing broadcasters from analogue to digital terrestrial broadcasting

According to the amendments to the Law on Electronic Communications of May 2012 ("Official Gazette of RM", no.59/2012), the Council has the authority to adopt a Plan for the use and allocation of transmission capacity to a digital terrestrial multiplex.

The plan should include:

- the number of television program services (standard / high definition);
- number of radio program services;
- transmission capacities provided for additional services, other supporting information and data;
- provided capacities for the transition to high-definition broadcasting of television or other new technologies.

The Future Broadcasting Regulation should contain provisions that stipulate the manner, terms and procedure for transition of the existing broadcasters of linear programming services from analogue to digital terrestrial transmission signal and should provide a specific regulation for digital terrestrial multiplex operator who has an obligation to broadcast/transmit the broadcasters from RM as follows:

- compliance with the Plan for use and allotment of transmission capacity;
- conditions and prices for broadcasting on the broadcasters' program services
- procedure of concluding agreements with the broadcasters;
- application of the principles of objectivity, transparency, proportionality and non-discrimination;
- liabilities for recording the accounting separation;
- monitoring the operator's working.

c) Regulation of nonlinear programming services

Nonlinear programming services, such as for example: audio on demand, video on demand and television pay per view, it is characteristic that they lack of programming scheme, but a list of content offered, the choice of programs makes the viewer himself and communication one-to-one takes place (one provider of content and one viewer). The regulation of the nonlinear programming services, including the audiovisual ones should be within the framework set by the Directive for Audiovisual Media Services. Namely, their regulation should not be too rigorous, but it is necessary to be determined general rules, in terms of:

- granting license for these services is based on request / notification by the person who has provided technical requirements for transmission and Programme concept;
- the same to be issued in a shorter period of time - the regulatory body within a period not longer than 30 days from the date of receipt of the proper request to issue the license;
- the issuance of licenses not to be conditioned by fulfilling high criteria;
- for the received permission it should be determined payment of an annual fee for supervision on the account of the regulatory body;
- to provide clear and precise rules on the conditions under which the license can be revoked;
- to determine the program standards especially in the area of: protection of juveniles, protection of human dignity, the rules associated with advertising and teleshopping, promotion of European audiovisual works and their representation in the catalog of programs offered by the audiovisual media service, the right of response during television broadcasting and etc.

4.3. Preventing piracy and protection copyright and related rights

According to Article 109, paragraph 2 of the present Broadcasting Law, the Ministry of Culture shall issue certificates for arranged copyright and related rights for retransmission cable and other operators of public communications networks, after which the latter address to the Broadcasting Council by a request to issue a certificate for registered packages with programming services. The Broadcasting Council issues such certificates, with authorization, in accordance with Article 109, paragraph 4 of the Broadcasting Law, to order the disconnection of those programming services for which the operator does not have duly copyright and related rights for their retransmission. If during the control monitoring it is established that the operator does not comply with the order of disconnection, the Council is obliged to submit a request for initiating a misdemeanor procedure, which is submitted to the competent court, prior to the alignment procedure, where the latter failed to succeed, meaning when the operator did not admitted the offense and he refused to pay the fine, the payment order was issued for.

The practice has shown the need to speed up the procedure for registration of program packages in a manner that will be focused in one body / institution and to establish the regulator's right of supervision over the work of the operators of public communications networks and the broadcasters and other providers of audio and audiovisual media services in terms of respecting the copyright and related rights.

The Broadcasting Council has the technical possibility to monitor the programming offer operators of public communications networks in Skopje, and also works in establishing of a monitoring system, through technical connection with the operators and broadcasters of the interior of the Republic of Macedonia. Broadcasting Council, at his cost, carries out independent field monitorings of the programming offer of the operators from the interior of

the country, and it is done by the Coordination Committee for Intellectual Property, established by the Government of the Republic of Macedonia. It is still present retransmission of program services without arranged copyright and related rights, and certain regional and local broadcasters occasionally broadcast cinematographic and television films without arranged rights, which is a violation of those rights and unfair competition. Due to legal safety of the traditional broadcasters, operators of public communications networks and other entities covered in the current and will be covered in the future media regulation, in terms of regulation of copyright and related rights for broadcasting, retransmission and other means of distribution of program content, it is necessary the Broadcasting Council, as a regulator, to be legally bound to keep and update a register of representatives of movie, sports and other television rights and representatives of program services in the Republic of Macedonia. The media legislation needs arranging exclusive rights for broadcasting, retransmission and other means of distribution of audio and audiovisual contents and further regulation of approach to events of major importance. Also, in future media regulation except the question which services should be transmitted compulsory and free (must carry), it should be determined and for which services will be valid the rule for compulsory transmission offer under equal and transparent conditions (must offer).

4.4 Supervision

According to the current Broadcasting Law, the Broadcasting Council of the Republic of Macedonia has the authority to supervise only the implementation of the program principles only, program requirements and restrictions (programming standards), as well as the fulfillment of the other conditions in the license for performing broadcasting activity. This is performed through regular and ad hoc monitorings of the program services of all types of broadcasters and all broadcasting levels. Supervision of fulfilling the working conditions contained in the authorization for using radio frequencies, construction, maintenance and use of networks and devices for broadcasting and transmission of programs, is performed by the Agency for Electronic Communications and the Ministry of Information Society and Administration. The Council monitors only in terms of technical equipment of broadcasters' study, in terms of compliance with the bylaws of the Council. The Broadcasting Council has no inspection powers in supervision whether the copyright and related rights are respected by the broadcasters and operators of public communications networks. He as a regulator monitors the situation in this regard by means of independent monitorings within the activities of the Coordinating Body for intellectual property, established by the Government in which, besides other subjects participate and Agency for Electronic Communications, Ministry of Internal Affairs and the Ministry of Culture. Monitorings are realized by means of going in the field and through the system for monitoring program packages of the operators of public communications networks. It remains necessary to retain the right of the regulator supervision in relation to:

Respecting the regulatory obligations of copyright and related rights for the created, broadcasted, retransmitted and otherwise distributed audio and audiovisual media content, which will cover all subjects of supervision - providers of linear and non-linear audio and audiovisual media services; compliance with the obligations provided in primary and

secondary legislation, program requirements and restrictions, and conditions in the license for performing activities and obligation of subjects for supervision at the expense of the Broadcasting Council (by the license fee and supervision fee) technically to connect to Council's monitoring system due to transmission of the signal to the system's location. To check the regularity of the copyright and related rights of operators of public communications networks, broadcasters and other media service providers to be performed afterwards (ex post).

In order to facilitate the supervision over broadcasters' programs, it should be taken advantage of technical and technological possibilities for marking and identification of all the contents (news, info service, informative program, educational, documentary, entertainment, informative and entertainment, educational-entertaining documentary-entertainment, entertainment-informative, sports, play, music program, programs in the arts / culture / humanities, games, reality show, religious services or sermons, Physical Education and Recreation programs, advertising spots, advertising spots, teleshopping spots, teleshopping windows, promotional announcements and broadcasters' videos, announcements of cultural and sport events, announcements of public interest campaigns and appeals for charity, paid political advertising and opening/closing credits) emitted by broadcasters by means of incorporation of so called digital printing in their output audio and video signal. The marking of the contents should be a legal obligation for broadcasters.

4.5 Dissonance of certain domestic provisions

During the implementation of the existing Broadcasting Law, it was concluded that in certain domestic regulations are contained solutions to specific issues that are different from the solutions contained in the Broadcasting Law. In Article 45, paragraph 3 of the Law on Higher Education ("Official Gazette of RM no. 35/2008 103/2008 26/2009 83/2009 99/2009, 115/2010.17/2011 51/2011) it is provided that the University, under the conditions determined in the law, despite the units thereof, there can be TV stations as internal organizational units, as opposed to the Broadcasting Law which recognizes only radios as nonprofit broadcasters. Also, in Article 31 of the Law on the Legal Status of Churches, Religious Communities and Religious group ("Official Gazette of RM no. 113/07), among other things, it is regulated that church, religious community or religious group may establish means for media informing, without specifying the same and whether in this term are also included the electronic media (radio and television). The Electoral Code ("Official Gazette of RM no. 54/2011- Consolidation text) contains a different solution for the duration of political advertising compared with the solution of the Broadcasting Law and bylaws for broadcasters' conduct in the electoral process by the Broadcasting Council, is conditioned by a prior opinion by the State Election Commission. It needs to ensure mutual consistency of these regulations and the new media regulation.

There is a lack of domestic regulation that creates an obligation to home institution to keep a register of holders of public functions at all levels of authority and bearers of managerial functions in political parties. Considering the fact that the ownership structure of commercial broadcasting companies is variable category, and the fact that public office holders are

elected / appointed for a period of time in order to provide realistic conditions for the application of Article 11 of Broadcasting Law-BL (... holders of public functions and members of their families may not perform broadcasting activity or be founders, co-founders or to acquire shares in the ownership of broadcasters), there arises the need for the establishment i.e. keeping a register of all public office-bearers and members of their families in the Republic of Macedonia. Register users would be certain institutions in terms of its jurisdiction established by law. In this direction should be taken into account that several institutions have the data that would be of interest to the Register of holders of public functions and their family members in the Republic of Macedonia. Namely, following the elections, the candidates verify mandates in the State Election Commission. However, such data on the holders of public office have the Parliament, the Government, public enterprises, local governments and other institutions. At the same time, all elected officials and appointee persons submit statements of conflict of interest to the State Commission for Prevention of Corruption. Obligation to provide data to the registry by the institutions would be established by law, and at the same time it would be established the legal obligation of public officials to be recorded in the register. Hence, perhaps the most adequate institution that would keep the register of holders of public functions and their family members in the Republic of Macedonia would be the State Commission for Prevention of Corruption. In the State Commission for Prevention of Corruption would be submitted information for all public officials in Macedonia and this data will overlap in different (legal) basis. Also, the State Election Commission should be charged while verifying the mandates of public office holders, in accordance with the Election Code to check in terms of compliance with the restrictions on media ownership. In order this idea to realize, it is necessary to implement certain statutory changes.

4.6 Self-regulation and co-regulation

The issue of self-regulation and co-regulation in the electronic media, was actualized by the Audiovisual Media Services Directive. Namely in Article 3, paragraph 7 of the Directive it is determined that "State Parties shall encourage co-regulatory and / or self-regulatory regimes at national level in the fields coordinated by this Directive to the extent permitted by their legal systems. These regimes should be broadly accepted by the main stakeholders in the Member States in question and to be executed effectively. "The experience of some countries of the European Union shows that self-regulation and co-regulation instruments can play an important role in ensuring a high level of consumers' protection. In this sense, the experience of the Republic of Croatia, where the Agency for Electronic Media encourages providers of media services to regulate certain areas and to solve certain problems in order to determine the rules of conduct or guidance through the process of self-regulation and coregulation⁶⁹. In the Law on Electronic Media of the Republic of Montenegro⁷⁰ there is a particular article (Article 53), which regulates the issue on co-regulation and self-regulation in the areas it covers, i.e. in the field of production and the provision of audiovisual services (linear and nonlinear as well) and service of electronic publications via electronic communication networks. In the Republic of Serbia, from the self-regulatory bodies, only the Press Council acts as an independent, self-regulatory body, consisting of representatives from the media industry and professional media associations,

and was founded in the beginning of 2010. In this country, there are no self-regulatory bodies of the field of electronic media.⁷¹

Broadcasting Law of the Republic of Macedonia does not include provisions for regulation and co-regulation in the field of electronic media. Amendments were not made to it, leading to its harmonization with the Audiovisual Media Services Directive that regulates both the linear and non-linear media services. In this regard, it is important to note that in circumstances when in the end of 2008 and the beginning of 2009 there was a necessity to regulate audiovisual media services on demand, as a kind of non-linear media services, that certain operators of public communications networks should offer to our broadcasting and media market, the Broadcasting Council of the Republic of Macedonia, the emerged legal gap "was filled" by drafting an Act, named Protocol obligations of operators of public communications networks with respect to the transmission of program services and the provision of audiovisual media services on demand. This Act in the form of draft was submitted to the interested public communication networks, which provided a common acceptable content for each of the contracting parties. This act was a pioneering in the field of co-regulation in the Republic of Macedonia and the Broadcasting Council was concluded between the broadcasting council, on the one hand, as a regulator of the broadcasting area, and several major operators of public communications networks in the Republic of Macedonia, on the other hand. Experience of its application has shown that he is respected by the contracting parties and that there are no doubts regarding its application. In the Republic of Macedonia have been adopted a self-regulatory act by the Association of Journalists of the Republic of Macedonia, named as Code of journalists in the Republic of Macedonia.⁷² This Code of Ethics is important for both the print and electronic media, because he covers the behavior of journalists in all types of media in the country. In an analysis of the Macedonian Institute for Media is included the statement that the media in the Republic of Macedonia has a culture of self-regulation⁷³. The Republic of Macedonia has no regulatory body in the field of the press, and European experiences show that regulatory bodies in the field of press, often appear in the form of Press council. UNESCO and OSCE emphasize the necessity of self-regulation in the media, by explaining that the acts of self-regulation are especially significant for realization of freedom of expression as one of the fundamental human rights of global importance.

69 http://www.e-mediji.hr/rad_agencije/samoregulacija.php

70 http://www.ardcg.org/index.php?option=com_docman&task=cat_view&gid=48&Itemid=26

71 http://www.crnps.org.rs/wp-content/uploads/strategija_javno_informisanje_lat.pdf

72 <http://www.znm.org.mk/drupal7.7/sites/default/files/Kodeks%20na%20novinarite%20vo%20Makedonija%20MK.pdf>

73 Macedonian Institute for Media Analysis, titled Development of media in Macedonia by UNESCO indicators January 2012, posted on its website: <http://www.mim.org.mk/>

5. AUDIOVISUAL MEDIA SERVICES IN THE DIGITAL ENVIRONMENT

5.1 Real situation

A total of 148 subjects have a permission for performing broadcasting activity, 66 television stations of which (four at state level through the terrestrial transmitter, 6 via satellite 9 regional and 47 local) and 82 radio stations (three at state level, 17 at regional and 59 at local level, a radio program broadcast 3 nonprofit institutions). Only one local television station broadcasts by means of cable network.

Ten television stations that broadcast nationally are technically and studios well equipped. Part of their program offer is their own production.

Radio services are broadcasted by analogue transmission. Although the Agency for Electronic Communications has prepared a plan in which the allotment zones are defined, the radio digitization in the ultra-short wave area (Digital Audio Broadcasting, DAB) will not be completed in the next few years. This is due to several reasons: lack of interest in digital radio broadcasting of operators of public communications networks, expensive receivers and the development of digital radio intended for middle and short wave areas (Digital Radio Mondiale, DRM), as well as the presence of other technologies for reception of audio signals.

The operators of public communication networks are the leaders in the digitalization of contents. They have long time offered digital reception of program services. The following broadcasting platforms are used:

- Digital TV via cable (Digital Video Broadcasting - Cable, DVB-C),
- Platform Internet protocol (Internet Protocol, IP),
- Digital terrestrial television (Digital Video Broadcasting-Terrestrial, DVB-T),
- Digital TV via satellite (Digital Video Broadcasting-Satellite, DVB-S).

Regardless of the type of platform they all in their offers have a standard definition digital packages (Standard Definition - SD), and some of them offer high-definition programming services (High Definition, HD).

In January 2012 started to work two multiplexes of the Macedonian Broadcasting (MUX MUX 4 5) by which officially started the process of digitalization of terrestrial broadcasting activity, i.e. the period of simultaneous broadcasting (simulcast period).

Multiplexes MUX 6 and MUX 7 are designed for transmission of television program services of commercial broadcasting companies that broadcast at national and regional level and will offer digital contents free-to-air (hereinafter referred to as free-to-air) to end users.

5.2 Digitalization of audiovisual services in the Republic of Macedonia

5.2.1 Digitalization of terrestrial television

Digitalization of terrestrial television as a global process of modernization of broadcasting has commenced almost two decades ago. In the United States this process began in 1998, and was fully completed in June 2009. Japan was the first country in Asia that ended the era of analogue broadcasting (in July 2011). Digital dividend in these two countries is used for mobile broadband services.

In the European countries, this process is in different stages⁷⁴. TV digitalization process is completely finished in: the Netherlands, Finland, Andorra, Sweden, Switzerland, Germany, Denmark, Norway, Belgium, Spain, Latvia, Estonia, Croatia, Slovenia, San Marino, Luxembourg, Monaco, Austria, Malta, Cyprus France, Portugal, Czech Republic and Italy.

⁷⁴ www.dvb.org [November 2012]

The following states have started this process: Bulgaria, Greece, Hungary, Iceland, Ireland, Lithuania, Poland, Romania, Russia, Slovakia, Serbia, Montenegro, Turkey and the UK, and only three countries: Albania, Moldova and Ukraine have not yet started this process.

Complete disconnection of analog broadcast TV signal (Analog Switch Off, ASO) in the Republic of Macedonia should be carried out on 01.06.2013. In order to provide quality digital signal coverage in the territory of the Republic of Macedonia, four purpose multiplexes in eight allotment zones and the subzone Skopje are provided. They are intended for transmission of television services at state and regional level. The existing broadcasting companies that broadcast television program locally will obtain license to broadcast regionally without competition if they fulfill the requirements specified in the bylaws prepared by the BC. According to the Law on Amending the Law on Electronic Communications published in the Official Gazette no. 59/2012, the authorization for use of radio frequencies intended for digital broadcasting, will be issued to the broadcaster that is the only one in a particular local service area based on the decision to grant license for Broadcasting adopted by the Council and published in the "Official Gazette of the Republic of Macedonia". For the remaining local service areas, with more than one interested broadcaster for digital broadcasting at local level, AEC will announce a public tender for granting approval for use of radio frequencies for multiplex for construction of digital terrestrial system for the broadcasting of program services to broadcasters who have permission to broadcast locally in each of the local service areas.

According to the strategy and action plan for the transition from analogue to digital terrestrial television, PE MB (Public Enterprise Macedonian Broadcasting) is obliged during the period of simultaneous broadcasting to transmit all televisions that broadcast nationally. This activity was already implemented and PE MB on its first multiplex in the territory of the city of Skopje has already started transmitting a part of the state-level television stations that broadcast in SD standard, and the second multiplex is transmitting the first television service MTV HD standard⁷⁵.

In a very small part of the territory of Skopje, PE MB 100by small transmitter of 100W, experimentally broadcasts program in digital format, with MPEG image compression (Moving Pictures Expert Group) – 2.

By introduction of digital terrestrial television it is possible to appear so called digital gap, i.e. part of the population that uses only analogue terrestrial reception of television services (10.6% of respondents⁷⁶), do not have an access to the program offer. Digital gap is expected to be reduced by providing free reception devices (Set-Top Boxes, STB) for the most vulnerable social categories, by the Government. According to the survey, "National study on the level of public awareness of the role of the DSO(Digital switch over)" ⁷⁷, 17.5% of respondents had never heard of the term digital TV, while 64.9% of respondents do not know that in June 2013 the analog transmitting of television signal will be switched off. Hence, it is obvious the need of increasing the public awareness of digitalization. It can be realized by means of public campaigns, round tables, frequent radio and television shows on that subject, organizing workshops with subjects affected by this process, for the purpose of introducing and explaining the digitalization process, the benefits of its introduction as well as its ultimate goal - quality reception of television services to users and the benefits of the digital dividend.

⁷⁵ Action Plan for transition from analogue to digital terrestrial television broadcasting PE MB, Skopje, 03.11.2010

⁷⁶ Public opinion research ordered by the Broadcasting Council. The survey was conducted by the Institute for Democracy on a sample of 2001 respondents, in July 2012.

⁷⁷ The research was commissioned by the Broadcasting Council and conducted by the Institute of Democracy on a sample of 1066 respondents in the period May-June 2012

5.2.2 Allotment zones

Radio frequency plan for digital TV in the Republic of Macedonia is contained in the Final Acts of the Regional Radio communication Conference for planning the digital television broadcasting service in parts of Region 1 and 3, in the frequency bands 174-230 MHz and 470-862 MHz, Geneva 2006 (GE06). With this plan in the Republic of Macedonia are defined the geographic areas (distribution zones or allotment-zones): Crn Vrv, Stracin, Turtel Boskia, Pelister, Mali Vljaj, Stogovo and Popova Sapka in which shall be realized Single Frequency Networks, SNF. Moreover, due to additional coverage of the territory of the capital city, within the allotment zones Crn Vrv there is another subzone for Skopje.

Table 2.Channels by allotment zones

Mark	Name of the zone	MUX 4	MUX 5	MUX 6	MUX 7
D1	Crn Vrv	23	52	40	47
D2	Stracin	37	42	50	56
D3	Turtel	24	39	38	44
D4	Boskia	34	41	50	54
D5	Pelister	22	37	38	42
D6	Mali Vljaj	26	36	44	50
D7	Stogovo	28	43	21	31
D8	Popova Sapka	27	36	41	50
D9	City of Skopje (Vodno)				25

In accordance with the European Commission Decision⁷⁸ for using the frequency range 790-862, the Government of the Republic of Macedonia, at its 186 session, decided that this frequency range following the switching-off analogue television to be used only for the provision of mobile communication services. That means that the channels of the frequency band 790-862 MHz (channel 61 to 69) will no longer be used for broadcasting service - television. Allotment in these distribution areas are not included service zones for digital coverage at local level, which will use "non-Geneva frequency". Channels by allotment zones for digital terrestrial coverage of four multiplexes are shown in Table 2 and Figure 9.

⁷⁸ COMMISSION DECISION of 6 May 2010 on harmonized technical conditions of use in the 790-862 MHz frequency band for terrestrial systems capable of providing electronic communications services in the European Union

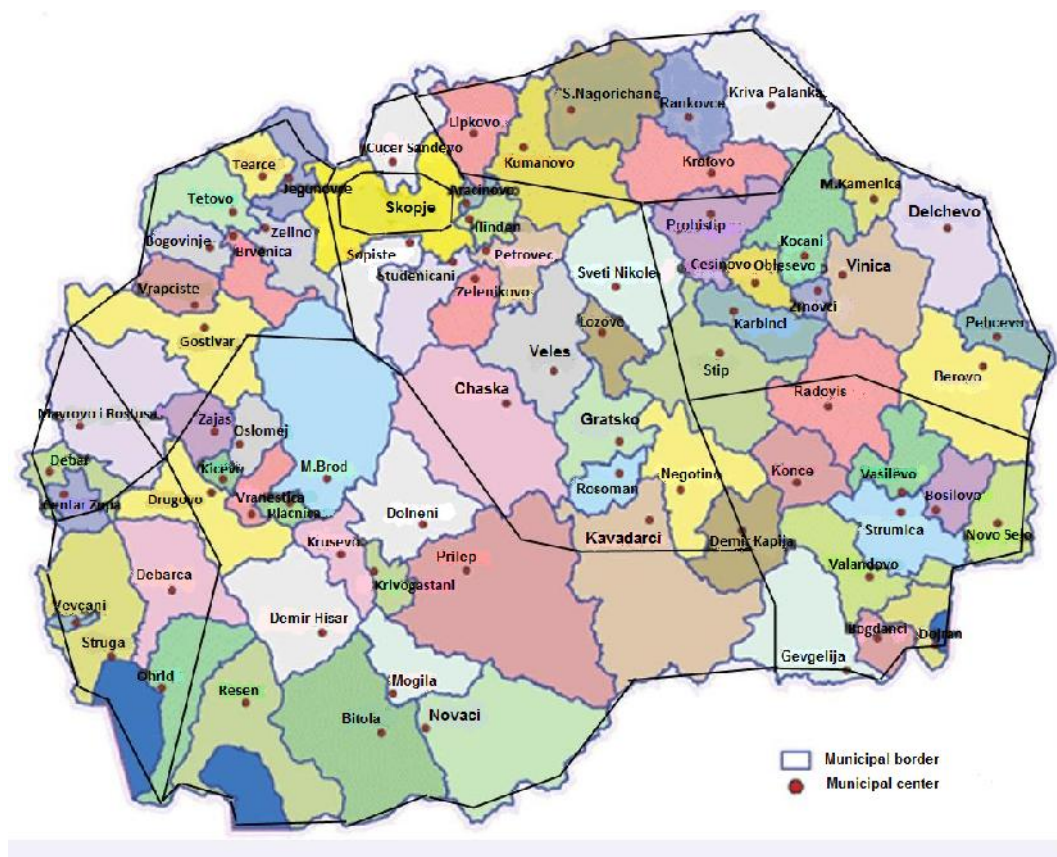


Figure 9.- Allotment zones of digital terrestrial coverage

5.2.3 Digital television standards

In the world there are few standards for digital television. In the United States is used the standard ATSC, in Japan is used the standard ISDB (Integrated Services Digital Broadcasting), while in Europe are used: the standard DVB-T (Digital Video Broadcasting - Terrestrial), its more advanced version DVB-T2, and contents reception through mobile phones, personal digital assistants (PDA), as well as other mobile devices, is used the standard DVB-H.

Digital multiplexes in Macedonia are using DVB-T standard. PE MB during the construction of its network for transmission of digital TV uses the following parameters: encoding - MPEG4, amplitude modulation - 64-QAM, code rate - 5/6, guard interval - 1 / 4. With this configuration is secured network transmission capacity of 49,76 Mbps. MUX-6 and MUX-7 which are designed for transmission of television services at the state and regional level, it should be applied the DVB-T system with minimal transmission capacity of 22Mbps for each multiplex (i.e. total of 44 Mbps for both multiplexes). In the future the standard of the multiplexes should be upgraded in the DVB-T2 system, which will increase the capacity of the network transmission.

5.2.4 Digitalization of operators of public communications networks

In the Republic of Macedonia, over 80% of households receive television signal through the operators of public communication networks. The signal is transmitted analogously (via coaxial cable), and digitally through the platforms shown in Table 3.

Table 3.Characteristics of the platforms for digital signal transmission

Platform	Characteristics/benefits
DVB-C (Digital Video Broadcasting – Cable)	Hybrid optical – coaxial cable
Internet Protocol Television (IPTV)	Internet Protocol providing the signal for watching
Digital Video Broadcasting-Terrestrial (DVB-T)	Terrestrial multiplex
Digital Video Broadcasting-Satellite (DVB-S)	Satellite multiplex

According to the research⁷⁹ commissioned by the Broadcasting Council, the majority of the Macedonian households (61.7%) have a subscription agreement with the operators of public communications networks that use coaxial or hybrid cable transmission, and almost equal number use Internet protocol television (9.8%) and digital terrestrial television (9%). Television signal is retransmitted in one of the following two compression formats: MPEG-2 or MPEG-4. Operators of public communications networks, digital TV signal usually offer as a part of various packages: double (double play), triple (triple play) package, and in recent times four service packages. With this comes to the fore the convergence of communications and the broadcasting technology. The mentioned platforms provide fast data flow that allows part of the offered television services to be transmitted in high definition (HDTV).

In the following five-year period is expected the analogue retransmission of program services through the cable to decrease, due to the lower quality picture regarding digital retransmission. Despite increased image quality and sound by digitizing the offer of the operators of public communications networks it will significantly increase the number of television services, the possibility of interactivity, delayed watching or recording, as well as access to the recorded video contents upon request.

The increasing of the number of users of a digital platform for the retransmission of program services is a result of the development of the new reception technology (television receivers of the newer generations, with integrated DVB-C or DVB-T card for admission), thus avoiding the costs for providing external digital reception devices.

By complete digitalization of the public communication networks it is enabled accurate record of end users who use operators' services, which will minimize the unreal presentation of the number of users (under reporting) and fiscal evasion. From a technical perspective, there are two ways to keep track on the number of end users of the services of the operators of public communication networks, in their completely digitalization and

- by automatic registration of each purpose server receiver;
- by registration descrambler card receiver.

Automatic registration of the purpose server receiver is made in the form of authorizing the receiver for use. Control on the purpose server, and thus on the users is obligation of the authorized institution (AEC-Agency for electronic communications, BC, PRO-Public Revenue Office and alike). The basic problem with mass application of this solution is the need of

⁷⁹ Public opinion survey commissioned by the Broadcasting Council, and conducted by the Institute of Democracy sample of 2001 respondents, in July 2012.

feedback communication channel from the receiver to the server. In part of active operators in our country, such a channel is already in function because they also offer Internet service. In this case, it is sufficient replacement of receivers with those that will have the ability to login to the server. Problems regarding this solution appear in the Network section of the "big" operators in which is not implemented bi-directional communication due to the small number of Internet users. In smaller operators the network is mostly one directional and there, as in the one-way sections of the major networks, it is necessary to change the equipment which several times increases the cost of the network. This investment for them is questionable. To estimate the amount of the investment information about the size and configuration of the network to a specific operator is required. An additional problem is the possible replacement of the software in the receivers so that the receiver works when not logged into the server.

Registration method of descrambler card is simpler, but involves solving some legal aspects. It's a fact, that part of the card manufacturers, require mandatory registration of cards at their place. Records on how many and which cards are sold to which operator can be used in order to monitor the violation of copyright. An example of such a company is Conax⁸⁰. In this regard it is possible to make a selection of few manufacturers of cards that would be declared to be allowed to operate in the market in the country and conclude contracts with them, the information of cards mandatorily to be forwarded to the competent agency (BC or AEC). Another problem here is the joint purchase. Namely, in order to reduce the cost of the cards, very often several operators buy mutual cards, so it is difficult to track who bought more. This is especially troublesome when such association is done with operators from Bulgaria, there are examples in the country of such occurrences. Possible endowment of cards of selected companies could be helpful in this regard.

Based on the study prepared by the Ministry of Information Society and Administration, to be determined the date for completion of the process of digitalization of the public communication networks.

5.2.5 Digitalization of satellite transmission

The process of digitalization of satellite radio and television signal transmission is completed. Since it is a global transfer system of audio contents and video contents, digitalization of the same is carried out by telecommunications consortiums without previous national regulation. Digitalization of broadcasting via satellite (DVB-S) was actual in the period 1993-1997, and as main format for video compression, MPEG-2 format was used. In 2003 by the international industrial consortium "DVB Project" was introduced the second generation of satellite transmission of contents, i.e. the standard DVB-S2. This standard was ratified in 2005 by the European Telecommunications Standards Institute ETSI (EN 302 307). In comparison to previous (DVB-S) standard, significantly was improved the collection and sending audio data and video data from distant out of studio locations to radio and television and other production houses. The standard DVB-S2 uses MPEG-4 format for compression of video contents. According to some surveys, satellite and IP-based technologies in the future will be the main technologies that will be used for transfer of contents, and their power is expected to rise if it is combined with another wireless technology for contents transmission, such as WiFi, WiMAX, Bluetooth and so on. In the Republic of Macedonia, a total of six television stations have license to broadcast via satellite. Limiting factor for the use of this platform are the high costs for transmission of the signal to the satellite (up-link).

⁸⁰ <http://www.conax.com>

5.2.6 Digitalization of production

The development of technology has a strong influence on the manner of the production of audiovisual contents. Hence there is a need for a new understanding of the term traditional studio. Broadcasters who produce their own program in studio conditions, should own studios that fulfill the criteria contained in the Rulebook on the basic technical requirements, standards and parameters for the study part of the broadcasters, which specifies the minimum spatial-energy conditions for production of quality signal. By the strong development of digital technology, especially in the field of computer graphics and animations, the need of production studios will not completely disappear. On the other hand due to the opportunities offered by modern production equipment the need of scenery is expected to be brought down to minimum, because of the possibility to be virtualized and simulated through computer systems in real time. Digital equipment for recording, processing and production of audiovisual contents will contribute to improve the technical quality of the recordings with the possibility of their interaction. Broadcasters should pay attention to the good quality of the television program that will produce. BC will develop in the future, an act determining the standards for the quality of the output signal of the study to the public communication network.

5.2.7 Reception equipment

Despite the digitalization of production and transmission of audiovisual contents, to complete the whole process of digitalization of the broadcasting activity it is necessary digitization of reception equipment. Almost two-thirds (64.8% ⁸¹) of households own a television receiver from an older generation, which is not enabled for reception of digital signal (Table 4.)

Admission contents in standard definition as well as high definition contents required an appropriate reception equipment is needed (receiving external devices or receivers with built-in receiving device). From the data in Table 3, it can be noted that such reception equipment possess 35% of the Macedonian citizens.

⁸¹ Survey "National analysis of the level of public awareness of the role of the DSO", commissioned by the Broadcasting Council and implemented by the Institute for Democracy sample of 1066 respondents, in the period May-June 2012

Table 4. What kind of TV do you have?

Classical CRT-TV	64,8%
LCD	19,9%
Plasma	12,6%
LED	2,5%
No answer	0,2%
Total	100%

5.2.8 Benefits of the digitalization of terrestrial television

Benefits by digitalization of terrestrial television are the following:

- The number of programs is increasing because one frequency channel can transmit multiple television services with picture quality in standard or high definition.
- band 790-862 MHz (digital dividend) is released, which is intended for new mobile technologies (such as. LTE (long term evolution), which provides significantly higher data rates than the previous ones).
- High quality picture and sound, without noise, interferences.
- Possibility for watching larger, merged or split screens.
- Option of additional services (electronic program guide, more/bigger number of audio channels, multi-language subtitling, teletext etc..).
- Broadcasting, signal transmission and reception without its degradation.

On the other hand, the audience as the most important digitalization benefit considers the increasing number of program services (51.7% of respondents), and "crystal clear picture" is ranked the second place (Figure 10)..

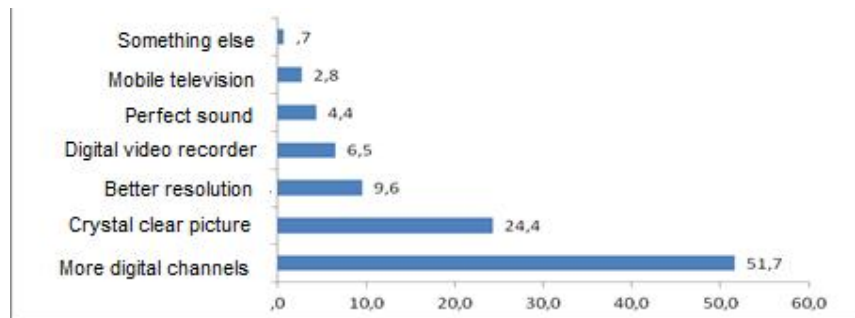


Figure 10 - Expected benefits according to the audience

5.3 Digital Dividend

The most important benefit of digitalization process is the digital dividend, i.e. free-to-air frequency band in the transition from analogue to digital terrestrial television service diffusion.

Broadcasting range of 790-862 MHz used in analog broadcasting, following the introduction of digital television in the Republic of Macedonia will be used to future generations of public mobile communications networks and services in accordance with the Plan of allocation and use of radio frequencies in the Republic of Macedonia adopted by Agency for Electronic Communications.

The introduction of new technologies in telecommunications (DVB-T2 and MPEG-4), has prompted considerations of the second digital dividend, which would cover the spectrum of 694-790MHz. The decision on the second digital dividend will be made on the World Radio communication Conference 2015 WRC-15, which will provide an introduction to the global standard of International Telecommunication Union-ITU, and International Mobile Telecommunications-IMT. Following the introduction of digital terrestrial television in the Republic of Macedonia, it is necessary to make analyzes for the possibility of a second digital dividend.

5.4 New technologies, services and Internet

In the near future is expected rapid development of technologies for the production, transmission and reception of digital audio-visual contents. Ultra-fast Internet access will enable further development and improvement of virtual simulation technology scenery and other ambient elements in television studios, which will accelerate and cheaper the production of audiovisual contents. The number of produced interactive contents will be increased. One of the primary benefits of digitalization is the increased perceptually (receptive) image quality / video signals. Perceptive data quality, so far, has been received by means of polling of a test-group of viewers. It is expected that in the coming years it will be developed sufficiently precise technology for automatic perceptive quality assessment , which the audience polling will make unnecessary, and will allow continuous quality control signal that is submitted to users. This technology will be the basis for setting the standard for perceptive quality, and thus the minimum levels of quality that operators will have to fulfill.

There is no doubt that in the future, with the development of production equipment of audio-visual content, will increase their technical quality. Minimum production quality is expected to be in HD technology and through the entire process of production.

The technology progress will enable active participation of users in the process of creating content, or in the development of the creative industry. It will result in increased offer and diversity of digital content, respecting creator's copyrights.

The digital media world allows the user greater creative freedom and choice of content. In the near future is expected the development of content in ultra-high definition (Ultra-HD) resolution 4Kx2K (3840 x 2160) or 8Kx4K (7680 x 4320). This definition of the image will be possible by applying new algorithms video compression such as HEVC (High Efficiency Video Coding, H.265 according to ITU notification).

Despite intensive development of quality of 2D technologies mentioned above, the coming years is expected more intensive development of 3D technology.

For quality perception of digital audiovisual content, should be developed appropriate technology reception equipment. In this regard, in the coming years, despite receivers which would have a different number of input interfaces and would have supported the Ultra-

HD and 3D technology, can be expected to evolve in size. Development of receivers goes in direction of production of very large monitors using LED-OLED technology, with the ability to divide the screen into smaller units that will allow simultaneous watching different programs.

It has been noted the trend of convergence of "smart" devices with the technology of audiovisual projection. More and more personal devices have an integrated projector that allows watching audiovisual contents. With the development of projectors in terms of quality, any flat surface can become a receiver, and the image quality is in high definition. For transmission of audiovisual contents will be used combined technologies using fiber and wireless technology.

Optical fiber, due to the large porous range, is the best medium for introduction of services and content to the user. Services that can be offered by operators via fiber networks: Fiber To The Home, FTTH and Fiber To The Office, FTTO consist of communication and entertainment services that include voice, high speed Internet access, broadband cable television, broadband satellite TV, interactive two-way transmission of video and so on.

These networks provide increased reliability and stability of the flow of data, including audiovisual content, while reducing costs to work. In the future it is expected to increase the utilization of IP platforms because anticipated increased capacity for data transfer, as well as the ability of new terminals for receiving data via these platforms. The development of wireless technology will be realized through future generations of mobile broadband technologies (such as 4G), which provide ultra-broadband terminal devices like laptops, smartphones, and other mobile devices. Possible applications include changing mobile Internet access, IP telephony, video conferencing and 3D television. Since the release of the frequency space occupied by analogue television greatest benefit mobile operators will have. This is ideal for the next wave of mobile technology and is a technology that can potentially put an end to problems in rural communities that currently have access to fixed broadband internet. By application of future generations of mobile broadband technologies (such as 4G), many software applications, online services and information will be accessible and usable anywhere and at any time.

By using DVB-T2 platform, it will be allowed increasing of performance of a radio channel. DVB-T2 multiplexes will use future compression algorithms that will allow to a multiplex system in addition to SD and HD television programming services, to transmit program services in Ultra-HD definition. The next period is expected to increase the number of new services that are offered by the application of new technologies. Television-based on Internet protocol (IPTV) is a service that allows TV programs to be broadcasted via broadband fixed connection. This service allows the user interactivity of the program that is watched, i.e. its recording, pausing, etc.

With the ability to record programs remotely, whose watching the user will postpone it until later, provides dynamic access to content. The development of ultra- speed internet in the future will have the greatest impact on the overall broadcasting activity. The number of television and radio services that are watched through Internet is growing. Services that use Internet technology to transmit are global and are accessible from any place in the world where there is an Internet access. The Internet, besides providing access to audiovisual content services as needed, also allows transmission and real-time content-based technology streams (Streaming Technology). The Internet will be the main tool for adjustment of audiovisual services to the user. Instead of adjusting the user to the service, the emphasis will be put on adapting the service to the user. In the research conducted by the ABG Nielsen in 2011 on regular Internet usage by age, the received results are presented in Figure 11.

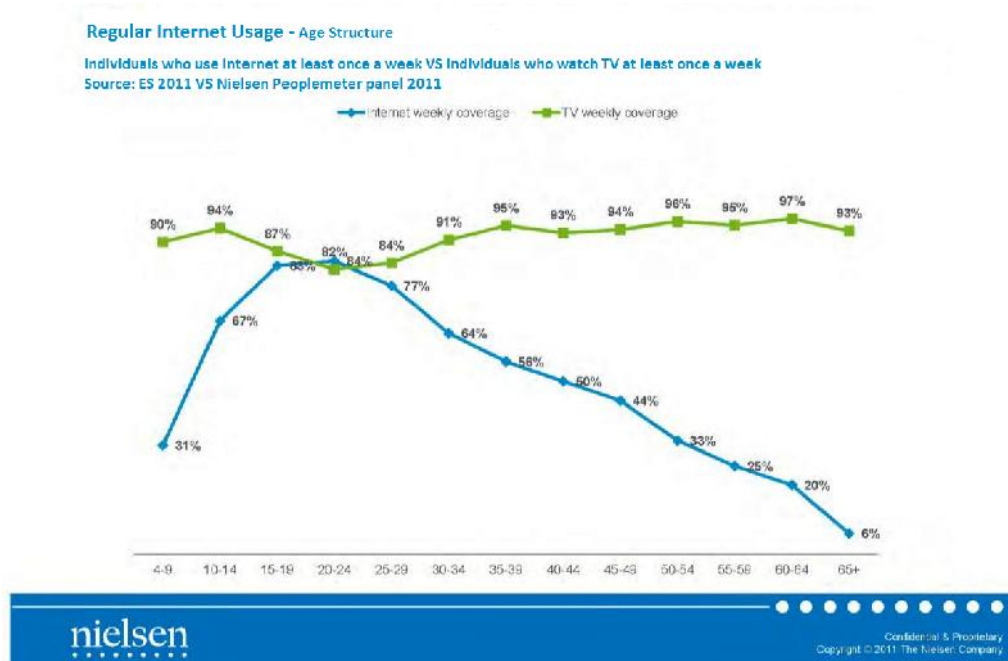


Figure 11. Study on regular internet usage according to the age structure
 (Source: Nielsen Audience Measurement, Macedonia)

Of the graph it can be seen that the age structure of 20 - 24 years spent more time on internet than watching television. According to this, the Internet is expected to take a leading position on access to audiovisual content, leading to increasing of the influence on audience. On the other hand, since the last population survey in Macedonia, 71% of respondents answered negatively to the question whether they watch television via Internet. In this examination has not been made categorization by age. Both studies concluded that the use of traditional television will not be abandoned, but on the contrary, the development of new technologies and services, especially the Internet, will strengthen its need. One of the services that are offered through the Internet, and is used for watching audiovisual content is web-TV (WebTV). WebTV is a service that is based on the fast growing technology digitization of content and uses the Internet as a technology to transmit original shows or series to the audience. WebTV allows the TV to be connected to the Internet without using a traditional computer.

Webcast is a service media distributed lecture via Internet using streaming technology. Content is distributed to many simultaneous listeners / viewers (broadcasting). Essentially, webcasting is "broadcasting" via Internet. The term webcasting usually refers to non-interactive linear streams or events. Webcasting requires recipients to have access to the Internet to obtain a variety of information, from simple text to rich media files with multimedia capabilities. Webcasting offers many benefits for individuals and organizations that need to create and spread information and content. The Internet allows instant transmission, and the costs for webcasting are generally lower than those for other media. Webcasting, also means less reliance on intermediaries such as the cable system operators or local TV stations.

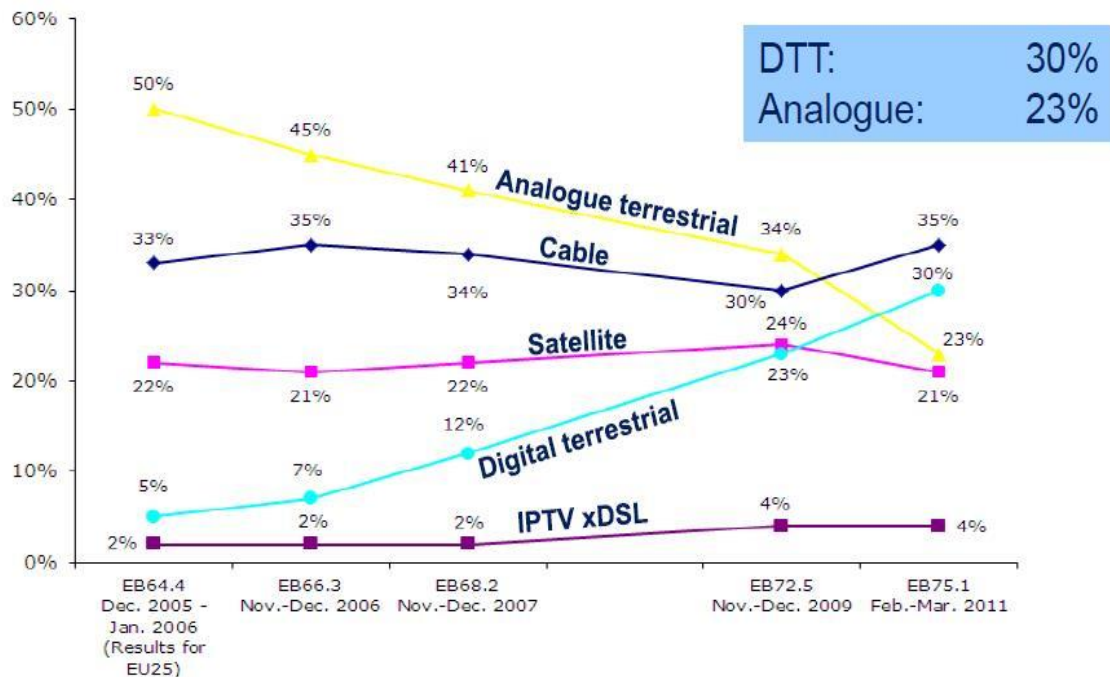


Figure 12. Presentation of the manner of television signal reception in the EU (Source: Eurobarometer 362, E-Communications Household Survey, July 2011)

Internet is used also for access to recorded audio-visual contents. Especially popular nonlinear services are catch-up and time-shifted viewing. These are audiovisual contents previously aired as linear audiovisual services and on-demand content that is available on-line, but were not aired. The demand for non-linear services, some of which are significantly different from traditional broadcasting (e.g. games based on the specific TV or radio programs) is expected to continue to grow in future.

The combination of linear services distributed by means of emission networks (Broadcast Networks) with nonlinear services distributed via Internet networks on the TV screen sometimes is called 'over the top TV' (OTT). These services are more and more provided by new entrants in the market.

Trend of neutrality of television services in terms of transmission is evident. On the graph shown in Figure 12, it can be seen that the transmission by means of digital terrestrial and satellite platform is growing in terms of analog terrestrial platform. In 2010, digital terrestrial platform has been used more than analog platform, thereby the digital platform has taken precedence over the analogue.

5.5 Convergence of technologies

Convergence in the broadcasting means combining all types of audiovisual contents in digital form. A long time has been discussed on the further development of broadcasting

followed by the convergence of various technologies. In the broadcasting activity, the convergence includes five processes:

1. The devices for production and processing of audio-visual contents such as cameras, microphones and other computer-based sensors and technologies for reception and recording of audio-visual contents, or other formats. Digital cameras and microphones can be converged with other computer-based systems. For example, the digital cameras can be assembled on a robotic devices with operating systems enabling remote control and camera managing, making the cameramen redundant and operational efficiency increases. Moreover, the movements of the camera, zoom control and the positioning can be pre-programmed and stored and later to be used to record a sequence with 100% accuracy. Through Web applications audiovisual signals produced from high-quality Web-cameras and Audio System can directly be broadcasted through the Internet as Web casting, which enables watching television through Internet.

2. Storage technology that includes storage and archiving of audiovisual content.

3. Arrangement or other computer-based technology for postproduction

Processing of audio content, video contents, text, graphics, multimedia or interactive content.

4. Transmission and distribution technologies including networks and telecommunications technologies.

5. Display technologies (displays) for accessing and displaying audiovisual content.

Convergence of broadcasting, telecommunications with the telecommunication technology is in advanced phase. Convergence is generally performed in two directions:

1. Possibility of different platforms (broadcast, satellite, cable or telecommunications) to transmit similar services

2. Unification (merging) of devices intended for consumers (phones, television devices, personal computers and personal digital assistants). Development of broadcasting segment shows upward trend. Services move from linear to nonlinear (from PUSH to PULL), i.e. consumers access to the desired audiovisual content.

Access if needed resulting in so-called content fragmentation. This development is evident by increasing the number of specialized television services, such as television services specialized for news, health, trade and travel. Example of the convergence of broadcasting and broadband services is the platform HbbTV (Hybrid broadcast broadband Television) which allows application of technologies for signal reception: through diffusion of digital TV signals and by the use of broadband services. Between the user and the content provider it is enabled interactivity through feedback signal which the user sends via broadband service. In the future, it is expected the audiovisual contents in terms of transmission technologies and their receiving platforms, to be neutral. This means that audiovisual content can be viewed on a TV, computer, "smart" phone or tablet.

6. MEDIA LITERACY

The development of information and communication technologies in recent years has affected and affects both the way the media work and how we use and the way the society functions. Information can be obtained in a multitude of forms, anytime, anywhere and by any means. Improvements of the technological infrastructure of the internet, has transformed the user into a creator of content. Almost anyone can receive and transmit information, to communicate, publish or even broadcast programs.

In order to follow the services offered by today's media, which dynamically evolve, it is necessary continuously learning of how to handle technical equipment, how to access certain content, how to build an attitude about them, how to use interactive services, how to protect against various types of abuses (misinformation, unauthorized interception and surveillance, identity theft, unauthorized processing of personal data for commercial purposes). The lack of these skills, which are fundamental for all people (children and adults), completely excludes us from a significant part of our daily life, which increasingly relies on media and new technologies.

The capacity of people to access the media, critically analyze the contents they find there and as a result of that make more informed choices is called media literacy. It applies to all types of media, including television, cinema, video, websites, radio, video games and virtual communities. It can be shortly defined as the capacity to access, understand, evaluate, and create media content.⁸²

6.1 Normative approach and reasons for its promotion

Although well known in the field of education, the concept of "media literacy" has recently appeared in the terminology associated by the regulation of audiovisual services and new online media. It coincided with the change in the method of regulating the media - promoting concepts "co-regulation" and "self-regulation", in parallel with traditional regulation.⁸³ Namely, in 2007, the European Commission adopted a Communication on media literacy by including this concept within the European audiovisual policy. Expected regulatory development was the inclusion of media literacy in the Audiovisual Media services.⁸⁴ The term was introduced and partially explained in recital 47 of the preamble to the Directive, and Article 33 establishes the obligation for the Commission to report on the levels of media literacy in the Member States of EU. In 2009, the European Commission adopted a Recommendation on media literacy in the digital environment⁸⁵ in which is emphasized the role of the competent authorities for the regulation of audiovisual media and electronic communications, and the media industry in improving the level of media literacy in the EU Member States. More documents and actions taken within the Council of Europe also refer to media literacy. Promotion of media literacy and education were the subject of several European Ministerial Conference on Mass media policy⁸⁶ periodically held since mid-1980. Promotion of media literacy is mentioned in several documents of the Committee of Ministers and the Parliamentary Assembly of the Council of Europe. By documents' analysis, it can be concluded that there are many points in common, in terms of objectives, themes and target groups in access to the media literacy of the European Union and the Council of Europe.

82 Commission of the European Communities (2007) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A European approach to media literacy in the digital environment, Brussels, 20.12.2007, COM (2007) 833 final, available at: [http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?url=COM:2007:0833:FIN"EN:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?url=COM:2007:0833:FIN)

83 Machet, E. (2008) "Media Literacy-what role for the regulators?", Background paper for the 27th EPRA meeting in Riga, 14-16 May 2008, available at: www.epra.org/content/english/press/papers/literacy_final.pdf

84 Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive) – codified version, Text with EEA relevance, Official Journal L 095 , 15/04/2010 P. 0001 – 0024. available at: <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:095:0001:0024:EN:PDF>

85 Commission of the European Communities (2009) Commission Recommendation 20.8.2009 on media literacy in the digital environment for a more competitive audiovisual and content industry and an inclusive knowledge society, Brussels, 20.8.2009 C (2009) 6464 final, available at: http://ec.europa.eu/culture/media/literacy/docs/recom/c_2009_6464_en.pdf

86 European Ministerial Conferences on Mass Media Policy, all adopted texts are available at: [http://www.coe.int/t/dghl/standardsetting/media/doc/DH-MM\(2006\)004_en.pdf](http://www.coe.int/t/dghl/standardsetting/media/doc/DH-MM(2006)004_en.pdf)

Generally, the reasons for the promotion of media literacy can be summarized as follows:

- Citizen training/qualification of individuals;
- Reduction / elimination of the digital gap;
- Reduction of risk / protection of content that can cause damage;
- Improving the informed decision-making / consumers' protection.

Media literacy is described as a precondition for complete participation in modern society. Its ultimate goal is to develop critical understanding of the individual and encourage his participation as a citizen. The goal to reduce or eliminate the digital gap arises from the understanding that access to and efficient use of digital resources strengthen the social position of citizens, or in other words, digital gap can create new social divisions or to highlight the existing ones. Different types of skills necessary to provide care or to reduce the consequences of exposing to content that may impair. These capabilities, in particular those for critical analysis and evaluation of media messages, on the other hand, allow informed decision-making and increasing of the awareness about the consumers.⁸⁷

6.2 Components of media literacy

There is no unique definition of Media Literacy at the international level, but it has a consensus about its essential components. The most widely used definition, the term "media literacy", formulated as the ability to "access, analyze, evaluate and produce printed and electronic media." This definition is determined in the National Media Literacy Conference organized by the Aspen Institute in Washington in 1992, by the leaders of the American movement for media literacy.⁸⁸

Recently, the European Commission agreed on the definition of media literacy, which was approved and accepted by the members of the Expert Group on Media Literacy Commission, which is "the ability to access, analyze, and evaluate the power of images, sounds and messages that we face on a daily basis and are an important part of our contemporary culture, and also competent communication in media available at personal basis".⁸⁹ Almost all definitions emphasize four components - access, analyze, evaluation (grade) and communication. In the study on assessment of criteria for media literacy levels,⁹⁰ prepared for the European Commission's needs in 2009, an attempt is made to determine which characteristics define media literacy. This study identifies two dimensions in the framework of media literacy, one which starts from the individual's ability to use the media, and other by the factors of the context and environment. "Individual competences" are defined as an individual capacity for particular skills. They cover a wide range of abilities and imply an increased level of awareness, capacity for critical thought and the ability to produce and communicate messages. "Environmental factors" are defined as a set of contextual

87 McGonagle, T. (2011) "Media Literacy: No Longer the Shrinking Violet of European Audiovisual Media Regulation", extract from the publication IRIS

plus 2011-3 "Media Literacy", available at: http://www.obs.coe.int/oea_publ/iris/iris_plus/iplus3LA_2011.pdf

88 Aufderheide, P (1993) Media Literacy: A Report of the National Leadership Conference on Media Literacy, Aspen, CO: Aspen Institute, available at: <http://www.medialit.org/reading-room/aspen-institute-report-national-leadership-conference-media-literacy>

89 Danish Technological Institute, Testing and Refining Criteria to Assess Media Literacy Levels in Europe, Final Report April 2011

90 European Association for Viewers Interests-EAVI (2009) Study on Assessment Criteria for Media Literacy Levels, A comprehensive view of the concept of media literacy and an understanding of how media literacy levels in Europe should be assessed, Prepared for the European Commission Information Society and Media Directorate – General, Media and Media Literacy Unit, by EAVI, Clemi, UAB, UCL, UTA, Final Report, Brussels, October 2009, available at:

http://ec.europa.eu/culture/media/literacy/docs/studies/eavi_study_assess_crit_media_lit_levels_europe_finrep.pdf

53 Ibid 8

factors that influence individual competencies and the development of media literacy, such as the availability of media, media policy, education, and the role and responsibilities of the entities in the media community and civil society. The study presents the assessment criteria for media literacy in the form of a pyramid. At the bottom of the pyramid are "environmental factors". On the second level are "personal competences" for enhancing the technical skills for usage of the media and cognitive processes of critical understanding, which affect the ability to communicate as "social competence" located at the top of the pyramid.

Second Study of the European Commission for testing and refining the criteria for assessing the levels of media literacy⁹¹ of 2011, stresses that the pyramid structure of media literacy is a simplification of the reality in which relationships and criteria are much more dynamic and more entwined. It considers that the agreed framework for media literacy accurately reflects the main attitudes embedded in the definition of the European Commission, but recommends reconfiguring the graphical presentation of the theoretical framework based on statistical analysis. The study indicates that the indicators for media context (media education, media policy, media industry and civil society) are the most complete in terms of disclosure of all relevant entities and necessary institutional background for the development of media literacy, but at the same time too complex and difficult to measure. In this context, also it recommends a certain reconfiguration of the frame because the media context as a factor of the environment is represented as a prerequisite to a person's ability for media literacy. According to the study, the indicators of the availability of the media, as a factor of the environment, also require review because they are associated with media usage capabilities. Namely, in order to test whether the availability of the media result in the diversity in their use it is necessary to measure the approach and specific choices of the respondents on the basis of field research and to make a comparison of the data availability and the actual media consumption provided by the media industry.

From all this follows that media literacy is a complex concept and in order to assess the level of media literacy among citizens in a state, long-term and different types of research activities are needed.

6.3 Conditions for the development of media literacy in Macedonia

In the Republic of Macedonia has not yet been realized a comprehensive analysis to assess the level of citizens' media literacy. There is a partial data from a variety of researches related to some of the indicators to assess the level of citizens' individual competencies and the availability of media, but they are not sufficient to obtain a relevant picture of media literacy.

In the context of the development of media literacy it is ascertain:

1. Media education. According to data from the Bureau for Development of Education, Ministry of Education and Science, media literacy is present in the syllabus of Macedonian, Albanian, Turkish and Serbian language in the nine-year primary school from first to ninth grade. The syllabus of secondary education has no content of media literacy, and it is covered in secondary vocational education syllabus in the teaching for the third year in Macedonian Language and Literature, Albanian and Turkish Language and Literature. On the civil society initiative, was published a Rulebook for the study of media literacy in the native language teaching aims to help teachers to improve students' knowledge of the role and functions of the media in democratic societies, but there are no continuous activities related to other indicators in the field of media education - teacher training, educational activities and providing teaching resources.

2. Media policy. The concept of media literacy is not built in domestic regulation of media. There are regulatory bodies for regulation of (Broadcasting Council) and Electronic Communications Regulations (Agency for Electronic Communications). Regulatory bodies

have explicit responsibilities related to media literacy. Agency for Electronic Communications has an educational campaign on the use of media services that is related to aspects of media literacy. Broadcasting Council organized workshops with media professionals associated with the protection of the juvenile audience of contents that could impair its development and prepare educational campaign for the implementation of digital television in the country.

3. Media industry. No data on media literacy-related activities. The contribution of the media industry does not stop with the provision of services, content, new technological devices and guidelines for educating users to use new tools. They can also contribute by providing industrial data access and use various media genres.

Although media professionals, by the nature of their work are media literate, many domestic and foreign researches confirmed that media products are full of potentially harmful content and content that often do not obey the basic human rights and freedoms.

4. Civil society. More organizations are active in the field of media Literacy – The Macedonian media institute, the Institute for Democracy "Societas Civilis" Organization "Metamorphosis". Macedonian Institute for Media and Democracy Institute in cooperation with other institutions and organizations cooperated in the three-year project "Promotion of media literacy education in the Republic of Macedonia", which included many activities: preparation of manual for teaching media literacy in mother tongue teaching for teachers; teacher training for media education students; maintenance website promotion media Literacy - www.mediumskapismenost.edu.mk and other activities. Organization "Metamorphosis" is active in the field of increasing awareness about the safe use of the Internet and social networks.

Despite the fact that there is no overall national strategy for the development of media literacy in many segments of society, stakeholders felt the need to encourage its development. There is no data for carried out surveys relating the achieved impact in their past activities.

6.4 Objectives of the future development and target groups

Media literacy should be promoted as the biggest interest of the Macedonian society. All stakeholders in the various spheres of social life should contribute to its development. Educational institutions need to develop mechanisms to verify the effects of media education into the syllabus. Scientific institutions should encourage and fund research in this area. Media professionals need to develop self-regulatory codes related to respect for professional standards to increase their responsibility in the creation of media products. Regulatory bodies in the media field and electronic communications should develop special programs with more activities related to media literacy. Representatives of civil society should continue to actively contribute to various initiatives and projects.

Since the focus of the development strategy of broadcasting is still media policy, it should be provided mechanisms for encouraging the awareness of the importance of the concept of media literacy among media professionals and users of media services. In this context, the new media regulation should include the concept of media literacy, BC to get authority to take care of the development of media literacy and on that basis to develop a special program for its promotion. Considering the primary reasons for the promotion of media literacy can be identified more target groups to which should be directed to these activities: children / minors; adolescents; parents; public as a whole; elderly; disabled; linguistic minorities; socially and economically disadvantaged individuals; media users; consumers.⁹² Promotion of media literacy has traditionally been associated with efforts to

prevent or reduce "Negative media effects" .⁹³ Hence it is logical its prominence in the context of policy for the protection of the juvenile audience, especially in the online environment, and in terms of protection of commercial communications. The children as the most vulnerable group, in the future, should be given priority in policies for promotion of media literacy.

93 Potter, J.W. (2010) "The State of Media Literacy", Journal of Broadcasting & Electronic Media, 54:4, 675-696, available at: <http://dx.doi.org/10.1080/08838151.2011.521462>

**ACTION PLAN SUPPLEMENTED TO THE
STRATEGY FOR DEVELOPMENT OF BROADCASTING ACTIVITY IN THE REPUBLIC OF MACEDONIA FOR THE PERIOD 2013-2017**

No.	Measure	Activities	Indicators	Holder/s	Period of realization
1. PLURALISM AND DIVERSITY OF PROGRAM CONTENTS					
1	MRT to be given opportunities to create specialized services, based on the PBS' (Public broadcasting Service) financial capabilities, the needs of the audience, and by means of a well-defined transparent and inclusive procedure in which the regulator compulsory participates..	1. In the new media legislation to be provided that the MRT may in addition to the existing to create other specialized radio and TV services.	Enactment of new legislation on media with built-in relevant provisions	MISA (Ministry of Information Society and Administration	2013
		2. In the new media legislation to be stipulated that the procedure for creating a new service includes at least: Planning of Service in MRT Development Programme; ensuring financial sustainability indicators and target audience; public debate and opinion from the regulatory body.	Enactment of new legislation on media with built-in relevant provisions	MISA	2013
2	The public broadcasting service to provide a common editorial policy of all radio and television program services he offers, and by means of nurturing cultural identity of the community and respecting the cultural and religious differences, to build an approach based on estimation of the program standards.	1. MRT in its acts to develop a concept for a common editorial policy and a common approach to nurturing cultural identity and respect for cultural and religious differences and to specify how it will be accomplished in various program services.	Drafted and adopted appropriate act in MRT	MRT	2013-2014
		2. MRT services to redesign so that they will have an integrated approach to the creation of emissions (using the opportunities offered by digitization) will be translated into all the languages of the ethnic communities and in the Macedonian language.	Redesigned services	MRT	2014

No.	Measure	Activities	Indicators	Holder/s	Period of realization
3	Parliamentary channel to be reorganized into political channel as a specialized service under the editorial responsibility of MRT with programming concept in which the tools of professional journalism are used.	1. In the new media legislation to be provided that the Parliamentary channel becomes political channel, as a specialized service of the MRT under its editorial responsibility.	Enactment of new legislation on media with built relevant provisions	MISA	2013
		2. In the Law on the Parliament of the Republic of Macedonia to be removed the provisions related to the Parliament Channel.	Amendments to the law on Parliament of the Republic of Macedonia	J(Ministry of Justice)	2013
		3. MRT to develop a programming concept for the political channel that will be verified by means of discussion procedure and opinion of the regulatory body.	Program concept of the political channel	MRT	2013
			Report on the conducted procedure for public discussion with details of all the obtained opinions	MRT	2013
4	MRT should by means of public consultations to check citizens' opinion about its program.	1. In the new media legislation, MRT to be obliged at least once a year to organize a public consultation on the citizens' opinion on programs of the public broadcasting service and the results of the consultation to publish on its program and website.	Enactment of new legislation on media with built-in relevant provisions	MISA	2013
5	To stimulate the development of commercial specialized program services.	1. Broadcasting Council to announce competitions for services of specialized format.	Announced competition/s for services of specialized format	BC	2014-2017
6	To motivate the media at local and regional level to provide information about local and regional issues and events.	1. Continuation of the practice in evaluation of applications for granting licenses for linear services on a regional level, the applications that provide information about local and regional issues and events to be scored higher.	Inclusion of this criterion in all competition documents for granting licenses for linear services on a regional level	BC	2013 – 2017

No.	Measure	Activities	Indicators	Holder/s	Period of realization
7	The direction of development of non-profit broadcasting institutions in the Republic of Macedonia to be elaborated in a separate document.	1. Preparation of a concept for the development of non-profit broadcasters.	Prepared concept	BC	2014
8	To stimulate the development of multi-ethnic media.	1. To be prepared a special act of planning the development of multiethnic linear and nonlinear media services. This act can be correlated with the concept of community media development i.e. non-profit broadcasters.	Enacted act	BC	2015
		2. Broadcasting Council to announce competition /s for multiethnic media.	Announced / competition /s	BC	2015-2017
9	To retain obligations for broadcasting originally created program and vocal-instrumental music in Macedonian language and in the languages of ethnic communities, in the Law to be determined which period of twenty-four hours these obligations should be fulfilled.	1. In the new media regulation to be determined in which periods of twenty-four hours, the obligations for broadcasting originally produced program and vocal-instrumental music in the Macedonian language and the languages of the ethnic communities should be fulfilled.	Enactment of new legislation on media with built-in relevant provisions	MISA	2013
		2. By Amendment related to obligations for cultural identity in the new legislation, the Council to amend the Regulation on protection and fostering of cultural identity.	Amended Regulation on cultural identity	BC	2013-2014
10	To be envisaged an obligation of the commercial broadcasting services along with the television program services annually to broadcast a certain number of hours premiere originally created feature film program.	1. In the new legislation to be prescribed a legal obligation commercial broadcasting companies (television) to broadcast premier originally created feature film program as follows: at state level at least 20 hours (in 2013 and 2014 at least 12 hours), at regional level at least 8 hours (in 2013 and 2014 at least 5 hours) and at local level, at least 5 hours (in 2013 and 2014, at least 3 hours) during a calendar year.	Enactment of new legislation on media with built-in relevant provisions	MISA	2013

No.	Measure	Activities	Indicators	Holder/s	Period of realization
11	Commercial television stations broadcasting at state level, to fulfill their obligation for European audiovisual works by means of broadcasting works of independent producers.	1. In the new media legislation to be established the liability for/of state-level commercial TV stations to reserve 10% of their budget for the European audiovisual works programs of/by independent producers.	Enactment of new legislation on media with built-in relevant provisions	MISA	2013
12	Protection of juveniles who appear as perpetrators, accomplices or victims of crimes or any form of violence or accidents.	1. In the new media legislation to be prescribed an obligation providers of linear and non-linear media services for the protection of the identity of juvenile perpetrators, accomplices or victims of crimes or participating in any form of violence or accidents.	Enactment of new legislation on media with built-in relevant provisions	MISA	2013
		2. The Council to expand the existing bylaw on protection of minors perpetrators, accomplices or victims of crimes or participants in any form of violence or accidents.	Amended Regulation on protection of juvenile audience	BC	2014
13	To increase awareness among providers of linear and non-linear media services and media workers for manifestations of hatred and intolerance on different grounds in media products and to provide tools for their avoiding.	1. The Council to develop guidelines for providers of linear and non-linear media services, by explaining the application of the statutory provision that prohibits incitement to hatred and intolerance on different grounds, pointing out ways of avoiding and contextualizing.	Prepared guidelines	BC	2014
		2. Media personnel training, relating the measures against hatred and intolerance in media products.	Carried out trainings	BC	2014 - 2017
14	To increase editorial culture in media, to strengthen awareness of the importance of independent editorial policy, professional journalistic standards and respect of human rights in media products by means of self-regulatory mechanisms.	1. Training for media workers and providers of audio and audiovisual media services relating the respecting of program principles in media products.	Carried out trainings	Craftsman's associations and non-governmental organizations in the field of media in collaboration with BC	2014 – 2017

No.	Measure	Activities	Indicators	Holder/s	Period of realization
15	Providers of linear and non-linear media services gradually to make their programs available for persons with sensory disabilities (hearing and sight).	1. In the new media legislation, the current obligation of MRT, to make its programs available for people with hearing impairments, also to be expanded to visually impaired people.	Enactment of new legislation on media with built-in relevant provisions	MISA	2013
		2. In the new media legislation, MRT to be obliged to make accessible the news in prime time to people with sensory disabilities (hearing and sight) , informative program treating topics relevant to daily life and educational programs for children.	Enactment of new legislation on media with built-in relevant provisions	MISA	2013
		3In the new media legislation, commercial broadcasting companies to be obliged at least one of their program annually to make it accessible to people with sensory disabilities (hearing and sight).	Enactment of new legislation on media with built-in relevant provisions	MISA	2013
16	Audiovisual works financed by the Budget of the State or other public funds to be adapted for people with sensory disabilities (hearing and sight).	1. In the Law on Film Fund of the Republic of Macedonia to be incorporated provisions that will predict the works fully or co-funded from the Budget of the Republic of Macedonia to be made available for people with sensory disabilities.	Incorporated relevant provisions in the Film Fund of the Republic of Macedonia.	C(Ministry of Culture)	2014
17	To be provided clear rules for program standards for non-linear audiovisual media services and their proper application.	1.New media legislation to expand the scope and also to refer to non-linear audiovisual media services, to be determined clear programming standards for them.	Enactment of new legislation on media with built-in relevant provisions	MISA	2013
		2. Modification of the existing and / or making new bylaws to be included in non-linear audiovisual media services.	Modified / new bylaws	BC	2013-2014
		2. Modification of the existing and / or making new bylaws to be included in non-linear audiovisual media services.	Practice of grading and differentiating the level of responsibility in reports of service monitoring and in proposing measures.	BC	2014-2017

No.	Measure	Activities	Indicators	Holder/s	Period of realization
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2. ILLEGAL MEDIA CONCENTRATION AND TRANSPARENCY OF OWNERSHIP

1	Control on/over the capital integration of traditional and new types of media.	While preparing the new legislation on media the authorized initiator (MISA) in the section/part relating to illegal media concentration to have into consideration the new types of media.	Relevant provisions in the new legislation on media	MISA	First half of 2013
2	Ensuring effective cooperation between Broadcasting Council and the Commission on Protection of Competition.	Amendments and supplements to the Memorandum of Cooperation between the Broadcasting Council and the Commission for Protection of Competition	Relevant amendments to the Memorandum of Cooperation.	BC, CPC(Commission for protection of competition)	2013
3	Obligation of the Broadcasting Council for publication data on the ownership structure of broadcasters.	In new legal media regulation to be predicted the obligation of the Broadcasting Council to publish data on the ownership structure of the broadcasters on its website	Relevant provisions in the new legislation on media	MISA	First half of 2013

3. ECONOMIC POTENTIAL OF THE BROADCASTING INDUSTRY

1	Obligation of Macedonian Radio and Television to prepare a regular annual economic analysis.	1. In the new media legislation should be provided the obligation of the Macedonian Radio Television to prepare regular annual economic analysis based on which funds will be calculated that the public service needs in order to perform the functions of a public nature, which will be the starting point for calculating the amount of the license fee.	Relevant provisions in the new legislation on media.	MISA	First half of 2013
2	Application of rules for control of the state aid in financing the Macedonian Radio Television.	1. In the new media legislation should be provided Liability, the rules for state aid control to be applicable in the financing of Macedonian Radio Television. It is necessary in the future for any subsidies from the state budget to be submitted a notice to the Commission for Protection of Competition in accordance with the Law on State Aid Control.	Relevant provisions in the new legislation on media.	MISA	First half of 2013

No.	Measure	Activities	Indicators	Holder/s	Period of realization
3	Determination of the rules for broadcasting advertising spots financed by public funds.	In the new media regulations to be determined advertising rules and to be predicted the obligation of the Contracting Authorities of the advertising spots whose broadcasting is financed by public funds, irrespective of their broadcasting on the public service programs or commercial broadcasting companies, to establish clear, transparent, fair and non-discriminatory criteria for the selection of media that these videos will be broadcasted on.	Relevant provisions in the new regulation on media.	MISA	First half of 2013

4. REGULATION ON AUDIO AND AUDIOVISUAL MEDIA SERVICES

1	Granting licenses for linear media services to be performed on the basis of competition, and granting licenses for non-linear media services to be performed based on a request / notification.	<p>1. The new legislation on media accurately to determine the procedure for granting licenses for providing linear media services based on a competition.</p> <p>2. In the new media legislation to be regulated the procedure for granting licenses for the provision of non-linear media services, based on the request / notification from/of the subject that has provided technical conditions and has a programming concept.</p>	Relevant provisions in the new regulation on media.	MISA	First half of 2013
2	Clear and precise conditions under which the license for linear and non-linear media services may be temporarily or permanently revoked.	In the new legislation on media accurately to be determined the procedure for permanent and temporary withdrawal/revoking procedure for linear and non-linear media services.	Relevant provisions in the new regulation on media.	MISA	First half of 2013
3	Regulation for operators of digital terrestrial multiplexes and the manner, conditions and procedure for transfer of existing broadcasters from analogue to digital terrestrial transmission signal.	<p>1. In the new legal media regulation to be predicted provisions regulating the position of the operators of digital terrestrial multiplexes that have an obligation to broadcast program services of broadcasters in the Republic of Macedonia.</p> <p>2. In the new legal media regulation to be predicted provisions which will regulate the procedure for the transfer of existing broadcasters from analogue to digital terrestrial transmission signal.</p>	Relevant provisions in the new regulation on media.	MISA	First half of 2013

No.	Measure	Activities	Indicators	Holder/s	Period of realization
4	Responsibility for maintaining and updating the Register of office-bearers in the Republic of Macedonia.	The Law on Prevention of Conflict of Interest, to initiate amendments, which the State Commission for Prevention of Corruption will establish a liability for maintaining and updating the Register of office-bearers in the Republic of Macedonia.	Amendments to the Law on Prevention of Conflict of Interest	MISA	Second half of 2013
5	Defining the terms "office-bearers" and "family" in the context of restrictions on media ownership.	In the new media regulations to define the term " office-bearers ", which can not perform broadcasting activity, to be founders or co-founders or to gain share in the ownership of broadcasters (of all types and levels of government), by stating each function. In this context, to define the term "family."	Relevant provisions in the new legislation on media.	MISA	2013
6	Exclusive jurisdiction of the Broadcasting Council Registration packets with program services to operators of public communications networks.	1. In new legal media regulation to be predicted provisions which will determine the exclusive jurisdiction of the Broadcasting Council for registration of packets with program services of the operators of public communications networks.	Relevant provisions in the new legislation on media.	MISA	First half of 2013
		2. By BC bylaw to be regulated the details of registration procedure	Prepared bylaw	BC	Following the enactment of new media regulation

No.	Measure	Activities	Indicators	Holder/s	Period of realization
7	Preventing and sanctioning by means of conducting supervision by the Broadcasting Council: - Opportunities for illegal retransmission of program services by means of public communication networks and other potential opportunities for breach of copyright and related rights in the field of traditional broadcasting, and thus unfair competition, - Violation of the laws and bylaws, program requirements and restrictions as well as the terms in the license for performing activities.	1. In new legal regulation for the media to predict supervisory provisions on the right of the BC in terms of: - Respecting the obligations of the regulation of copyright and related rights of the created, broadcasted, retransmitted and otherwise distributed audio and audiovisual media content, which will include all entities of supervision - providers of linear and non-linear audio and audiovisual media services and operators public communications networks; - Respecting the obligations provided for in the laws and bylaws, program requirements and restrictions as well as the terms in the license for performing activities, and - The obligation of the subjects of supervision, at the expense of BC, technical to connect to monitoring network of the BC system, due to their signal supply.	Relevant provisions in the new legislation on media.	MISA	First half of 2013
		2. In a bylaw, with a view to transparency of the procedure, to be determined the procedure and scope in carrying out supervision.	Relevant provisions in the new legislation on media.	BC	Second half of 2013
8	Jurisdiction of the Broadcasting Council, in the supervision procedure (ex poste), to check the documentation for /on regulated copyright and related rights to retransmit broadcast.	1. In new legal media regulation to be predicted provisions which will determine the jurisdiction of the Broadcasting Council, under the supervision (ex poste), to check the documentation for regulated copyright and related rights for retransmission of program services by OPCN and broadcasting audio and audiovisual contents by broadcasters and other providers of media services.	Relevant provisions in the new legislation on media.	MISA	First half of 2013

No.	Measure	Activities	Indicators	Holder/s	Period of realization
9	To be predicted a legal requirement for broadcasters to indicate contents etc.. digital printing.	In the new media legislation to be predicted an obligation for broadcasters to mark all broadcasted contents.	Relevant provisions in the new legislation on media.	MISA	First half of 2013
10	To harmonize the amount of the license fee (broadcasting) activity, and to introduce an obligation for the nonlinear media providers and operators of public communications networks to pay an annual supervision fee.	1. In new legal media regulation to be predicted provisions regulating the obligations of linear media service providers (broadcasters), for payment of annual fee for the broadcasting license, on the account of the Broadcasting Council, which amount will be adjusted to the economic and financial situation in the Republic of Macedonia, with monitoring examples of countries in the region.	Relevant provisions in the new legislation on media.	MISA	First half of 2013
		2. In new legal media regulation to be predicted provisions which will regulate the obligations of the providers of nonlinear media services for payment of the annual fee for supervision at the expense of the Council.	Relevant provisions in the new legislation on media.	MISA	First half of 2013
		3. In new legal media regulation to be predicted provisions which will regulate the obligations of the providers of nonlinear media services for payment of the annual fee for supervision at the expense of the Council.	Relevant provisions in the new legislation on media.	MISA	First half of 2013
11	Liabilities of the Broadcasting Council, in conjunction with the record registry of representatives of movie, sports and other television rights and representatives of program services in the Republic of Macedonia.	1. In new legal media regulation to be predicted provisions that will determine the obligations of the Broadcasting Council to keep and update record registry of representatives of movie, sports and other television rights and representatives of program services in the Republic of Macedonia.	Relevant provisions in the new legislation on media.	MISA	First half of 2013
12	Arranging the exclusive rights and further regulation of the access to events of major importance.	1. In new legal media regulation to be predicted provisions which: - Will organize exclusive rights to broadcasting, retransmission and other means of distribution of audio and audiovisual content, - Will be further regulated the access to events of major importance.	Relevant provisions in the new legislation on media.	MISA	First half of 2013

No.	Measure	Activities	Indicators	Holder/s	Period of realization
13	Right and obligation of the Broadcasting Council for educating the entities of supervision.	1.In the new media legislation to be predicted provisions on the right and obligation of the Broadcasting Council for Education of supervision subjects, to create the conditions for realization of its preventive action.	Relevant provisions in the new legislation on media.	MISA	First half of 2013
14	Mutual compliance of the Law on Higher Education, Law on Legal Status of Churches, Religious Communities and Religious Groups, Electoral Code and the new media legislation.	To perform mutual compliance of the Law on Higher Education, Law on Legal Status of Churches, Religious Communities and Religious Groups, Electoral Code and new media regulation.	Harmonized laws	MISA, MJ, MES(Ministry of Education and Science)	2013
15	To encourage the process of self-regulation and co-regulation.	1.The new media legislation to contain provisions for specific issues, that will encourage the process of self-regulation and co-regulation.	Relevant provisions in the new legislation on media.	MISA	First half of 2013

5. AUDIOVISUAL MEDIA SERVICES IN THE DIGITAL ENVIRONMENT

1	Further elaborating the legal framework in the field of digital terrestrial television broadcasting.	1. Media legislation to regulate matters about digital terrestrial television	Relevant provisions in the new legislation on media.	MISA	2013
		2. The Council to amend the Regulation on technical standards of broadcasters.	Enacted bylaw by BC	BC	2013
2	To determine the conditions the local broadcasters need to fulfill in order to obtain regional broadcasting permission.	1.Preparing bylaw requirement that the local broadcasters should fulfill In order to get permission for regional broadcasting.	Enacted Rulebook on the conditions for the transition of local television stations in regional	BC	Until May 2013
3	Providing digital terrestrial transmission of TV program services at local level.	1. AEC announced a tender for granting permission for using frequencies for multiplexes for broadcasting at local level.	Announced and implemented public tender	C(Agency for electronic communications), BC	Until May 2013
		2. If in a certain area there is only one local broadcaster, the AEC to provide authorization for the use of frequency without tender.	Granted approvals		

No.	Measure	Activities	Indicators	Holder/s	Period of realization
4	Raising public awareness of the benefits of switching off the analogue signal and its introducing.	1. Campaigns	Conducted campaigns	BC, C, MISA	Until May 2013
		2. Workshops	Held workshops	BC, C	
5	Completing the process of digitization of operators of public communications networks.	1.Preparation of a study on the transition to full digitization by OPCN (Operators of public communication networks)	Prepared study	MISA	Until May 2013
		2. Activities (workshops) for transition of OPCN from analogue to digital retransmission	Digitalization of OPCN	AEC , BC	2013 - 2015
		3. The Law on Electronic Communications to determine the deadline for digitization OPCN	Relevant provisions in the Law on Electronic Communications	MISA	2014

6. MEDIA LITERACY

1	The concept of media literacy to be included in media policy of the Republic of Macedonia.	1. In the new legislation on media, the Broadcasting Council to obtain the authority to take care of the development of media literacy.	Enactment of new legislation on media with built-in relevant provisions	MISA	2013
		2. Research on the level of the citizen's media literacy	Conducted research	BC and C	2014
		3. The Council to develop a special program for the promotion of media literacy.	Prepared program for promotion of media literacy	BC	2015
2	To ensure further development of the media Literacy in the education.	1.To examine the effects of media education of the syllabus.	Prepared report	MES (BDE-Bureau for development of Education and SMI-State Market Inspectorate)	2014-2015
		2.To develop a program for the further development of the media literacy in education	Prepared program.	MES (BDE and SMI)	2016

No.	Measure	Activities	Indicators	Holder/s	Period of realization
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. STRATEGY IMPLEMENTATION

1	Strategy implementation.	Other carriers of Activities of the Action Plan for Implementation of the strategy at least once a year, and no later than the end of February next year, for the realization of Activities in terms of its authority shall inform the Broadcasting Council, and the Council, not later than the end of March next year shall submit a summary report including his activities to the Parliament and the Government of the Republic of Macedonia.	Annual reports	All carriers of activities, including the Broadcasting Council	2013-2017
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