IMPLEMENTATION OF THE HELSINKI ACCORDS

STATUS OF MEDIA FREEDOM IN NEW DEMOCRACIES

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Briefing of the
Commission on Security and Cooperation in Europe
Washington, DC

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WITNESSES

BRIEFING ON STATUS OF MEDIA FREEDOM IN NEW DEMOCRACIES

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The briefing took place in room 2359 of the Rayburn House Office Building, Washington, DC, at 10 a.m., John Shattuck, moderator, presiding.

Present: Hon. John Shattuck, moderator, Assistant Secretary of State, Samuel Wise, Staff Director, Helsinki Commission, Sandra Pralong, president, Democracy Works, and David Webster, chairman, Trans Atlantic Dialogue on European Broadcasting.

Mr. **Wise.** Our Commission is both bipartisan and bicameral, and even extends to the executive branch. Our chairmen are Senator DeConcini on the Senate side and Representative Hoyer in the House of Representatives.

We have eight other Senators and eight other Representatives as Commissioners, and we have, which makes us a bit unique, three members of the executive branch. We're very fortunate today to have one of those members, John Shattuck from the State Department, as our moderator.

John, this is a first for the Commission for someone in your position to take such an active part in moderating one of our events. We certainly appreciate it.

Our Commission was established in 1976, 1 year after the Helsinki Final Act was signed, and is dedicated to monitoring and fostering compliance of the participating states of the CSCE with, first, the final document of Helsinki and all the subsequent documents of the CSCE.

Our Commission has concentrated very heavily on questions involving human rights and in more recent days following the fall of communism, we have extended our view of human rights, as many have, to cover various aspects of democratization in the former communist countries.

So we're pleased today to be able to offer this seminar. As I say, Mr. John Shattuck, Assistant Secretary of State for Democracy, Human Rights, and Labor, will moderate. He has been an active participant in the CSCE process since joining the State Department and led the U.S. delegation to the CSCE seminar on free media last November in Warsaw. David Webster and I were also at that meeting. And I was working for John as a member of the U.S. delegation.

On my right is Mr. David Webster, who is chairman of the Trans Atlantic Dialogue on European Broadcasting. His organization conducts periodic audits of media freedom in each of the former Soviet Republics and the new democracies of Central and Eastern Europe. A former member of the Board of Management of the BBC, Mr. Webster is actively involved at the international level with the future of broadcasting and freedom of information.

On Mr. Shattuck's left is our other panelist, Sandra Pralong, who is president of the nonprofit organization Democracy Works, which is particularly involved in supporting the efforts of independent media in East and Central Europe. Ms. Pralong, a former cochair of the Soros Foundation, is a veteran journalist who has worked as CEO of Transnews, an independent TV news agency covering Central and Eastern Europe and the former Soviet Republics, and as a correspondent for both Newsweek and CNN World Report.

At this point, John, I'll turn it over to you, and you'll be our moderator for the rest of the day. Thank you very much.

Moderator **Shattuck.** Thank you very much, Sam. I'm very grateful for this honor.

Sam has been a very effective leader in this whole process, and a particularly effective member of our delegation at the free media seminar. I'm also grateful for Jamie Ridge, who is also with us, and who was a member of that delegation. David Webster, as was said before, was very actively involved. Sandra Pralong was also a participant.

We're all here to describe in some respects an event that took place a while ago, but I think we can build some very important themes around this event and advance what we consider to be a major focus of the work of the Helsinki Commission and the CSCE, which it supports.

I'd like to say a few words about CSCE at the beginning of this conference regarding the extraordinary role it has played and is playing in supporting freedom for the peoples of the former Soviet Union and Eastern Europe, and the great participation that we're proud and privileged to be engaged in from the United States point of view.

Let me just tell you two very short stories that I think illustrate from my personal perspective the extraordinary nature of the changes that are occurring in that part of the world, which CSCE has been very intimately engaged in, and the Helsinki Commission has strongly supported.

About a year ago I sat down for the first time opposite my counterparts in Russia, the Director of the Human Rights Section of the Ministry of Foreign Affairs in Moscow. At that time the meeting was in Washington, but we subsequently also met in Moscow.

To both of our astonishment, we had some vague sense that we had met before or had at least some familiarity with each other's names. And it turned out in the course of our discussions that Sergei Bachman, who is my counterpart, was a prisoner of conscience in Siberia, in the Gulag, for about 10 years, and that I, as Vice Chairman of Amnesty International, had had the privilege of working on his case as a prisoner of conscience. He was then released, and, of course, he's now my counterpart.

Some years earlier I had the good fortune to meet in somewhat clandestine circumstances in Prague with a remarkable woman, Rita Klimova, who was then gathering information on behalf of the human rights movement in Prague. And she wanted to meet in an outdoor cafe so that our conversation wouldn't be overheard by the almost universal surveillance that she felt she was under.

She gave me a good deal of useful information, which I took back and reported to the human rights organizations that I was working with.

About 4 years ago now, I had the extraordinary experience of opening up the newspaper as I was traveling from New York to Washington, and there she was staring at me, the new Czech Ambassador to the United States. Many of you probably had the good fortune of meeting her. She died last year, and she was a great struggler for human freedom in the region.

I tell these two stories to show you my own personal engagement and the interweaving of our work in the debates on human rights and democracy, the CSCE, the Helsinki Commission, and the dramatic changes that are underway in the region.

I said I would step a bit on, if you will, the moderate nature of a moderator and in an open democratic process perhaps make a few substantive remarks here, rather than simply moderate. I'd like to do so at the leave of my fellow panelists and then give them an opportunity to do the same thing.

Since we've had a good deal of experience in this area, let me reflect on the importance of freedom of the media as a central topic of the Helsinki Commission and of the CSCE.

I think there are four major values that a free media promotes in the democratic process. First, it is an essential agent of peaceful social change and progress in development in a democracy.

Second, it is the means by which a democratic electorate educates itself and expresses its opinions.

Third, it provides, perhaps sometimes as an irritant to governments, the forum for dissent and dissenting opinions, dissenting opinions not only about government, but about other aspects of the society.

And, finally, as an even greater irritant to government, it exposes political incompetence, abuses of power, corruption, and allows the democratic process to work when it is being abused by government officials.

We in the Clinton administration are committed to promoting free media by its emphasis on and support for democracy programs throughout Eastern Europe and the New Independent States of Europe and Central Asia. Just take note of some of the instruments of support that we use, the Freedom Support Act and the Support for East Europe and Democracy Act.

Each have programs promoting free media. USIA and USAID provide funds for media resource centers in such cities as Warsaw, Prague, Budapest, Kiev, and Jarovan, many other cities as well.

These centers provide independent journalists access to news wires and other information sources, as well as seminars and consultations such as the free media seminar in Warsaw last year.

USIA sponsored, I believe, some 12 journalists from the New Independent States of the former Soviet Union, particularly from such places as Uzbekistan, Tajikistan, and other places where freedom of the press is a very scarce commodity and the struggle by independent journalists is a serious struggle. And we were proud to be able to bring them to the free media events.

The VOA Europe feed is offered or has been offered to a number of Eastern Europe affiliates at no charge. That, of course, provided the catalyst for private radio by fulfilling

a programming void during much of the period when there was no free programming available.

We also provide a good deal of equipment, technical materials, et cetera. Many of these programs are known, I'm sure, to members of the audience. And we could answer questions about them later.

The free media seminar in Warsaw fostered a very lively debate among participants on whether any state has the right to limit freedom of the media in any way.

I think the seminar focused on the following topics in particular: creating legal foundations for a free media, journalistic freedom and responsibility in a democracy, and free media and the market economy.

Probably the starkest and in many ways most important debate that took place at the seminar is a debate that is going on on a regular basis in the region and indeed throughout the world, which are two opposing philosophies on the free media.

The first, the model that we follow in our country, argues for very broad constitutional guarantees with minimal legislation and minimal, if any, restrictions in a formal legalistic sense.

The second model, which is, in fact, followed in other countries which are democracies in many respects, including parts of Europe, is a model which seeks extensive legislation on the media to define the rights of journalists, the limits of press freedom, and the balance between other interests in the society and free press.

And I think this debate, I'm sure Sandra and David would agree, was in many respects at the heart of what went on in Warsaw and is continuing today. And David Webster I know will have much more to say about it because he's following very closely what's going on in many of the countries in the region.

Another debate in Warsaw centered on the issue of the responsibility of journalists in a democratic system, questions about whether journalistic impartiality and objectivity can be followed.

A member of our delegation, Hodding Carter, a very distinguished American journalist with a great deal of experience in reporting on leadership in the struggle for racial justice in the Southern United States, argued that any attempts to define standards of reporting in terms of the differences between cultures, which many other delegates were arguing for, were misguided.

Carter made the very powerful point that if cultural relativism were used as a standard of objective reporting, if that had been imposed on reporters in our country, segregation might never have been condemned by our press.

The seminar also addressed practical issues on how a free press can be promoted and how it interacts with a free market. A number of representatives from Eastern Europe commented on the difficulties they had had in attempting to start and maintain newspapers and broadcast facilities.

They cited skyrocketing costs for news print, printing transmission, and other essentials as an obstacle for establishing new concerns. They rather dramatically brought out the differences between established Western media institutions with strong financial backing and the struggles that they face in the newly emerging market economies with very little support by way of economic support of any kind.

Two important suggestions on how to promote free media within the CSCE countries emerged from the seminar. The first was our proposal to include media practitioners on

all CSCE preventive diplomacy missions which go to other states and engage in very effective, sometimes very effective, efforts to focus on growing problems of human rights, inequality, and sometimes issues of ethnic and racial conflict. These kinds of missions have been sent, I think, successfully to the Baltic States, where the issue of the conflict between the Russian language minorities and the majority populations have been in some respects mediated effectively by CSCE missions.

It's on these missions that we feel that active journalists should be participating as a way of bringing to light and providing information about the work not only of the CSCE, but the very nature of the conflicts that are being mediated, as well as efforts to provide training and support for journalists in the countries to which the CSCE missions are going.

The second important suggestion is that future CSCE meetings on the free media—and we feel there should be many—should perhaps be more narrowly defined than the Warsaw seminar was, focusing as much as possible on resources, training, legislative and constitutional models and the different demands of broadcasting and print media.

During last December's CSCE ministerial in Rome, the ministers decided to explore the utilization of CSCE missions to promote free media. So we are, in fact, I think seeing some early fruits of the work that was done in Warsaw.

Following up on this decision, the CSCE Committee of Senior Officials agreed in March of this year to increase the use of CSCE missions to monitor and promote free media principles. I was pleased, for example, to learn that the CSCE prominently included media issues in the mandate of its most recent mission to the Ukraine. This is an example of what can be done.

During the March meeting, the Committee of Senior Officials also recommended that the Office of Democratic Institutions in Human Rights, part of CSCE, organize more seminars to teach business techniques for establishing wide-ranging media programs and for teaching professional media skills.

These workshops will focus on such practical issues as startup costs, competitive reporting, advertising, acquisition of materials, government sponsorship, and enhancing the circulation and audience of various media outlets.

These practical issues I think have to be addressed. And there is a great deal of shared information and cooperation among all of the states involved in the CSCE, including, of course, our own, which can, through collaborative effort, bring to bear much help for the new and emerging media institutions.

The United States will continue to promote the ideal of free and unfettered unregulated speech and free media in all CSCE fora. And in this debate that I referred to before, we will take the strong position of trying to keep as to an absolute minimum the areas of regulation.

At the upcoming CSCE review conference in Budapest, we will thoroughly review implementation of all CSCE states' commitment to freedom of expression, including free media principles.

I think it's important here to note the fact that emerging democracies are not the only states that struggle with these issues. We see the free media challenged in mature democracies. Certainly in our own democracy, there are many issues that remain and are coming up constantly.

My own work over many years in the domestic civil rights arena when I was running the American Civil Liberties Union gave me a great deal of experience with issues of media and free press questions under our own first amendment.

I think the Western Europeans need to be as closely self-assessing as we suggest that we are. And I think this is a topic that should be pressed as much through the CSCE as the effort to provide practical advice and experience to people who are working to develop free media in some of the newly emerging democracies.

Let me just give you several examples of how the Western press issues have properly emerged in some of the CSCE events. One delegate at the Warsaw seminar spoke of the pressures to limit hate speech in Europe and the United States.

Certainly we know how difficult those issues are. And in the context particularly of Germany, the issue of hate speech is a very, very lively one, just as it is in our own country as well.

Another delegate from Western Europe condoned exceptions to free media when there is a "compelling social need," and when pressed on that subject was unwilling to define in any greater detail what was meant by that term. And you can imagine what that could yield in terms of restrictions if carried to the end.

I would just point out at this point that this kind of discussion in a CSCE setting, with media from the newly emerging democracies trying to come to grips with what they're going to do in their own regulatory structure, can be quite, shall we say, incendiary.

It is quite possible for someone who's familiar only with a statist approach to free to media, where the state controls the media instruments, to hear a debate between American and Western European delegates over the question of restriction and to go home and say, "Well, you know, I think I'm going to go the Western European way, and we really need to have this vast regulatory structure that I think you'll hear David Webster say a few more words about."

This is a very delicate moment in the developments of media institutions in Eastern Europe precisely because of this debate about restriction versus unfettered freedom that is going on in the Western institutions.

Direct censorship is not the only weapon used against free media. Laws that regulate media activity also restrict its freedom. Free speech is threatened when the state restricts access to necessary material, such as news print. And, as I pointed out during the Warsaw seminar, systems of government subsidies can be abused to reward progovernment media in many instances.

And where there is a struggling newspaper or broadcast institution that turns to the new government for assistance, it finds often it may have to make some compromises in its own ability to be freely broadcast.

Some of our European colleagues argue that the experience of the United States is unique and, therefore, not relevant to discussions of freedom of the media elsewhere. I believe and I think we very strongly take the point of view throughout all of these discussions that the American experience is not unique.

We, too, have faced very significant domestic struggles and threats from abroad and internal dissents and upheaval in our own country. And unfettered, largely unfettered, freedom of the press brought major social good.

I think the same model would apply elsewhere, particularly given the great diversity of peoples and cultures in our society, where I think other societies are beginning to come to grips with some of these issues of cultural diversity and ethnic background.

Now, all nations in the CSCE, including ours, have witnessed government commitment to free media being put to the test. That commitment will continue to be challenged.

Free speech in the CSCE states is something we can never take for granted, to be sure. And I just want to, in closing, ensure that I will do, and the United States will do, everything in our power to elevate these central issues in the great struggle to advance democracy and human rights in this region of the world, as well as elsewhere. The CSCE is a wonderful institution for doing that, and the Helsinki Commission is performing a great service in that regard.

Well, I apologize if that was too long a statement for a moderator, but I think in the interest of getting many issues on the table, I felt it appropriate.

I would like at this point to turn to my fellow panelists. Perhaps if we could start with David Webster and then Sandra Pralong?

Mr. **Webster.** I'd like to endorse many of the things that John has said.

We in my little organization, the Trans Atlantic Dialogue, have been involved in trying to help all the countries we visited, all the countries of Eastern and Central Europe, over the past few years and help them draft new laws about broadcasting and help them set up regulatory bodies which can franchise a private sector and so on.

I should make it clear that I'm not against regulation. There is such a thing as regulation for freedom. And certainly in the European context, you have to build a regulatory structure because with the collapse of communism, they had nothing other than a little man in the back room to tell them what to do. And, therefore, you have to move forward and try and establish independent bodies who are capable of regulating the industry in the public interest. And, of course, philosophically one has a great deal of trouble educating people in what the meaning of the phrase "in the public interest" is.

In the Winter of 1989, when the Berlin Wall came down, other countries of East and Central Europe reached for freedom, there was a sense of euphoria. All things seemed possible.

Since then, with the vicious war in the Balkans and stumbling economies, the seeming lack of appreciation in the West, at least as far as trade is concerned, and a realization of the harsh side of freedom and of market economics, the mood has changed.

There is in some places even a yearning for the good old days of stability and predictability inside the prison. The window of opportunity between the collapse of communism and disenchantment with newfound freedoms is a narrow one.

In the Trans Atlantic Dialogue on European Broadcasting, we prepared last November the first comprehensive attempt to see how far the former communist countries had moved in a legal sense toward freedom of the press and of broadcasting. We are, of course, deeply aware that this is not just a question of the laws. It is a question of social and political culture. You can write a perfectly sensible law, but if the political culture can't handle it, you're still in deep trouble. The old Soviet Constitution was, in theory, a very democratic instrument.

The answer to the question of how far they moved is that many of them have moved toward freedom of the press, though there are some barriers remaining, but in broadcast-

ing progress has been extremely slow. Indeed in many countries little progress is intended.

Progress will be only on the margins. The governments are determined to hang onto control over the National television network. If they ever intend to let go at all, it's in the distant future. These governments regard freedom of the broadcast media as some kind of luxury to be enjoyed in better times, rather than necessity to help bring those better times about.

I'll avoid the details of developments country by country. I'll just try and sketch the general political picture. I will concentrate on mass television broadcasting for two reasons: one, because that is the key to the problem; and, two, it happens to be the subject I know most about.

First, we must understand that the nature of the problem has changed. It used to be that of getting information into closed societies. Now, the problem is of partially opened fragile countries unused to the robust ways of older democracies. And the question is: Who controls the biggest megaphone? In all cases the answer is the state for it is the state that controls the main national television channel.

An extreme example of this, of course, is Serbia. But in most other countries, in less tragic circumstances, there is also only one dominant voice. And this is dangerous. We need to preempt the Serbian example.

In some countries, efforts are being made to turn state broadcasting into public broadcasting, but I do not think that they are altogether successful.

The transplantation of the practices of the BBC, for instance, will be difficult, and I doubt that the necessary level of tolerance exists. Indeed, in my many years with the BBC, I've sometimes wondered whether it existed in all cases and at all times in Britain.

We must continue to struggle for the true independence of the public sector, but in the short run I am not optimistic about the outcome. So since the state will hang onto the main channel and will interfere, how do we create that multiplicity of voices that is at the essential heart of democracy?

The answer lies in the private sector. So the first task is one of legislation which will allow for a private sector and give the legal basis for the independence of broadcasting.

This involves the setting up of some form of regulatory body and a decision to free up some frequencies. In some countries, this has happened. And in most countries it is being discussed.

But, they are not doing too well on freedom and independence. In most countries, the system has been politicized, and the brave declaration of freedom and independence in the opening paragraph of the law is negated by subsequent clauses, which make exceptions for things like dignity and honor and security, so the freedom and the independence declared at the beginning are a sham.

I have particular experience of the Romanian law. We got some wonderful phrases about freedom at the beginning of it, but both Sandra and I failed to get out in Article 16.

Anyhow, Article 2 says various things which you cannot do. If you were to put the functional equivalent of a Scot nationalist onto Romanian television, which would be wrong under Article 2, if you then turned over the pages and got, I think, to Article 16, you would discover that you were liable to go to jail for 3 years, because you had "preached separatism."

Under such laws, even the private sector cannot supply the healthy multiplicity of voices that is needed, particularly in the area of news and current affairs. Privatization alone does not, of course, guarantee independence, but the diffusion of power and influence and the multiplicity of outlets can make it more likely.

Multiplicity also helps to relieve the pressure, political, rather than competitive, on the public sector. It just makes the government more phone calls.

If you're the only game in town and the minister wants to influence you, he makes one phone call. If there are 20 different broadcast outlets, at least he puts up his phone bill. It is more difficult to apply the pressure if there is a multiplicity of outlets under different kinds of ownership.

It used to be in Britain that all you had to do was call the Director General of the BBC. With any luck, historically the Director General of the BBC would politely tell you to get lost. The famous phrase is "Thank you, Minister, for the interest you have shown in our programs."

Nowadays if you wanted to control what is going on at Britain, you have to make dozens and dozens of calls. You would have to call Rupert in Los Angeles. And he's not even going to answer the phone. So the whole business of keeping the system open becomes much easier once you have a multiplicity of outlets.

One of the reasons for bad laws in the East is that authoritarians can hide behind the example of some Western European laws that are also very restrictive. Witness the Albanian example based partly on a German state law.

At one point we discovered that a draft Albanian law was coming forward which is extremely bad. And everything—I think you sent one and George Soros. We sent one. We all started sending telegrams to the president, who was supposed to be a good guy.

And he sent back telegrams saying "What's the problem? It's based on the law of Northrhein Westphalia." Some bright lad from some German foundation had given it to them as an option.

The problem is, however, that in Germany it is overridden by the German Constitution. In Albania it's not. So that's a good example of how you can't just transplant Western laws.

In the West such aberrations may be of little harm. There they are the detritus of the law, and they are rarely enforced. But in emerging democracy further to the East, they can be a justification for repression.

Another example. It's illegal in France to insult the President. People insult the President every day. I can't think of anybody ever having been sent to jail for it. If you take exactly that same law, plunk it down in Uzbekistan or Albania, you're in deep trouble.

In this context, let us be clear about one thing. There may be reasons why our seemingly ideal standards of freedom may not be considered immediately applicable in all circumstances.

This is understandable. But it would be wrong for us to be too understanding of the difficulties because that becomes an excuse for the continuation of the bad old ways.

I will remind John of the Canadian gentleman who did the summing up of the meeting in Warsaw who was so determined to be understanding that he sold the pass. There's no point in being that understanding.

In the problems of the press and of broadcasting and the necessary tension between freedom and responsibility, there is that difference which John has mentioned between basic American attitudes and the European tradition. I find myself in the awkward position of straddling the Atlantic. So I know a bit about both arguments.

Historically the simplicity of the First Amendment of the Constitution was the inspired decision of a young unstable nation that had only just thrown off, wisely or unwisely, the rule of the British.

Moderator **Shattuck.** We'll debate that.

Mr. **Webster.** Some other day. Unfortunately, the Western Europeans have never attained the relative clarity of this position. And it's the Western European institutions that are the democratic clubs that will validate the progress of the former communist countries. So that is going to be the arena of this argument.

For instance, the Council of Europe is the main organization in Europe which these communist countries join as their first step into Western democracy. So we must put tremendous pressure on the Council of Europe to live up to the principles which they have written into their declarations.

It's a little difficult if the Greeks happen to be in the chair because they're not very good on questions of freedom of information. Nor are the British, for that matter. Certainly the French aren't either. Finns are OK.

So that's where the argument will take place. There's only one problem. The United States isn't there. All that the United States has is a Consul General in Strasbourg. The Russians within the year will be Members of the Council of Europe.

Here is this arena in which this argument is taking place, and the people who take the subject most seriously and are the best on the subject, the Americans, just aren't there. There's an institutional problem which we have to deal with in some way.

Western European statements about freedom tend to be hedged about with exceptions. A wise and mature judiciary is needed to avoid such exceptions being made into the fig leaves of oppression. So for the East, particularly in those countries lacking mature institutions, these laws and this hedging may make bad models.

Let me give you an example, Article 10 of the European Declaration on Human Rights. The first paragraph is fine. It says, "All right, lads. We're all going to be free." The second paragraph essentially says "except where it's legal not to be." And so you always have these second paragraphs in these European declarations.

Now, luckily the courts have been quite good in their interpretation, but where you don't have a sound judiciary, you can get some very bad results out of those second paragraphs. Indeed the Western Europeans agree in principle about the freedom of the media, but they don't have it as a very high priority on their agenda. They do not insist.

Some of our less competent governments, politicians, and officials are obsessed with the undoubted excesses of the press. While often fighting for freedom of the media, these governments and politicians give respectability to the idea of restriction and, thus, send the wrong signals out to the emerging democracies.

So we have to continue to push on this issue. We have to train not only journalists, but politicians and not only in the East. Some of those in need are our own Western politicians.

Perhaps the main obstacle which stands in the way of the absolutist position on freedom of information, however, is the inevitable clash of rights, protection of the privacy

of the individual citizen, for instance, or the protection of children or the issue of hate speech as a problem of race relations.

Less defensible are the words inserted in defense of such ill-defined propositions as morality, national dignity, public order, or security. These are two open to bad interpretation and can act, again, as fig leaves.

A wise judiciary should always interpret such a clash of rights by leaning on the side of openness, particularly when the advocate of restriction is the government.

Responsibility is, of course, desirable, partly because it makes it easier to justify liberty. But responsibility is best learned by exercising freedom, and that freedom includes the freedom to make mistakes. Otherwise it is meaningless. Indeed it is difficult to legislate demands for responsibility without endangering freedom.

Some of the most interesting countries which have made progress clearly have decided that it is possible to have some freedom in the sense you can read what you like and even watch what you like if it's available as long as the government maintains ultimate control over the main television channel.

There are some other voices, but, as I said earlier, the government makes sure that it controls the biggest megaphone. So the struggle is more about influence than absolute oppression.

If, despite this control, they lose an election, they will have placed an instrument in the hands of the enemy. A new government, whatever they may have argued when in opposition, may feel the same way and regard television as one of the major spoils of victory.

Of course, some of the diversity now being introduced in former communist countries is a sham. Transition from a controlled media to a multiplicity of voices is a tricky process, and things are not all as they seem on the surface.

Seemingly genuine private initiatives are often controlled by the government, even capitalized by them, and by the former nomenklatura in new disguise. The outward appearance of freedom and competition can mask a rigged game, in which a lack of transparency in the process allows disguised government or party officials to maintain control of the media through puppets.

So private initiative is not always what it seems. You have to look behind the veil. Multiplicity, carried to excess, can be a formula for impotence and failure.

As to the public sector, the former state television system should, of course, be reformed, restructured, and distanced from political interference. They should become independent public broadcasting. But few governments or politicians does one have the maturity or sophistication to do this.

So this best hope lies in the growth of an independent private sector, which can not only create a diversity of voices, but can also help to take some of those pressures off the public sector which arise from its lonely status. The growth of an independent private sector, however, is severely limited not only by legislative delay, but also by the lack of a healthy market economy to sustain it.

This is exacerbated by governments. Although they wish to control, they don't wish to pay for the public sector and consequently expect the public sector to rely more and more upon advertising revenue, thus skimming off this limited pool of revenue and denying it to the infant private stations.

Private broadcasting, even if liberated by legislation, is likely in the short run to face crippling economic problems. But private broadcasting, of course, has another role in addition to providing diversity. It actually stimulates and helps to create economic activity and market energy.

So for governments it's another reason why they would be wise to open up. As for the public sector, they in time will benefit from sensible competition which also meets specified public obligations. They will learn to compete effectively. It won't be easy, but it will be inevitable and it will lead to greater freedom.

Rapidly developing technology has made it impossible to sustain a closed nation or a closed economy. Closed nations, as we have seen, are socially, economically and politically dysfunctional. State broadcasting has to become independent public broadcasting, shed its monopoly, and exist in a national and international broadcasting economy with a multiplicity of voices.

So to sum up, 99 percent of politicians in all countries—this is a carefully considered figure—would like to control broadcasting because they think that's important and because they think that what they have to say is important. They have been elected. And who, their thinking goes, elected the journalists? It's all quite logical.

Some years ago in Slovakia I had spent about 8 hours testifying to Slovak parliamentary committees. And I was having quite reasonable discussions with all sorts of Members of that Parliament, some of them the Catholic Party, some of them of the former Communist Party, and some of them the bright new democratic revolutionaries.

These were the ones I really had a problem with. They had read page 1 of the book on democracy. And they thought that having been elected, they should almost be sitting in the studio clicking their thumbs, directing the television shows. This was the direct application of the fact that they were the representatives of the people.

The notion that they should be distanced from involvement in broadcasting must have been in some later chapter of the book which they hadn't got around to.

In some countries the tendency of politicians to control is affected by the laws and by a political culture which pays at least lip service to the notion of independence and the freedom of press and broadcasting.

As long as the voters believe this notion, the politicians will pretend that they do, too. But if the press and the broadcasters continuously act in such a way as to erode the public trust, they soon will become subject to the revenge of the politicians because they will not be able to justify their freedom.

The price of liberty is eternal competence. And in the former communist countries, there's not a lot of competence about. In some countries there's been no tradition of freedom at all and the political culture is not open. Their laws are not going to be liberal. The legislation will be a reflection of the problem. Then, even if the legislation is improved, its application may still be oppressive.

So to borrow a phrase from the icon of a failed regime, what is to be done? I have, in addition to the obvious needs for training and exchanges and seminars and so on, six points for success: (1) continue to press for national legal safeguards of freedom of expression, (2) continue to press for international safeguards and put real pressure on nations who want to be respectable members of the democratic clubs, clarify and support the rules of the club, (3) continue to educate journalists so that their work actually is working of the freedom that we desire, (4) continue to try to educate politicians in how to live in a

free and open society and to take their boot off the broadcasters, (5) The broadcasters in their turn must be professional and clever so as to preempt pressure from politicians, and (6) they must obey the word of the Lord, "Go forth and multiply" for it is in the multiplication of voices in the institutions that we diffuse the pressure.

A single television program has to be made less important. It needs to be devalued. Let it take its normal place among the multitude of the common place.

I spent more than 40 years in the business. And, after all, it's only television. Television itself as a general system has an influence on society, although it's only dimly understood. But the importance of individual programs, with some historic exceptions, can be vastly exaggerated.

As you multiply the outlets, television becomes more and more like the weather. On some days you may not like it. But, there's not a lot you can do about it other than sustain a low rumble of discontent.

This is the ideal situation that we should attempt to attain. The irony is that in the former communist countries, television has to be diffused and devalued so that television can eventually become free.

Moderator **Shattuck.** Thank you very much, David, for that very far-ranging discussion of the issues before us.

Sandra Pralong is our third panelist here, and she has already been introduced as the executive director of Democracy Works, a project, I believe, of the Soros Foundation. She also has great experience with journalism with Newsweek and CNN.

Sandra?

Ms. **Pralong.** Thank you. It is indeed an honor to be here, and I see that I have been promoted at the Soros Foundation. I will tell George that I'm now the cochair of the entire foundation. In fact, I was only the cochair of the Romanian Foundation, which I have set up and ran for 3 years. But thank you. It was a nice promotion.

I would like to quickly restate some cliches maybe and go back to something that David has said, which is quite an interesting approach; i.e., the fact that one has to dedramatize the importance of television.

I think that going back to the way that people in Eastern Europe feel about it and going back to, as I said, some cliches, try mediating a business first and foremost; a business in the business of democracy-building. And in that it is of foremost importance to the people in East and Central Europe.

As Clausewitz would put it, in the region I think that media is also "politics by other means." The young people who are attracted to it are attracted to a political crusade. And they see the media as a shortcut to the sort of grueling work in the trenches of elected office.

So you have to contend with people who take the media very seriously and their role in it very seriously. Therefore, they cannot always have the detachment that is necessary in being an objective reporter.

The idea of media being politics by other means is a very entrenched idea in the region, as you well know, and it's in the Leninist tradition of using the mass media to manipulate.

So whether it's the old former communists who are trying to get rid of old habits or the young democrats who are sort of learning to disengage themselves from social

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engineering, it's still very hard to convince them that media is just media, as David would say, have it become just as the weather.

There are, of course, differences from country to country in the way the media is treated and in the way the government actually, willingly or unwillingly, disengages itself from them, from the fray and, of course, the appointment of Klimova that you just mentioned is a tribute to how careful and how truthful the transition in the Czech Republic has been, maybe contrary to other situations in the region.

Clearly, you know, I think it's a cliche by now to say that the northern-tier countries, Poland, Czech Republic, and to some extent Hungary, have fewer problems with the media than the others, although Hungary is still a very hot issue. And, to the best of my knowledge, the audiovisual law has not yet been adopted. And there is no official sort of license granting of television licenses, but there are a lot of cable stations and pirate television.

So to go back to sort of a discussion about assistance and support to the media, I would say that what we have seen—and many of you have been in the trenches in the pioneering days. What we have seen are two types of assistance, the sort of know-how consultants, consulting, training, sort of the intangible transfer of knowledge, and then the more tangible one, which consists of equipment, newsprint, cameras, cash, whatever.

There are differences, of course, between various organizations. I don't want to quote any because I'm sure I will leave some out. There are a lot of organizations, both governmental and nongovernmental, in this country that are involved.

I'd say that the most active—some of them are here in the room, and I'm looking in the IMF direction. There's also the NED, the Eurasia Foundation, USAID, of course, USIA, that are giving substantial grants. And then there's work being done sort of on the intangible training by the World Press Freedom Committee and by other organizations.

In the private sector the largest is the Soros Foundation. And although its program is being restructured at this time with the acquisition of the RFE archives, it still remains because of the work of the various foundations on the ground the largest donor.

The second largest is the Rockefeller and the Ford Foundations. And, believe it or not, the Rockefeller and Ford Foundations are only spending a couple of hundred thousands of dollars in media in East and Central Europe, which is relatively little when you think about it.

I think that for the international sort of the European organizations, there the figures are also sort of staggeringly low. The European union through the Democracy Program, which is a PHARE program, spends in the Democracy Program, which includes democracy-building and all kinds of NGO legal support training and all of that, was about $5.5 million last year. It's about $10 million this year.

And out of those $5.5 million in 1993, only 500,000 went to media activities. And when you consider that the price of a ton of newsprint is about $500 on the open market and that a ton of newsprint gives you about, what, 2-3 runs on an average paper in an average country, then you realize that the money we're talking about is really peanuts. It's very, very little.

So what we have seen in the last 2 years, I would say, is that there is a decrease in the assistance to media-specific programs. I call media-specific sort of programs that really train journalists or that are giving equipment to television stations or to the print media.

And I think that USAID has a very intelligent classification of equipment for administrative needs, which are your basic computers and office equipment, equipment for programming needs, which are your television cameras, and then equipment, sort of infrastructure, of printing plants, transmitters, and all of that.

I think that although at the beginning we have seen lots of small grants where three computers were given here and two cameras there and an editing system in another place, all of that has died in the last 3 years almost entirely with the exception of actually the work that Internews is doing in the process of training. And I should commend them for what they have done in the NIS.

So, by and large, the level of assistance, at least in the tangible realm, is decreasing. There is some indication that in terms of know-how and education programs, there is some pickup of activity.

I have here—if you haven't seen it—the CFG Clearinghouse latest issue has a discussion about American university journalist programs in East and Central Europe, which is very interesting.

It's paradoxical that the level of assistance would decrease at a time where the need is actually higher and when the difficulties in the marketplace are higher.

I'm not going to go too much into details about why the change in sort of donors' attitude. I guess there's a lot of "donor fatigue." There's a changing nature of the needs because now larger sums are necessary in order to help the media. You can't help anyone with just one or two cameras anymore.

There's sort of beginning of wondering: If the sums involved are so large, how does one justify choosing one recipient versus another? And, as I said at the beginning, given that media is a business, how do you justify being involved in business practices, specially if you are an NGO and in a business that is actually politically so sensitive, as media is in East and Central Europe?

By the way, before I forget, I want to make parenthesis on the level of assistance. There is a very important document compiled by the OECD, which, unfortunately, we didn't have a chance to get a hold of, which is a registry of the G24 donors, aid to East and Central Europe in all the realms, including media.

They're very gun-shy about letting it out to NGO's, but any of you here who represents an official governmental agency should have access to it. And I know that Jamie is trying to get a hold of it from the office in Paris.

It is really a document that I think should circulate because it has some indication of the moneys involved in training and it has some interesting surprises about how many people do sort of things in the same realm and how there are open areas in which very few people do work.

So I'm not going to speculate for why the change, but the change in sort of donor enthusiasm comes at a very bad time for the media in the region because the marketplace has changed dramatically.

We were talking before about how the government is sort of relinquishing control, not very willingly, by the way, of the main channels or at least is increasing the number of media that is allowed sort of officially with licenses and all of that.

It's a difficult situation. And here I would like to make a parenthesis. It's very hard to know. It's very hard to judge governmental action. Ambassador Shattuck was talking

about subsidies and noncensorship means of controlling the market and the media output in the market.

It's a very tough judgment call to know whether, for instance, when a government decides to abandon subsidies for newsprint on the eve of local elections, whether it's sort of a coincidence because they are so eager to jump ahead toward market reforms or whether it is a purposeful move to kill the independent press, which doesn't have access to the subsidies, and, consequently, to kill it by raising the cost of newsprint.

Auri Fernandez of the IMF and I have been on the trenches on that in Romania in 1992, and that's exactly what happened. I think the jury is still out on what was the motivation of the Romanian Government, especially in light of the lack of privatization progress that was done ever since. So that's a very hard call to make.

Another hard call is that from the outside, the situation may seem fine. From the inside, it's another picture. For instance, when—again, I'm sorry to be bringing up Romania as an example, but that's where I was born, first of all, and so I know the inside of their story at the beginning. And then I've been there for the last 4 years. So I know the post-1989 situation also quite well.

So from the outside, when the Romanian audiovisual council gave out about 67 licenses for broadcasters, everyone said, "Wow. Fantastic. Yes, fabulous. That's a country that's opening up."

What we failed to look at is that the licenses were covering about three square miles and they are completely inviable, that some of the people who have gotten the most viable licenses are people who have sort of dubious financing—I would put it that way—that somehow for representatives of the Nationalist sort of forces, the rules were waived, for instance, in ownership of broadcast and radio license in the same city, which is a worrisome trend.

Another example, when the licenses were actually given out to various license recipients, one of the holders of the most licenses in important cities was the Romanian representative for CNN.

So, again, seen from the outside, it looks like "Wow. Fantastic. Romania is so open they even let CNN in." The fact of the matter is that what we don't know when we look at it from the outside is that what that license replaced are three television stations that were doing local news.

So, you know, to put CNN—I mean, I very much like CNN, and I appreciate what they have done to change this sort of landscape of media around the world, and especially in Eastern Europe. And their credibility is obviously something that has pushed the Romanian Government ahead with reforms each time that abuses were reported on CNN.

But, nevertheless, it is a pity for people in some small city in Romania to have access to news from Washington and London and not know what's happening in their backyard. And this is what happened.

The other way in which the marketplace has changed is that, as I said before, the media, especially broadcast, has to do with economies of scale and, the licenses being so small, cannot survive because they cannot sell advertising. Plus, the national license holders, being the state, are siphoning off all advertising dollars of a pie that's already very small.

So, basically, in some situations, what you find is that really that independent media, both in print and in broadcast, the truly independent media, is having a very hard time surviving in the market.

There's obviously the lack of business training and the lack of marketing skills, which play a big role, and the fact that for the truly independent press, those skills are sort of replaced with overzealousness. But it is not always sufficient.

On the other hand, alongside the sort of governmental supported media, what you see is increasingly bizarre marriages of media and sort of industrial groups or banks in the case of the former Soviet Union.

And you would have more data from Internews on that and how that plays in the NIS, but that's also the case in Romania. And it looks like it's going to be the case in Bulgaria as well.

In the case of Romania again, the sort of independence of industry-owned media is questionable. But I will leave it at that because that's a blanket statement and we'll have to go into a lot more detail in order for me to be able to defend what I said.

The "What can be done? What is there to be done?" that David raised, I would like to just address three, maybe four main points in light of this marketplace that is shifting and that I was mentioning.

First of all, I think that one of the problems of independent media, as some of you have seen on the ground, is that even when it is truly attempting to be independent, it is still dependent on state infrastructure; for instance, on state-owned paper mills, which have a monopoly of distributing newsprint.

And in the case of the NIS, it's particularly shocking because the newsprint is produced and delivered from Russia to the other NIS countries. So the various independent papers in the Central Republics, for instance, or in Ukraine depend on newsprint that is shipped to them from Russia, which is a supply that can end at any time on the good whim of the Russian Government since it's from government-controlled paper mill.

Printing plants for the most part, large printing plants, are owned by the state with some exceptions. Broadcasting infrastructure and transmission infrastructure are owned by the state. And there's discriminating in the prices that license holders pay for transmission fees, whether they are state-controlled or private.

So given that the industry as a whole is still very much dominated by the state, I think that one of the arenas of sort of intervention would be to try to push the East European Governments in this big sweep for market reform and privatization to give priority to privatizing the infrastructure that is being used for the media. And this is something that I know the World Press Freedom Committee and their representative in Paris are discussing very formally these days.

The second issue, also having to do with the sort of outlook of the marketplace, is that of investments in the capital market which are now in formation. As I said, there's a trend emerging of media being owned by large industrial concerns, which means that the truly independent guys, who really care about media and not about laundering money, are having a very hard time to getting credits on the financial markets.

They don't have assets to guarantee their credits. They don't get grant money any more and aid. They don't get hundreds of thousands of dollars, which they need to buy a new editing line or to buy a new press or whatever. They could run it.

They have the know-how. And I know of some in Romania that are in this situation. They have the know-how. They have the management skills. They have grown this far. They cannot get loans from banks because they do not have the assets to guarantee those loans.

So I think another area of involvement would be to sort of create a mechanism in which an outside organization could make loan guarantees, just guarantee the loans, for the truly independent press so they can grow on their own in the marketplace but they can actually do it and they can get money.

The other, still going from the general to the specific, one of the biggest problems with the proliferation of small stations, and especially with cable, there are about 260 licenses for cable in Romania for a population of 23 million, which is a very high number, and 67 television stations, as I said, broadcast.

One of the problems with that is that it's no good to have a zillion television stations in a country. That in itself doesn't promote democracy. What would promote democracy is if the programming of those television stations was somehow linked to the concerns of the people in the community in which they operate, meaning that they would have local news, that they would have local programming, that the people in the community would feel their concerns and themselves reflected in what that programming is.

And Ambassador Shattuck had a very nice definition of how media can help in democracy at the beginning. So I think that that's something that we should be promoting, local programming and local news, and not let these stations rely entirely on the pirated videos or B movie series, but also help in their ability to build networks.

And there the Internews sort of experience in the NIS is quite interesting because that really gets around the problem of not having an alternative to the state television channel on a national level.

So if you allow several small stations to become a network, of course, you would have to have permission. In Romania it is illegal for them to broadcast to each other. So they can't do that unless you traffic tapes by train.

But that's something that one should be looking into: legislation that prevents stations from networking, on the one hand; on the other hand, sort of technical and financial assistance for them to actually network and maybe do coproductions, like that.

The other thing is that I think that we have sort of too narrowly maybe focused on media as such as the recipient for assistance. I think the media is also a great conveyor of sort of values and an educator. And so maybe a more creative way of looking at assistance to the media would be to include the media in various programs that deal with democracy-building, with respect of rule of law, and so on, because I think that what the media should do in Eastern Europe—I mean, East Europeans, I think, have now understood how to write in inverted pyramids and sort of the theory behind how to be objective and all of that. I think that what they haven't yet understood is what it is that we're talking about in terms of values.

You know, 45 years of social engineering have left some serious scars. It's been very hard for me as a teenager of 15 to come into the West and understand what it was all about and I was living in a different system, let alone for them there who are trying to reinvent the wheel.

So I think that if we could use the media more creatively to sort of promote individualism and what that entails; i.e. responsibility, self-reliance, respect of the rule of law,

encouraging entrepreneurship, the idea of risk and reward, political and civic involvement, and all of that, we would sort of push programs that have those purposes. To use the media I think it would make a lot of sense.

Last, but not least, I would urge us to consider seriously continuing the training. And there's a lot of effort being done by American universities in that respect.

There is one gap in the American education in media which Eastern Europeans, unfortunately, cannot live with, and that is that media education here is purely on the editorial side, meaning that American journalism schools here train reporters, editors, cameramen, producers, and so on. They do not train managers. What the media needs most in Eastern Europe—it will live or die in the marketplace by now. So what it needs most are managers.

There are no business schools in Eastern Europe. People who have been successful at business sort of have been successful because they have chutzpah and connections and guts.

That's not enough to build a television station. That's not enough to promote your audience. That's not enough to tap into the advertising market. That's not enough to do all of those things that you need to do in order to build a business out of a media.

There is a very important consideration in helping the media become more sort of managerially professional. It would really deflate, I think, the partisanship because one of the biggest problems that you're all aware of in Eastern Europe, especially in the printed press, is that everyone is so partisan. It's really sort of an exacerbation of the continental tradition of sort of party media.

I think David is right to say we have to calm down, but there it's a matter of life and death. And it's so much a matter of life and death, of having one view exposed in your publication, that you sort of lose sight of the fact that only three people may agree with you.

So once you sort of start putting the market pressures to bear on the media and you sort of tell them "You'll make money if you reach a larger audience," well, guess what? To reach a larger audience, you have to calm down. And you have to be having more sort of diverse opinions in your paper so you can grab a little there and a little here in terms of sort of political preferences of your audience.

So I think that it makes double sense to do business training in the media. It first helps sort of create a business culture in an important industry, but also it automatically would deflate some of the pressures, political pressures, that the media is still bearing.

And, last, but not least, I have here a last point, which says "Carrots and sticks don't work," blah blah, "pressure in the European institutions" David has talked about.

And I want to commend the CSCE for having taken on media as part of their consideration and for having so intelligently used the know-how and the enthusiasm of NGO's involved in the field because they're a great source of information and of knowledge and of change.

You know, just to this point I'd like to say one thing. The situation in America is different from the situation in Europe. And I think that's great because I think that the reason for which the situation here with the first amendment is different is that a bunch of people wanted to create a new system, a new society. They wanted to escape something.

I think that's sort of the hope in Eastern Europe as well. And so I think that that's more reason for the American example to be relevant for Eastern Europeans, rather than to go back to the European model.

A lot of people, you know, when I say "Well, we never have to relax vigilance and all of that," say "Well, what right do we have to intervene in someone else's affairs?"

And I would say to that that we have not only a right, we have an obligation to defend what we have spent 200 or collectively we have spent 200 years to develop, and that's a system that's based on trust.

There's no way that institutions that are not based on that trust and on those same values inside the system can have the system survive. So we have an obligation to defend that, I think.

Thank you.

Moderator **Shattuck.** Thank you very much, Sandra, for that very far-ranging exposition of some of the economic forces that are at work here.

I think you've heard two very, very useful talks: one on the subject, really, of regulation and how to go about guaranteeing and promoting free media while paying attention to different regulatory models and also perhaps downgrading the importance of any one medium channel; and then these economic forces that Sandra has talked about.

We have about 15 minutes for comments, questions. So let me turn it open to the floor. They tell me to say "Come to the microphone." That's more for the benefit, I think, of our recorder, than anything. I'm sure we can hear you. But please come to the microphone.

Ms. **Banonis.** Mr. Shattuck, I'm Asta Banonis with the Lithuanian American Community, Incorporated. We have a public affairs office and have been tracking, to the best of our ability, what's happening to the media in Lithuania.

I have to say that I am delighted to hear Ms. Pralong talk about the economic strangulation that is taking place in these countries because Lithuania is a prime example.

And if you don't have this as an example, I urge you to incorporate it into your materials. In July of this year, the Lithuanian Government, who controls the only transmitter tower in the entire country, raised its rental rates from $14,000 a month, which was already outrageous, to $60,000 a month for stations.

Now, Lithuania doesn't have the luxury of a lot of foreign investors. We have three independent stations in Lithuania. Only one of them is an attempted national network.

The total advertising dollar available in Lithuania today is $2 million of revenue. The Lithuanian Government already soaks up $1.5 million of that for its own advertising rates, leaving a total of about $500,000 for the 3 networks to divvy up.

Now, if you multiply 60,000 times 12, you already discover those stations will be bankrupt in 3 months. There is no way they can survive. And the single most important thing that the donors sitting in this room and the other people, like the U.S. Government, can do is to provide some kind of guarantees for these loans or the loan itself to be repaid by these stations so that they can have an independent access to the people.

It is scandalous what's happening in Lithuania. This is a nomenklatura who has come back into power, has all of the understanding of what the public interest is, like Al Capone did. And they are literally destroying the foundations of any reasonable attempt to build democratic institutions in Lithuania.

And I plead with the donors sitting in this room to forget this training. Forget this other stuff. Give us one transmission tower.

Mr. **Webster.** I should perhaps point out that in the work we do in the legal and regulatory end, we're very much aware of the problem of the monopoly of transmission.

We are engaged in the Lithuanian problem at the moment. We've been sending back commentaries on the draft law, all the rest of it. And I get stuff from various people in Lithuania about what's happening. And we've got a couple of people here in Washington who are specifically working on this.

We did manage in the Romanian law to get a clause, if I remember rightly, which said that the broadcasters could build their own transmitters. This is sometimes not possible. But at least this breaks the legal monopoly. And since these monopolies have no knowledge of rate regulation, they can set entirely arbitrary prices.

And when you have a collapsed society, where each ministry is wondering how they're going to make a living, no wonder the people in the Ministry of Communications, who historically, of course, may have been the people closest to the secret police anyhow, just decide that this is a thing where they can just charge these prices and they'll be OK, even if everybody else goes out of business.

There's a situation in Russia at the moment where—I can't remember the figures, but certainly Ostankino and Russia television are deeply, deeply in debt to the transmission authority for electricity bills. They're totally bankrupted by it.

Moderator **Shattuck.** Do you want to make any comment on that?

Ms. **Pralong.** No. I think you're right. I mean, that's the situation everywhere, some more dramatic than others.

Moderator **Shattuck.** Yes, right here?

Mr. **Durvior.** I'm Vladimir Durvior from the Russian Embassy. I'm a press councilor. I have a few remarks.

I completely agree with Mr. Webster saying that the Russian media, especially the electronic media, are very much in debt with the government simply because the government is paying only 30 percent of their expenses. And for 60 percent of their total expenses, they are dependent on the rest, the other sources.

I also have remarks to Ms. Pralong saying that—you are absolutely right saying that there are tremendous economic difficulties for print media in the former Soviet Union, but the Russian Government in no way controls the paper mills this time. They are all now privatized and became stock-holding companies with their shares openly in the market. That's why the government doesn't have any ruling hand in this.

So the print media in the former Soviet Union may be at the mercy not of the Russian Government, but at the mercy of the market forces.

That's all. Thank you.

Moderator **Shattuck.** Thank you very much.

I think these comments and questions are pointing out the great importance of these market and economic forces that are at work here and I think are properly illustrating where much of the work of the CSCE should come as well.

Yes?

Mr. **Bullen.** I'm Dana Bullen, director of the World Press Freedom Committee.

I usually come to meetings like this armed with all kinds of rebuttal material and facts and documents. I don't have to use those today. I think the presentations, particularly Mr. Webster's focus on the misuse of some of the existing Western legislative precedents and even the highly regarded international documents, such as Article 10, were very, very much to the point of this debate. So all of that briefcase load of material I simply don't have to mention.

I thought Mr. Shattuck's comments were right on target and appreciated very much Ms. Pralong's view. I had just two comments that did occur to me.

One, I came away from the Warsaw meeting with a formalist optimistic view than I've heard expressed of the organization as it was represented by its personnel and staff at that particular meeting of its ability to intelligently utilize NGO participation and mount activities or other initiatives.

I did not feel they knew who they were dealing with, and I did not feel they knew the issues. I think they would benefit very much from the kind of presentations we've heard today and really needs to be encouraged to take a very careful view of some of the things they were doing.

As an example, they appeared to me to be prepared to turn over the reporting function on the status of press freedom in the former countries of Eastern Europe and the former Soviet Union to representatives of what had been the leading communist front organization in the press field for the last 20 years. I thought that represented lack of awareness of what was going on.

I only had one comment on another point, which had to do with the suggestion, along with many wonderful suggestions, of using news media to promote and otherwise advance democratic and other good values.

I'm for these values, and I want them to be promoted. And I want them to be recognized. But I don't think that we should ask the press to have a role in promoting even good things because if you do, then you legitimize a role of the press to promote bad things. And it's real role is something different.

Thank you.

Moderator **Shattuck.** Thank you.

Yes?

Ms. **Pralong.** Can I ask——

Moderator **Shattuck.** Oh, yes. Could we have a comment on that? Sorry.

Ms. **Pralong.** Dana, I agree with a fundamental sort of debate about the media should be value-free. And if you open it up to promoting the good things, then who is there to say that they won't use it for the bad things either, too?

But having been a product of an Eastern European education up to age 15—I'm not going to bore you with my biography—and having been back, someone has to figure out an answer to this.

I'm not sure that the idea of promotion through the media or of engaging the media to promote it is what I meant to say, but that those should be promoted over the media by whoever it is that promotes them and use the media to make them publicly available is important because there's no institution in East and Central Europe that sort of turns the clock back on 45 years or 70 years in the case of the former Soviet Union of social engineering and cultural engineering.

I mean, someone's got to sort of rebuild. There has been a tremendous effort of propaganda. And the whole structure of changing the mind-set under communism was a gigantic machine.

We tend to forget that. We conveniently sort of think, you know, that that's the—over 45 years it's just going to blow away, it's going to be nice and shiny and thinking like the rest of the people in a free country. It's not. It's just not the case because too much effort has been put to engineering in the other sense.

So someone's got to do it. I'm not sure it's the media. I agree with you. But we have to find an answer to how you're going to convey those values.

Mr. **Webster.** Could I add?

Moderator **Shattuck.** Please.

Mr. **Webster.** It's on this institutional question. I believe the media should be independent from all governmental things. Of course, I spent most of my professional life in the curious position of being in a public television system, which in a strange ambiguous British way, being accountable to parliament and with a royal charter, is quasi-governmental.

So I gained a certain amount of experience in: How do you take the government's money and still kick them in the teeth? And this I think is an art which has to be developed further because we cannot attain the purity of the situation in the United States.

So I think we have to engage ourselves politically. We can't just sort of stand off in one side and say "No, no. We won't deal with that because they are not as pure as we are."

I think we have to get in there. We have to dirty our hands. We have to work through the CSCE. I think we also have to work through the Council of Europe and the European Union.

And, as I said earlier, it's partly an educational problem or if we weren't using charitable foundations, I would say political and lobbying problem, with political figures in Europe.

And my worries about the CSCE as an institution are that: Since it's a consensus organization, can it develop a sharp enough edge to define some of these things, rather than muddling along in a rather benign way?

And that's why I think we have to work through a number of different institutions, each of which has its disadvantages and failures, but they have other kinds of advantages.

And that's also why I would seek to find some way in which American influence or the American voice can somehow be heard in relation to the Council of Europe and the European Community because with the Russians coming into the Council of Europe, we're going to have a very interesting problem of imbalance there. And there's enough muddled thinking going on in Strasbourg already that we have to deal with.

Moderator **Shattuck.** I'm going to make one comment, and then I'm afraid I must leave. But I want to leave this panel in its own very good hands to continue what I think is a very effective exchange here because I certainly don't want to cut it off.

On the question of the CSCE, which has been raised here, and its ability to grapple with these issues, I would also agree that—well, let's put it this way: I think the CSCE is not an appropriate body for substantive rulemaking, if you will, in this area.

We didn't get a chance to get your question. I want to make sure that we don't——

Audience **Participant.** Yes. Well, the question is for you. So I thought I would catch——

Moderator **Shattuck.** OK. Thank you. OK. Great. That's an even more effective way.

Mr. **Webster.** It'll be a secret.

Moderator **Shattuck.** Right. There we are. That's it, no freedom of information.

But I think that the CSCE is more of a forum. And, indeed, if we begin to look at it as a substantive negotiating place to establish rules and appropriate approaches toward the media, then I think we're making a mistake, for all of the reasons that have been described here. We need to engage ourselves as governments bilaterally. We need to find other institutions.

The second comment is, picking up on David's point, I think there's no question that there should be more active exchange between these two poles of the debate on regulation versus a wide open system of the kind that we have here.

And probably the most effective way to do that is not only in the CSCE, but also in the Council of Europe and in all of the various institutions that this topic comes up in. And I think the United States would be well-served to move into some of those fora. And I think your comments are right on target in that regard.

I apologize for having to leave early, but please do continue on this. Sandra, perhaps you could call on people here?

Ms. **Pralong.** Eric.

Mr. **Johnson.** I'm Eric Johnson of Internews and have a couple of comments and then a couple of questions.

First I want to note that the following example of a recent project in Kazakhstan. If nonmedia-related, foreign-funded projects in the former Soviet Union and Eastern Europe, can be persuaded to include some sort of media element in their work, that can often have a lot of influence.

Economic projects that have many, many millions of dollars, when we're talking about the media, we're talking about, you know, what, $7, $10, $15 million a year spent in the entire region, probably.

Ms. **Pralong.** Right, at the most.

Mr. **Johnson.** And if you have a $50 or a $100 million project coming from the AID to help economic restructuring, if they can be persuaded to spend $1 million on creating a TV project program in Almaty, like they recently did, that can be very powerful.

Ms. **Pralong.** I agree.

Mr. **Johnson.** Second, in the last year, we foreigners working in the media have more and more realized that business skills are what's needed. But in our enthusiasm to help train media managers, let's not forget that we need to try and somehow link that with journalistic integrity; in other words, use our leverage.

If we're going to train you to be a media manager, we want you to promise and somehow make them keep the promise that they're going to be good media managers, that they're not just going to make the media real commercial.

Third, we have been speaking about how or it was mentioned that if independent media is too partisan, then it might not acquire a wide audience, but our experience in the NIS often shows that the partisanship of an independent media organization is part of its popularity.

So we need to keep that in mind. And when we go into Ekaterinburg and say "You guys should stop trying to support certain political causes because it's not right. It's not objective," they respond, "Well, that's how we make money. People watch us because we are anti" whatever, "anticommunist."

A note about the comment about Russian Government control of paper prices. It might be true that the Russian Government no longer controls the paper factories themselves, but it does control the tariffs that are put on paper export.

In much of Central Asia, people complain about the fact that it's difficult for them to get paper out of Russia, partly because of bureaucratic procedures and partly because of high government, Russian Government, tariffs on paper. So that is a problem.

And, finally, two short questions. First of all, we've spoken a lot about Western European and American work on the media in Eastern Europe and the NIS. Are the Japanese doing anything you know of?

And, second, one more and I'll just finish. How much money in all right now is being spent on media, foreign media, work in the NIS and CE, if you have any idea?

Ms. **Pralong.** I was afraid someone would come up with this question. I don't know. And that's why I was so eager to get the OECD document. I know that Jamie is working on getting it. There's still only an estimation now that it's probably under $10 million, but we may be off. So I don't know.

There are a lot of bilateral, sort of small bilateral, projects done by the European Community members that do not show up in the money that's spent by the commission or by the Council of Europe, but it's impossible to really give a figure without the benefit of that document.

As far the Japanese, media—and maybe other people in the audience know this better than I do, but media hasn't been one of their top priorities so far, again, to the best of my knowledge. I may be wrong. I don't think they have any major media projects.

On the other hand, the Germans via the various German party foundations have carried out media training programs and have included media in other sort of economic training in other programs.

And I think that to Dana's point, that's what I was trying to say, that media should be included as a component of other programs that are sponsored by donors because it conveys the kind of values that we want to convey.

Mr. **Webster.** Can I just give an example? It's from the particularly crazy situation we have in Romania. I learned this when I was last there in March talking to the new Association of Private Broadcasters. They mentioned to me that there is a law in Romania which says that if a company spends more than 5 percent of its revenues on advertising and promotion, it can't write it off against tax. This is something which is not to do with the media specifically, but just the general economic question. It depressed the advertising on which private media depends.

If that law were to be abolished, that would be a greater stimulus to private broadcasting in Romania in excess of anything any of us have managed to do previously.

You see there is this trip wire, which just stops advertising developing. And you can't run the private media unless you have a viable advertising economy. So that's the kind of problem which we have to look at.

Ms. **Pralong.** Here's a question.

Ms. **Kasas.** Susan Kasas from Search for a Common Ground.

I just wanted to say that almost virtually all of our projects, whether it's in the Eastern Europe or South Africa or the Middle East, contain a media component, as you know, even potentially in Romania hopefully soon.

But I dare say that in any tally that you were talking about, the one that you were trying to get a hold of, you probably wouldn't see that because it would come under the category of conflict resolution. And there may be many more organizations like us who are doing things, but it's not showing up anywhere. So I just wanted to say that.

Also I think that—I don't mean to be a Dan Quayle or be supporting Dan Quayle, but I think that all institutions, all organizations should be promoting the positive in society, not in a propaganda format, but it's all of our jobs, including the media, but not especially the media.

And then a question following up on this woman from Lithuania, I was wondering what you are thinking in terms of when the government is controlling the infrastructure and almost holding organizations, private institutions with these bribes, not bribes exactly, but hindrances, financial hindrances. Do you recommend that the Western organizations pay those prices, which, in turn, helps the government, I suppose, because the money is going back to the government, or is it our job to influence the governments to remove those financial strictures? Do you know what I mean?

I don't know if that's too obvious a question or what.

Ms. **Pralong.** No, I don't think so. I don't think so. To answer your second question, no, I think it's a legitimate question. The IMF may have more of an experience with that. Well, you already have experience with us.

The way we worked around this problem in Romania, I'm very proud to say, was to not get—for instance, the issue was government just overnight decided to take out the subsidies from newsprint. So prices of newsprint skyrocketed.

We didn't buy the new newsprint to distribute it to the publications that we wanted to support. First of all, we didn't buy it in Romania because we didn't want to necessarily encourage a state monopoly. So we bought it from various sources outside of the country.

But what we did is that we really sort of continued selling from a central—we had a pool of journalists and organizations in the media decide how they were going to distribute this pot of money that came from IMF and other sources in the Soros Foundation. What they did is that they continued to sell newsprint at subsidized prices.

So basically the money was going in no one's pockets, but the media could pay the lower prices for a while still in order to continue appearing during the campaign.

And the pot of money would be renewed so more newsprint would be able to be purchased and sold at subsidized prices until we ran out of money. So that's the way we worked around it.

Mr. **Webster.** A word of warning. One of the problems in dealing with former communist societies is that they've all grown up being subsidized. As they move into a market economy we with our good works try and help them. Let us not encourage that bad habit of expecting subsidy.

Ms. **Pralong.** Yes.

Mr. **Webster.** At some point they have to come to terms with the reality. And when people come to me and say, "Well, there used to be"—I don't know—"1,800 newspapers in this country. And now there are only 20," so?

The market forces never existed before. Now they exist. Maybe that is a country which can only sustain 20 newspapers. Now, it's unfortunate if they all happen to be particular newspapers of which we might disapprove.

Similarly, in television, it would be a sort of pity if nobody did anything other than the most popular entertainment programs and nobody did any news or any current affairs or any local stuff and so on.

However, the European tradition is what I would hope would be increasingly intelligent regulation. It is possible to regulate for freedom. It is possible to regulate for diversity so that the full crunch of the market forces in which everybody goes for that which appears to be most immediately commercially viable is avoided.

And I think if this can be done intelligently and with, as they say, a very light touch, then the role of regulation can justify itself.

Ms. **Pralong.** Yes. I think that's a good addition, a good point. Also that's why the idea of guaranteeing loans is probably a good way to go about it because you don't really interfere in the market.

Anyone? Dana?

Mr. **Bullen.** On the paper question, I think I tend more to agree with the gentleman from the Russian Embassy that it's more of an economic problem now than a government control problem. At least that's what I've heard.

But in all of those situations, it seems to me that the basic answer, not to say simplistic, is competition.

Ms. **Pralong.** Yes.

Mr. **Bullen.** And if, for example, you have a country that has two actual physical plants at the two ends of the country and you're going in a privatization, the goal would be, I would hope, to privatize by selling, giving, whatever you do, transferring the plants to two competing companies. Let them compete, and the price should go down.

In countries where there's only one actual plant, then you have to somehow find a way to create another one, which is not easy, but that would be the ultimate answer, I think.

Mr. **Webster.** Well, maybe you compete with the importation of newsprint from another country.

Ms. **Pralong.** Yes?

Ms. **Colliver.** I'll just make a brief follow-up point. My name is Sandra Colliver. I'm with Article 19, the International Center Against Censorship. We're based on London.

I wanted to thank the CSCE for convening this because my colleagues in London have had a very difficult time getting information about the November meeting from the FCO.

Mr. **Webster.** They were under-represented from Vienna. The French hardly turned up at all, however.

Ms. **Colliver.** I'm glad that you comment.

I just want to note that, of course, the U.S. is part of the CSCE and that there's a potential problem coming up with the invasion of Haiti. There's been very little attention paid to press pools and how the press pools will be integrated.

We don't want to see what happened with the Panama invasion, where the press were left behind, where there was a lot of destruction, unnecessary, of civilian targets. And that, of course, presents a problem as well in this invasion with the vulnerability of civilian populations.

So to those who are talking with people in the administration to make them appreciate that there is international interest in this, that it would be a dramatic precedent to set to the CSCE process, not only to arrange for U.S. press pools, but to ensure that there are international media included.

Ms. **Pralong.** Thank you, which brings up a point of potential support in East and Central Europe that donors—I know that, again, the World Press Freedom Committee is working on something similar—that donors should help countries have foreign correspondents, maybe pool resources to cover the world.

Any other quick questions? Maury?

Mr. **Johnson.** I mentioned how earlier we did, most of us foreign aid organizations working in media, started like 3 years ago doing training and giving away small pieces of equipment. A year ago we started to turn toward business management training. But a new field that we haven't really addressed much, partially because it's not purely media, is helping organizations there figure out how to change laws themselves, advocacy, legislative associations, organizing, that sort of thing.

I think there's a lot of opportunity there. And if you can convince, you know, 300 Russian TV stations, each to talk to their Duma representatives, and say "Get rid of that law," things can start to change. And they're only starting to realize that.

Mr. **Fernandez.** I just had two brief points. The first one is I miss any reference or any detailed briefing about what AID is doing in this area in East and Central Europe, which is rather considerable.

Ms. **Pralong.** Including the international media fund maybe?

Mr. **Fernandez.** Well, we are only one of their many grantees, but I think that in terms of the term you used about players in this, this is going to be a very important institution to keep an eye on because they're going to be the biggest player.

Secondly, David and Sandra, you're going to be a little surprised about the last thing I want to say today because nobody's made any reference to it. And that is that throughout this area and having just come back from Romania and Bulgaria, what I am impressed with every time I go back and get my batteries recharged is the great energy that exists there on the part of young people to move things forward. I notice both of you nodding your heads, and I think that's really worth putting into the record.

Mr. **Webster.** I nodded to the young.

Mr. **Fernandez.** Of course, we're both old. So we can say that.

But I think that's a very important part. There just aren't any role models in the old guard for people. So much of the economy, as we know, is just sort of wild West.

We talk about investment guarantees and everything. Well, there are people starting up radio stations. I find them out in the boondocks all the time with two pieces of wire

and a lot of enthusiasm and one piece of equipment doing some very interesting and important things to build democracy.

So I think I would like to finish on that note about what we are trying to do. We're working with universities very extensively, in 12 universities throughout the area and in Russia. We're starting an exchange program.

And I think that is an area that we really have to keep an eye on. It's to train tomorrow's journalists and tomorrow's managers because I don't think there are any role models. There's not much of the old guard you can teach new tricks to.

I think David and Sandra for your presentations today. For one who has been engaged in this for the past 4 years, I found this very enlightening and interesting.

Ms. **Pralong.** Thank you. Is there anyone from USAID here who can answer Maury's question?

[No response.]

Ms. **Pralong.** I don't have the dollar figures, but you probably know they've just launched a partnership program in—sorry? Ten million. Well, for the management, yes. But it's hard to tally up in the absence of someone from USAID because there are so many projects that are supported by them that are not directly.

Mr. **Fernandez.** They're also becoming directly involved.

Ms. **Pralong.** In the NIS there's a very coherent strategy of trying to put together—OK. So thank you very much, everyone. Thank you, Jamie, for having us here. Let's hope that we'll have good opportunities to meet for good results in the media. Thank you.

[Whereupon, the briefing was concluded at 12:03 p.m.]

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