

# MONITORING THE IMPLEMENTATION OF THE LAW ON AUDIO AND AUDIOVISUAL MEDIA SERVICES IN MACEDONIA

## NEED FOR INDEPENDENT MODEL OF MEDIA SUBSIDIES FOR DOMESTIC PRODUCTION

by VESNA NIKODINOSKA

The film and documentary programmes of domestic origin have been scarce genre on the TV stations in Macedonia in the past years, leaving the cheap and low class serials to dominate the primetime broadcasting. The reason for the desperate situation with the domestic production is mostly due to the lack of finances of the TV houses in the country, while the undertaken measures for enhancing domestic production have not been sufficient so far.

In order to stimulate the domestic production, the new Law on Audio and Audiovisual Media Services (2013) imposed a new requirement for the commercial TV stations with national license and for the public service broadcaster *MRT* to produce and broadcast certain quota of domestic film and documentary programs. This requirement was introduced in 2014 with the Government's amendment to the 2013 law which assures financial support of up to 50 percent of the total domestic programme production costs for the TV stations. The measure is expected to boost the quantity and the quality of the domestic documentary and film production, an area otherwise unappealing to the media owners because of its complexity and expensiveness. On the other hand, the subsidies are expected to suppress the low-cost foreign serials and other entertainment programmes, mainly from Turkish or Indian origin, that have dominated the national TV channels in the past years.

The opinions of the media industry and the media csos regarding the newly established financial mechanism and its effects are divided. The TV broadcasters and the producers have enthusiastically greeted the Government proposal seeing it as a chance for development of quality domestic production that could measure up with the popularity of the American or Turkish productions.<sup>1</sup> Conversely, the media csos are of the opinion that that this could lead to further Government control over the editorial policy and media content, something that has so far been done through state advertising.

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1 "Makedonskite gledaci osudeni na srpska muzika i turski serii", *Deutsche Welle* (in Macedonian language), 14 January 2015. Available at: <http://www.dw.de>. Accessed 2 July 2015.

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The overall process of selection, production and broadcasting of the projects in 2014 was hasty and non-transparent and as such influenced the quality of the programmes. The establishment of the respective body, the selection of the projects and the state budget allocations to the TV stations were not made public, thus undermining the transparency of the procedure.

The purpose of this report is to explore the implementation of the legal requirements and the transparency of the subsidies allocation to national TV stations for production of domestic documentary and film programmes. The report aims to answer the following questions: what effects will this measure have on the quality of domestic production; whether it is conducive to political influences over the national TV stations; have there been any problems during the implementation of the law, and if so, how had they been addressed.

The research was conducted in the period from April to May 2015 through several qualitative methods for collecting and analysing data: in-depth interviews with a member of the Council of the Agency for Audio and Audiovisual Media Services (AVMU), an owner of one national broadcaster, a TV producer and a media organisation representative; qualitative analysis of domestic legislation, official documents, other research and reactions of relevant domestic media organisations; and analysis of secondary data by relevant official sources. For the needs of the research, information was also requested from the Ministry of Information Society and Administration using the provisions of the Law on Free Access to Information of Public Character.

## 1 STIMULATING DOMESTIC COMPETITION TO LOW-COST FOREIGN SERIALS

The television industry in Macedonia has been facing structural weaknesses for almost two decades, due to variety of reasons, among which the large fragmentation of the market, weak financial condition of the TV houses, low financial and production potentials of the public service broadcaster, poor programme quality, insufficient audiovisual production, etc.<sup>2</sup> The bulk of the advertisement revenues has been flowing into the terrestrial national TV stations for years, which indicates that the financial resources for domestic production lie only with this segment of the TV industry. Despite this, the market analyses show that most of the national TV stations production expenditure goes for copyrights for broadcasting foreign media products.<sup>3</sup> Because of the difficult market conditions private media owners are prone to making maximum

2 Bogdanovski, S. et al, *Audiovizuelnitate kreativni industrii vo Makedonija: film, televizija, videoigri*, ResPublic, Skopje, 2014, p. 76.

3 Ibid.

THE NEW LAW (2013) OBLIGED THE COMMERCIAL TV STATIONS WITH NATIONAL LICENSE AND THE PUBLIC BROADCASTER MRT TO PRODUCE AND BROADCAST CERTAIN QUOTA OF DOMESTIC FILM AND DOCUMENTARY PROGRAMS, WHILE THE GOVERNMENT WILL PROVIDE FINANCIAL SUPPORT IN THE AMOUNT OF MAXIMUM 50 PERCENT OF THE PRODUCTION COSTS.

income (through broadcasting mass-media low-cost serials) and minimizing the expenditures, a pattern most typical for the local media who are seemingly getting the smallest pieces of the advertising pie. On the other hand, public service broadcaster *MRT* which has also been financially struggling for years (although with more stable financing in 2010-2012) had very low domestic production investments.<sup>4</sup> These are some of the reasons why the overall potential of the TV industry for producing domestic audiovisual programmes remains largely limited.

In 2014, for the purpose of stimulating the domestic industry to create quality film and documentary programmes and enabling supportive environment for artists, scenographers and other practitioners,<sup>5</sup> the Law on Audio and Audiovisual Media Services (2013) has been amended to ensure that national commercial TV stations and *MRT* broadcast music and other programmes originally produced in Macedonian language and in the non-majority languages in Macedonia (Article 92). The commercial TV stations with national coverage through digital terrestrial multiplex are required to broadcast at least 10 hours of documentary programmes (Article 92, paragraph 8) and at least 20 hours of domestic film programmes (Article 92, paragraph 9), both in the period between 07.00 and 23.00 by 25 November in the current year. The public service broadcaster *MRT* is required to broadcast 30 hours of domestic documentary programmes and at least 30 hours of domestic film programmes by the same period of the year (Article 92, paragraphs 8, 9). The documentary and film programmes are to be produced upon initiative and in organization of the broadcasters, or commissioned by the broadcaster and/or co-produced (See Regulation, Article 2).<sup>6</sup>

The support for the domestic programmes seems like a restoration of the subsidies aimed at programmes of specific public interest which were abolished in 2006, following a 7-year cycle of annual competitions. The former Broadcasting Council (now the Agency for Audio and Audiovisual Media Services) was free to distribute the subsidies to any of the aspiring broadcasters. The new 2013 law, however, limits eligibility to reimbursement of maximum 50 percent of the production costs to only 5 national commercial TV stations and to *MRT*, as the “the most affluent” among the broadcasters. Such conditions render the local and

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4 Bogdanovski, S. et al, *Audiovizuelnite kreativni industrii vo Makedonija: film, televizija, videoigri*, ResPublic, Skopje, 2014, p. 76.

5 A statement of Ivo Ivanovski, Minister of Information Society and Administration in the article published at *MRTV* online edition. See “Macedonian music and subventions for film and documentary programmes”, 26 December 2013. Available at: <http://mrt.com.mk/node/1551>. Accessed 1 June 2015.

6 ‘Uredba za strukturata na trosocite koi se priznaaat i posebnite kriteriumi koi sto treba da se ispolnat pri proizvodstvo na domasna dokumentarna programa i/ili domasna igrana programa’, *Sluzben vesnik* 138–14, 17 September 2014, p. 61. Available at: [www.slvesnik.com.mk](http://www.slvesnik.com.mk). Accessed 10 June 2015.

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regional TV and radio stations disadvantaged, especially given the scarcity of available resources in an otherwise poor media market.

## 2 OBLIGATIONS, SUBSIDIES AND FINES

The Government intervention imposes certain obligations to the national broadcasters, introduces financial support for expensive production projects, as well as fines for non-compliance.

The 2013 law stipulates that TV stations receive subsidies of up to 50 percent of the total production costs. The Government's Decision<sup>7</sup> specifies that subsidies shall not exceed 137,500 MKD (2,254 euro) for production of one hour domestic documentary programme, or 338,461 MKD (5,548 euro) for one hour domestic film programme. Accordingly, for production of 10-hour documentary programme commercial TV stations could receive approx. 22,540 euro, or almost 111,000 euro for 20-hour film programme. *MRT* for production of 30 hours documentary programmes could reimburse costs of up to 67,620 euro, while for the same length of film programme it could receive maximum 166,440 euro. This range of subsidies was applied in the first public call for projects in 2014. In 2015, the second public call specified smaller amounts.<sup>8</sup>

The 2013 law also introduces fines for the broadcasters who do not meet the requirement for production of programmes of domestic origin. The draconic fines amount to 100,000 euro, while the responsible person in the TV stations could be subject to a fine of 3,000-5,000 euro (Article 145). Furthermore, in case of a violation of the requirement the Director of the Agency of Audio and Audiovisual Media Services can submit request for initiating infringement proceedings without prior warning to the broadcasters (Article 23, paragraph 2). The media organisations have already reacted that the law limits the right of the broadcasters to be warned before initiating infringement proceedings.<sup>9</sup>

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7 'Odluka za maksimalni iznos na nadomestokot za pokrivanje na trosocite vo visina od 50 otsto pri proizvodstvo na domasna dokumentarna i igrana programa', *Sluzben vesnik* 138-14, 17 September 2014, p. 64. Available at: [www.slvesnik.com.mk](http://www.slvesnik.com.mk). Accessed 10 June 2015.

8 The second public call published on 3 April 2015 stipulates that the maximum amount of subsidies for production of one hour documentary programmes (up to 50 percent of the production costs) should not exceed 107,500 MKD (app. 1,760 euro), while for production of one hour domestic film programme should not exceed 264,615 MKD (app. 4,340 euro). These amounts are lower than the amounts stipulated in the Decision (*Sluzben vesnik* 138-14). Available at: <http://www.mio.gov.mk/?q=node/3934>. Accessed 10 June 2015.

9 Media Development Center, *Monitoring report on implementation of the media legislation: Third Quarterly report (August-October 2014)*, Skopje, 2014, p. 8. Available at: [www.mdc.org.mk](http://www.mdc.org.mk). Accessed 10 June 2015.

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Table 1 SUBSIDIES FOR DIFFERENT TYPES OF BROADCASTERS AND DIFFERENT TYPES OF PROGRAMMES

TYPE OF BROADCASTERS	LEGAL REQUIREMENTS FOR PRODUCTION OF CERTAIN LENGTH OF PROGRAMME	MAXIMUM AMOUNT OF SUBSIDIES (IN EURO)*
TV STATIONS WITH NATIONAL COVERAGE THROUGH DIGITAL TERRESTRIAL MULTIPLEX	10 HOURS OF DOCUMENTARY PROGRAMMES	22,540
TV STATIONS WITH NATIONAL COVERAGE THROUGH DIGITAL TERRESTRIAL MULTIPLEX	20 HOURS OF FILM PROGRAMMES	111,000
PUBLIC BROADCAST SERVICE MTV	30 HOURS OF DOCUMENTARY PROGRAMMES	67,620
PUBLIC BROADCAST SERVICE MTV	30 HOURS OF FILM PROGRAMMES	166,440

\* Maximum amounts of subsidies per TV station are 2,254 euro per hour for production of documentary programmes and 5,548 euro per hour for production of film programmes.

Source: The Government Decision setting the total subsidies for reimbursement of up to 50 percent of the production costs of a domestic documentary programme (*Sluzben vesnik* 138/14).

### 3 "INVISIBLE" COMMISSION IN CHARGE

The entire course of the procedure, from the selection of projects to the cost reimbursement approval, is led by the Inter-Ministerial Commission, a body established by the Government in late 2014. Its task is to evaluate the project proposals against the criteria and to approve them; to monitor the production process; to assess the actual production costs and submit a proposal to the Ministry of Information Society and Administration for reimbursement of the costs the TV stations had incurred.

The Commission is composed of seven members and their deputies, with a 2-year term of office. It is an administrative body and most of its representatives come from ministries and institutions which are under direct rule of the Government (Article 92-b), such as the Ministry of Finances, Ministry of Culture, Ministry of Information Society and Administration, Office of the Prime Minister, Public Revenue Office, Film Agency and Agency of Audio and Audiovisual Media Services (Article 92-b). Only three out of seven members of the Commission and their deputies, coming from Ministry of Culture, Film Agency and Agency for Audio and Audiovisual Media Services, are directly connected with creative aspects of the film and documentary production, while the other representatives are "bureaucrats" who mainly deal with the financial aspects of the projects. Therefore, the representative of the Film Agency was elected president of the first composition of the Commission.

The Agency for Audio and Audiovisual Media Services and the Ministry, as described in the law, has more tangible and substantial role in the Inter-Ministerial body. The Commission submits the projects to the Agency within

THE PUBLIC WAS DEPRIVED FROM THE INFORMATION ON WHEN THE COMMISSION FOR GRANTING THE SUBSIDIES WAS ESTABLISHED, WHO ARE THE MEMBERS AND WHAT ARE THE DOCUMENTS AND THE CRITERIA UPON WHICH IT DECIDES.

three days after their approval (Article 92-d), which monitors if the broadcasters fulfilled their obligation to produce certain quota of programmes. The broadcasters must inform the Agency on the start of broadcasting their programmes five days before the broadcasting (Article 92-e). On the Agency website, one can find information on the documentary and film projects of domestic origin that the national TV stations produced in 2014. The Ministry of Information Society and Administration is in charge of organising and announcing the public call, the technical administration of the process (meetings, premises, explanation of the process), as well as for budgetary allocations (Article 92, paragraph 10).

This combination of bodies involved and their roles raises concerns whether such set-up is sufficiently competent to guarantee improvement of the overall quality of the domestic production, but also independent enough to prevent likely political interventions. The Government did not demonstrate transparency in the process of constituting the Commission from the start. The public was deprived from the information on when the Commission was established, who are its members, who is the president of this body, what are the documents and the criteria upon which it decides. The Commission has an obligation to submit an Annual Operation Report to the Government by the end of January, which again is not a publicly accessible document. All these information are relevant for assessing the credibility of the Commission in making fair and impartial ranking of the project proposals.

#### 4 HIGH CRITERIA VS. REALITY: WHICH TV PROGRAMMES ARE SELECTED?

The broadcasters were reimbursed for the production and broadcasting of the programmes at the end of 2014,<sup>10</sup> but what turned out as real difficulty was obtaining information about the specific amounts each TV station received, as well as distinctive criteria against which the projects had been assessed and ranked. Attempts for scheduling an interview with the Ministry of Information Science and Administration failed but eventually the Ministry replied on the request submitted on the grounds of free access to information.

In order to apply for subsidies the TV stations should follow the guidelines and meet certain technical and quality criteria set in the governmental

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10 The Ministry of Information Society and Administration announced the first public call inviting the TV stations to submit project proposals for production of domestic documentary and/or film programmes on 19 September 2014.

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THE COMMISSION DID NOT MAKE PUBLIC THE LIST OF PROJECTS IT SELECTED, DID NOT PRESENT CRITERIA AND JUSTIFICATION OF THE DECISION. THE INFORMATION ABOUT THE AMOUNT OF MONEY ALLOCATED TO SELECTED PROJECT WAS DISCLOSED ONLY UPON THE REQUEST OF OUR RESEARCHER.

documents. The *Regulation*<sup>11</sup> contains information on eligible costs and special criteria for production of domestic documentary and/or film programmes, while the *Decision* defines the maximum amount of the subsidies the TV stations could receive for production of domestic programmes.

The basic criteria that the domestic film and documentary programmes should meet, as foreseen in the law are originality, authenticity and the quality of the screenplay; how realistic is the implementation of the project taking in consideration the screenplay, budget, complexity, plan and terms for screening; as well as the technology for production of domestic film programmes (Article 92, paragraph 11).

The *Regulation* further breaks down the basic criteria in more detailed set of requirements, out of which the projects must fulfill at least five: to offer innovative ideas, represent an original author's product, to have high artistic values and commercial potential; the projects should be based on cultural and artistic topics; should include locations in Macedonia that promote historical and cultural values or represent a tribute to persons or events from the history or traditional values; the programmes must reflect the multicultural and cultural diversity of the country; be related to current topics from everyday life or to children and young people; be based on literature, fairytales, legends or based on imagined story about true historic persons or imagined persons related to true historical events; and eventually – to contain universal and humanistic message (Regulation, Article 4).

Table 2 THE BROADCASTERS, PROJECTS AND AMOUNTS OF THE 2014 SUBSIDIES

TV STATION	FILM PROGRAMMES	DURATION	COSTS	DOCUMENTARY PROGRAMMES	DURATION	COSTS
KANAL 5	"MACEDONIAN FOLK TALES"	20H 53M	5.213,617 MKD (84,500 EURO)	DOCUMENTARIES, FILM DOCUMENTARIES AND INVESTIGATIVE DOCUMENTARIES	10H 7M	1.274,474 MKD (20,660 EURO)
ALFA	"ALFA ACTION" "STORIES FROM LIFE"	21H	7.107,681 MKD (115,207 EURO)	"PRESPA IN 7 DAYS" "ARCHEOLOGICAL ADVENTURE - ERIGON WAY" "CRAFTSMAN AND CRAFTS"	10H 15M	1.409,375 MKD (22,844 EURO)
TELMA	CHILDREN SHOW "PET PLUS"	20H	6.764,994 MKD (109,652 EURO)	"MY WAY" "PEOPLE AND PLACES"	16H 6M	751,000 MKD (12,173 EURO)
SITEL	MOVIE SERIAL	20H 30M	3.824,068 MKD (61.983 EURO)	DOCUMENTARY PROGRAMME	11H 5M	1.523,500 MKD (24,694 EURO)
ALSAT- M	"MIRI"	10H	3.384,610 MKD (54,860 EURO)			
	"MACEDONIA IS IN MY HEART"	5H	1.692,305 MKD (27,430 EURO)			

Source: Ministry of Information Society and Administration (reply from 2 June 2015 to our request for information in accordance with the Law on Access to Information of Public Character).

11 'Uredba za strukturata na trosocite koi se priznaaat i posebnite kriteriumi koi sto treba da se ispolnat pri proizvodstvo na domasna dokumentarna programa i/ili domasna igrana programa', *Sluzben vesnik* 138-14, 17 September 2014, p. 61. Available at: [www.slvesnik.com.mk](http://www.slvesnik.com.mk). Accessed 10 June 2015.

The highest reimbursements for domestic film production were made to *TV Alfa* for authentic originality and quality of the content and to *TV Telma*, for the originality of the screenplay aimed at children and youth. *TV Alfa* is indeed one of the TV stations that have been focusing on its own production (music, documentary, entertainment) since its establishment in 2008, while the children's show on *TV Telma* is truly popular among the young population. The answers received by the Ministry do not contain information on the exact titles of the documentary programmes produced by *TV Kanal 5* and *TV Sitel*, as well as on the film programmes produced by *TV Sitel*. From the data on the website of the Agency for Audio and Audiovisual Media Services it can be seen that *TV Kanal 5* produced 11 documentaries on several different topics, while *TV Sitel* produced 15 documentaries on various topics. *TV Sitel* also reported Macedonian Folk Tales as a film programme, which means that three broadcasters (beside *TV Sitel* also *TV Kanal 5* and public broadcaster *MTV*) are producing the same type of film programme. *TV Sitel* and *TV Kanal 5* are using the new mechanism of subsidies for that purpose while *MTV* uses own resources.

As far as documentary programs on *TV Alsat-M* are concerned, the Ministry has explained that the TV station had failed to submit screenplays/synopsis, which is why the Commission could not evaluate the proposal. This is why *TV Alsat-M* request for approval of the project for production of documentary programme has been rejected.<sup>12</sup>

The reply from the Ministry contains most of the projects titles each TV station has produced during 2014, as well as the criteria the programmes fulfilled according to the Regulation and the law (2013). But the reply sent by the Ministry does not specify based on which elements has the ranking been done and reimbursement sums determined. The Commission did not make public the projects it selected, did not present explanation on the decision, nor it described the criteria against which the ranking of the projects was made, as well as the amounts each TV received as a reimbursement of the production costs. This is a serious shortcoming in the work of the inter-ministerial body in terms of transparency and accountability to the public.

## 5 THE TIME INFLUENCES THE QUALITY

In 2014, the broadcasters had very short period to implement the legal provisions for production of complex and time-consuming projects of domestic origin. Taking in consideration that the subsidies aimed to increase the offer and the quality of TV documentary and film programmes in Macedonia, the

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12 Reply from the Ministry of Information Society and Administration, received on 2 June 2015.

tight terms for application, preparations, production and broadcasting had proved to be a serious obstacle.

The measure for partial reimbursement of the production costs to the national broadcasters has been problematic since it had first been introduced. The amendment to the law (2013) was adopted in a short parliamentary procedure at the beginning of September 2014, without prior public discussion or consultation with the media community.<sup>13</sup> Only two weeks after, on 19 September 2014, the Ministry of Information Society and Administration announced the public call inviting the TV stations to submit the project proposals for production of domestic documentary and/or film programmes, for which they could require subsidies from the state budget. The application period was 15 days, while the Commission has additional 15 days to reach a decision (Article 92-g and 92-d). In the first half of October 2014, the Commission selected the proposals, which according to the law (2013) should had been broadcasted by 25 November 2014. The actual time available to broadcasters for production of the programmes did not exceed two months. On their request the Ministry extended the period for broadcasting until the end of January 2015.

An anonymous TV producer who applied at the first competition underlines that the whole process in 2014 was marked by confusion and many ambiguities. “The Public call was announced very late, the criteria were unclear, the rulebook was prepared in the same period, while the period for production and broadcasting of programmes was extremely short. From a technical aspect, it was very poorly organized”, stresses the TV producer.<sup>14</sup>

In April 2015, the Ministry announced the second public call. Although this time it was much earlier, the time available to broadcasters was still insufficient for production of competitive and high quality projects. The project proposals submitted in the second cycle were approved by the Commission in June 2015, which mean only five months for development, production and broadcasting of the film and documentary programmes by 25 November 2015. Some TV producers and media professionals recommend that the Ministry announces next public calls at the end of the year, thus leaving a period of one year to the broadcasters to complete the projects.

## 6 PSB DID NOT NEED SUBSIDIES

The need for greater diversity and quality in the programme is indispensable for both, the commercial and the public broadcasters. Although the public

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<sup>13</sup> Media Development Center, *Monitoring report on implementation of the media legislation: Third Quarterly report (August-October 2014)*, 2014, p. 8.

<sup>14</sup> Interview with an anonymous producer who works for national TV station, 15 April 2015.

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service broadcaster (PSB) *MTV* offers more diverse genres in its programmes than the commercial TV stations, it still needs to improve their quality, attractiveness, inventiveness and profound realisation. The analyses has shown that *MTV* needs to increase the share of domestic programmes (produced by PSB, co-produced, ordered, bought), programmes aimed at children and culture, as well as original screenplays and unification of the quality standards for all programmes.<sup>15</sup> Although in recent years *MTV* has increased its domestic production, such as film serials and documentaries, the bulk of it shares a similar topic, namely the Macedonian history and historical figures.<sup>16</sup>

Despite more diverse sources of funding, such as the broadcasting tax, advertising, donations, selling programme and services and funds allocated from the state budget (Article 105), *MRT*'s funds are still insufficient to cover for the production of its own programmes. According to the law, PSB can use 74.5 percent of the collected broadcasting tax for production and broadcasting of programmes, but the collection rates were low in the past years. In 2014, it collected 68 percent of the broadcasting tax, while in 2013 only 51 percent. Although the collection rate has been increasing since 2011, it is still not sufficient for the PSB to fulfill the program functions and obligations required by the law.

Therefore it is rather unusual that despite its eligibility, *MRT* has not applied to the 2014 public call of the Ministry for reimbursement of domestic production of programmes. Due to its legal obligation to produce 30 hours of documentary and 30 hours of film programmes, it is accordingly entitled to request higher amounts for reimbursement of production costs compared to the commercial TV stations.

Furthermore, *MTV 1* did not fulfill the obligation for production of 30 hours documentary and film programmes in 2014. It produced 29 hours and 25 minutes documentary programmes and 25 hours and 7 minutes film programmes.<sup>17</sup> The Agency for Audio and Audiovisual Media Services initiated infringement proceeding against the PSB for violating the legal obligation for production of domestic documentary and film programmes in the amount of 30 hours each. *MTV* did not accept the mediation procedure, which usually reduces the fine for 50 percent or to 50,000 euro in this case. Instead, *MTV* took the case to the court, which is still ongoing.

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15 AVMU, *Predlog strategija za razvoj na radiodifuznata dejnost vo Makedonija 2013-2017*, p. 21. Available at: <http://avmu.mk/images/stories/Predlog-Strategija-i-Akciski-plan.pdf>. Accessed 1 June 2015.

16 Bogdanovski, S. et al., *Audiovizuelnite kreativni industrii vo Makedonija: film, televizija, videoigri*, 2014, p. 76.

17 AVMU, *Regular monitoring on MTV*, 16 February 2015, Skopje, 2015. Available at: [http://www.avmu.mk/images/Redoven\\_nadzor\\_mrt\\_1.pdf](http://www.avmu.mk/images/Redoven_nadzor_mrt_1.pdf). Accessed 1 June 2015.

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Will the subsidies for production of the domestic film and documentary programmes indeed stimulate high-quality domestic production or they will open a new opportunity for the Government control over the media? The media industry and the media CSO community have divided opinions on this subject.

The role and the position of the Inter-Ministerial Commission, which could be directly controlled by the Government, is one of the main issues of concern. This stirred fears that the Government could influence the decisions of the Commission about the amount of the subsidies the broadcasters should receive. From the very beginning, the subsidies were seen as “*direct state interference in the media*” that could further jeopardize their independence, in the period when the media community is fighting against the use of state advertisements for controlling the media.<sup>18</sup>

“It is a direct influence over programme content, since every broadcaster that intends to apply, would actually know what to offer in order for his project to be selected. That is kind of corruption of the media”, stresses Zoran Fidanovski, a member of the Council of the Agency for Audio and Audiovisual Media Services, who strongly opposed the Government’s amendment.<sup>19</sup>

There are concerns that the Government could use the subsidies for influence the content of the programmes and misuse the media for broadcasting nationalistic propaganda.<sup>20</sup> In the past several years of the rule of the rightist VMRO-DPMNE Government, many documentaries on topics related to national issues, historical events and persons, were produced and broadcasted on PSB and commercial TV stations, aiming at boosting national identity. This is perceived as another “brick” in the nation building process the Government has been conducting in past six years, the height of which is Skopje 2014 project for renovating the capital in neo-classical style. There are fears that the Commission would prefer projects of “patriotic” nature which will cater to the national feelings of the citizens.

18 “Selmani: The state induces money in the private TV stations”, *NovaTV*, 22 August 2014. Available at: <http://www.novini.mk/read/294628/selmani-drzhavata-vleguva-so-pari-vo-privatnite-televizii>. Accessed June 2015.

19 Interview with Zoran Fidanovski, member of the Council of the Agency and former journalist, 10 April 2015.

20 “Drzavni pari za domasna produkcija”, *TV 24 Vesti*, 8 September 2014. Available at: <http://24vesti.mk/drzhavni-pari-za-domashna-produkcija-%E2%80%93-korupcija-ili-programsko-zajaknuvanje>. Accessed 10 June 2015.

“The selection of the topics is very important for production of high-quality programmes, but documentaries should not be limited only to VMRO revolutionaries”, points out Fidanovski, a member of the Agency’ Council.<sup>21</sup>

Still, an anonymous TV producer who works for a national TV station that had applied to both public calls in 2014 and in 2015, claims that there were no political pressures or suggestions, although the criteria themselves give clear direction in this sense. The project idea of the TV station he works for has been originating from years before and was coinciding to the criteria of the 2014 public call. Still, the TV producer believes that the state subsidies will have effect over years, stressing that the obligation is “making the broadcasters seriously think of ideas” and “despite being an obligation, we can actually make really quality programmes”.

“Last year we worked hard on the projects mainly because of the draconic fines. Why else would we make the film programmes? The economic situation in the country as well as the low interest of the TV owners to finance film or documentary projects from their own pocket, make the broadcasters very interested to apply for reimbursement of the production costs,” explains the TV producer.<sup>22</sup>

There are fears that the state subsidies might be conducive to imposing political influence by the Government. The non-transparent establishment, composition and the work of the Commission undermine the envisioned positive effects of the measure. In the past there have been ideas for establishment of an independent media fund for support of film and documentary programmes<sup>23</sup> instead of Government-controlled subsidies, but none has seen the light so far.

“We need an independent media fund that will exclusively deal with grants for production, such as music, films, video spots... If the intention is to defend ourselves from a global attack of international media productions, how are we to defend ourselves with the production of Macedonian Folk Tales?”, asks an anonymous owner of a national broadcaster stressing the need for more independent sources of funding that would boost the quality of produced programmes.<sup>24</sup>

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21 Interview with Zoran Fidanovski, member of the Council of the Agency and former journalist, April 10 2015.

22 Interview with an anonymous producer who works for national TV station, 15 April 2015.

23 In order to find another model for establishment of independent fund for production, the media professionals suggested that the experiences in the other EU countries should be explored, including the countries from the region, such as Slovenia or Croatia. In Slovenia, the support for audiovisual projects is in the competences of the Public Agency of the Republic of Slovenia, Slovenian Film Center, while in Croatia there is a Fund for Pluralism and Diversity of the Broadcasters which works under the Agency of Electronic Media and provides support for audiovisual projects of public interest for TV, radio and non-for-profit media, on local and regional level.

24 Interview with an anonymous owner of a national broadcaster, 20 April 2015.

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IDEAS FOR  
ESTABLISHMENT OF  
AN INDEPENDENT  
MEDIA FUND FOR  
SUPPORT TO FILM  
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PROGRAMMES INSTEAD  
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GOVERNMENT SO FAR.

The difficult conditions in the media market discourage the commercial and public media to invest in film and documentary programmes of domestic origin, which are complex and expensive artistic genres. Therefore, the domestic origin programmes are rare and/or of poor quality. While the need of boosting domestic production is recognized, as well as the need for financial support to the creative genres in the TV industry, the concern remains regarding the impartiality of the manner of selection of the programmes and efficiency of the measure in terms of stimulation of high-quality production. This puts under scrutiny the role and the position of the Intra-Ministerial Commission.

As an administrative body with majority of members representing ministries and other institutions that are under the Government control (only three out of seven members and their deputies are directly connected with creative aspects of the film and documentary production), the Commission's lacks competence and independence. In terms of transparency, it is a serious shortcoming of the new measure that the Government did not make public the information on the establishment, composition, the documents and criteria upon which the Commission decides.

The Commission itself continued in the same untransparent manner. It did not announce publicly which projects it selected nor did it offer explanation on the decision, describing the criteria against which the ranking was made. What remains unclear is which elements had been taken into consideration in the selection of the projects and what are the basis on which the reimbursement sums had been determined.

Although it is reasonable to expect that over the years the Government subsidies will work positively towards the quantity of the domestic production, it is clear that it does not work the same for the quality of the programmes. The real effects of the subsidies will be seen at the end of 2015, since the process in 2014 was hasty and non-transparent. Although in 2015 the public call was announced much earlier than the previous year, a relatively short period of less than six months remains for production and broadcasting of the documentary programmes. The experience from 2014 has shown that the tight terms are real obstacle for the broadcasters to produce complex and high quality projects. That is the reason why producers ask for the public call to be announced at the end of the year. In that way the broadcasters will have almost a year to complete the production projects.

It can be considered a major damage for public interest that the public service broadcaster *MTV* did not apply for subsidies in 2014 and use them for improving its capacities for domestic production. This is especially difficult to understand, taken into account that it failed to fulfill the legal requirement for production of 30 hours of both film and documentary programmes in the same

SINCE THE GOVERNMENT IN MACEDONIA IS GENERALLY PERCEIVED AS HAVING THE CONTROL OVER THE MEDIA, IT SEEMS MUCH MORE APPROPRIATE TO INTRODUCE MORE INDEPENDENT MODEL FOR SUPPORTING BROADCASTERS AND STIMULATING HIGH QUALITY DOMESTIC PROGRAMMES.

year. In that way it again exposed public interest to a risk since as a public broadcaster financed by public money it is now threaten with a substantial fine.

While the subventions for domestic productions are aimed at national media (commercial and PSB) which are already the richest players at the Macedonian media market, the local and regional broadcasters are left aside from this measure. These media work in difficult conditions having in mind poor local markets, and limited human and technical resources. Their low capacities for own production are reflected in the quality and diversity of their programme offer. This problem has not been addressed with the new model of subsidies.

In poor media markets like in Macedonia, the subsidies seem an indispensable measure for development of quality production of film and documentaries of domestic origin. However, the Government should be requested to refrain from decision making. Since the Government in Macedonia is generally perceived as having the control over the media, it seems much more appropriate to introduce more independent model for supporting broadcasters and stimulating high quality domestic programmes.

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### RECOMMENDATIONS

1. The Ministry of Information Society and Administration should announce the public call for production of domestic documentary and film programmes at the end of the year, thus providing broadcasters a period of a year for producing and broadcasting the domestic programmes by 25 November next year.
2. The Government should make public the composition of the Commission, the main documents related to its work and the ranking criteria of its decision-making process.
3. The Commission should make public the information about the selected projects and the amounts awarded to every TV station for production of domestic documentary and film programmes, complemented with detailed explanation on the ranking decision.
4. Despite other sources of financing, the PSB should make use of the state subsidies for producing programmes of public interest that otherwise commercial TV stations would not be interested in.
5. The Commission's composition should be revised; it should be independent expert body, instead of the Government-established and composed body, thus guaranteeing impartial selection and distribution of funds for production of high quality projects.
6. The subsidies should also be extended to regional and local media because of the scarcity of their resources for own production of quality and diverse programmes.

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## LIST OF INTERVIEWS

Interview with Zoran Fidanovski, member of the Council of the Agency of Audio and Audiovisual Media Services, 10 April 2015.

Interview with an anonymous producer in national TV station, 15 April 2015.

Interview with an anonymous owner of national broadcaster, 20 April 2015.

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