

# Policy Brief:

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Opinions expressed by the members of the Council of Observers:

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## “TELERADIO-ABSURDISTAN” OR THE STOLEN REFORM IN THE PUBLIC COMPANY

### Preliminary:

The pull out of the Republic of Moldova from the monitoring of the Council of Europe is impeded by certain issues left unsolved for a long time: the obvious regress on the legislative and practical level of the local autonomy, the „dependent” status of justice within the state and immanent limits of freedom of expression are, currently, the most serious drawbacks of the Republic of Moldova, when analyzing its international commitments. These issues of internal affairs reverberate very negatively the relationship of the Republic of Moldova with the Parliamentary Assembly of the Council of Europe. Moreover, because the elements of political democracy of „first generation” of the Council of Europe are not integrally and effectively respected in the Republic of Moldova, not being satisfactory applied even after long external monitoring, they are more often projected today onto the political agenda of the relations between the Republic of Moldova and the European Union, each time when bold Moldovan diplomats would like to remind officials in Brussels about the „strategic direction of the Republic of Moldova towards European integration”, or „possibility of adhesion to the European Union in a foreseeable future”. The argument of the EU is very clear: Moldova can candidate to the EU only when it proves to be ready, and the assimilation of the communitarian legislation (acquis communautaire) can start only when, any aspiring country confirms practically that it knows how and why to respect the spirit and the political freedoms of the first generation.

If adoption, in 2006, of a new Code of the Audiovisual is saluted by OSCE and CoE, generating a wave of moderate optimism within civil society, then transformation of the State Company in a Company truly amenable to the public interest, is still on its way, failing into a maneuver of routine of the ruling party. Censorship is replaced with the „soft” censorship of the content editors of programs. Public debates are further replaced by „grey-aggressive” propaganda shows, such as „Rezonans”, while analytical programs in the official language of the state are prohibited. “By the way” made in the address of the Company in August by the Prime-Minister Vasile Tarlev, who stated that in his opinion, this channel „would not reflect enough the politics of the state”, promotion of a real „worship of personality” for the chief of state, V. Voronin and persons approved personally by the president, are parts of the season „training” of the new administration upon what represents, from an ideological point of view, „state interest”. Respectively, the necessity to approve an autonomous „budget”, but approved by the Government, by tradition, is transformed into a long political collusion for converting state financing into political influence and electoral resource.

Critics addressed to the TELERADIO-Moldova are, generally, the same as before the adoption of the Code of Audiovisual: servility against power, amateurship in the administrative management of the Company, and not the last, the economic-financial disastrous situation, all together, represent a state of profound and multidimensional crisis of the Company, exactly it was felt 5-10 years ago. Last changes in the company, since 2007, unfortunately do not contradict this general tendency of uncontrolled crisis and intellectual laziness at the level of the administration. After several attempts to promote these standards through the Council of Observers, we notice a more solid resistance towards the idea of change, that unites today 2 trends of malefic interests: on the one hand, the conservative position of the old administration of the company, and on the other hand, the „politicized” opportunism of certain members of the Council of Observers, delegated to „represent clientelist interests of the governmental party” on which they depend exclusively and incontestable. Thus, the autonomy of the TELERADIO-Moldova Company becomes a strictly ornamental element, subjected to coercion and games behind the scene of the political factors, confirming thus the suspicion that TELERADIO-Moldova is still strongly enslaved to oligarchic interests of a single political party, the one in power. Although the new administration mimics a uproarious care for the individual image, it does not seem to be animated by a strong will supported on the managerial level to innovate, transform and reform the Company, according to certain European patterns and standards. What can the Council of Observers do in these conditions? There is no more to do than to communicate this situation to the public opinion, expressing thus our deception and regret for the potential failure of the reform of the public audiovisual, pointing out several causes of this situation and possibly, several directions of future action.

### CORE PROBLEM:

- **The new administration of TELERADIO-Moldova Company mimics the reform**, giving preference to stagnation. The proposed model of administration is focused on maintaining the financial subordination to the government, based on an expensive and extensive development, and maintenance of the status of „client” of the political party in power.
- **Council of Observers does not fulfill its role as authority** that promotes the public interest, being placed under the tutelage of the political factor.
- **Designing the budget of the Company, remains to be Government's right**, thus strengthening the political subordination, abolishing the authority of the Council of Observers and reducing to zero the importance of the Code of Audiovisual.
- **Reform of public audiovisual is a decisive element of the political process** in the Republic of Moldova. It makes the exaggerated prudence of international donors approach towards the processes taking place in the audiovisual to deprive civil society and TELERADIO-Moldova Company of an extremely valuable support, that would guarantee the success of its transformation.
- **In the absence of a systemic and effective consultation** with the civil society and Company's employees, any model of reform proposed by the administration will reproduce the mistakes, clumsiness and deficiencies that are currently harshly critiqued on the external and internal levels.

### I. Where is the deadlock of Company's reform?

The transformation of the former state company TELERADIO-Moldova in a public company is a difficult process, with often contradicting expectations, but with a stake hardly to underestimate for the process of democratization and public reform of the state. This reform rouses many positive expectations but also conflicts among consumers of TV and radio programs and their producers. Definitely TV viewers and radio listeners wish for qualitative, credible, balanced, competitive, produced at international standards, while the program producers wish for higher salaries, institutional stability, social prestige, modern working conditions, and why not, a favorable atmosphere for creation, protected from unwanted influence and interferences.

Both are currently deprived from „goods” that a public TV Company should offer. The idea of a profound reform is to outline in a logic and convincing framework managerial and creative solutions necessary at the highest level to face both types of challenges, navigating in the conditions of an objective deficit of resources (material and human) and crystallizing a mediatic deontology that would legitimate inherently through reference to „public interest”. The new administration received exactly this mandate from the Council of Observers, in the spirit of the Code of Audiovisual.

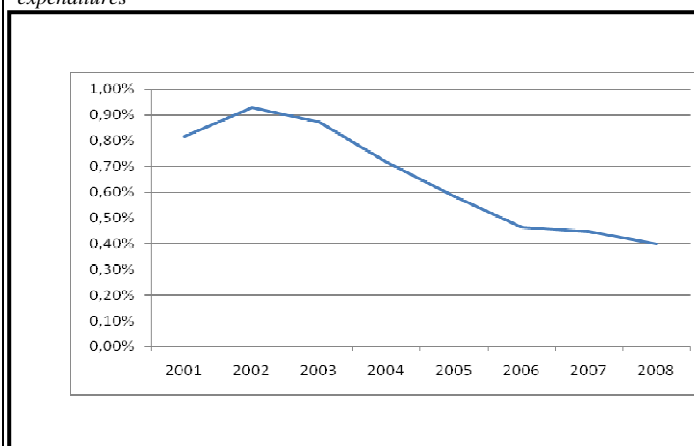
We point out that for accelerating the need for substantial reform of the structures of the company, the Council of Observers has included as an indispensable condition for the selection of candidates for administrative positions the special clause about „proven managerial competence”, being obliged through its Regulation of functioning of the Council of Observers to mandatory evaluate the results of the activity of Company's administration during the period of first 6 months of activity (art. 34). First term of presentation of a pattern of reform of the Company was June 10th, 2007, date established through a decision of the Council of Observers. At the established date, however, the newly elected President could not be found. The second decision of the Council of Observers on obliging the President of the Company to present the Concept of reorganization of the Company was taken on July 20th, stipulating as a deadline for presenting the concept, September 1st, 2007. Not even this time was the concept presented to the Council of Observers. We stress that, for accelerating

the process of reorganization, the Council of Observers decided to form an institutional Committee (working group), in a mixed format, composed of: 2 representatives of the Administration, 4 employees of the group of written press journalists, and 3 experts from the mass media community. This Council of Observers decision was also not fulfilled, the responsible person for creating the working group being the Secretary of the Council of Observers, A. Dubrovski. Only on October 17, 2007, the Council of Observers received a first set of documents (including the Concept, named „concept of development” and not of reformation), which however, had practically no coordination or notification from the relevant stakeholders, mentioned in the Council of Observers’ decision. The short analysis of the presented document brings out different contradictory reactions. According to the authors of this „concept”, the development of the Company is described in 6 distinctive tasks, which resume to extensive priorities, or the most important objection against the current programs of the TV and radio channels is related to: non-objectivity, biased character, general mediocrity, political servility and „worship of personality” for certain political characters. The answer of the administration resumes on: (1) extension of space for emission from 7 up to 18 hours daily on TVM1, (2) launch the TV channel TVM2, (3) increase the space of emission from 4 up to 24 hours (TVM International), (4) create space for emission for Radio Moldova 1 „24/7”, (5) transfer Radio-Moldova International from Internet to satellite, and (6) to re-open the Radio channel Luceafarul. And this is it. These 6 tasks do not refer under any circumstance to the objectives formulated in the very first page of the Concept of development: increasing credibility of public services, improving quality of programs and stimulating innovative spirit, creating an interactive influent service and deliverer of messages, together with the digitalization of programs’ broadcasting, consolidation of certain public segments and increase of efficient management of production and administration of human resources, etc. These discrepancies show clearly the deficit of new ideas in the current administration of the Company. We state that lack of cooperation with the civil society, international and local expertise, have eroded the capacity of mobilization even from the very start of the new administration in support for the idea of reform, sticking thus, in the same slough of post-soviet bureaucracy and routine.

## II. Budget of TELERADIO-Moldova Company:

According to the legislation into force (Code of Audiovisual), the Parliament „guarantees secured financing that corresponds to the needs for activity of the Company”, but the competence of elaboration and approval of the budget belongs to the Council of Observers (art. 64, p. 1). Thus, the budget of the Company represents a budget separated from the central administration budget, differs from the budget managed by the Government, what makes the final decision, in accordance with the provisions of the legislation, to belong in full to the Council of Observers (art. 62). Thus, this foresees that the Ministry of Finance and the Government can not directly or indirectly influence anymore the size and structure of the budget, adopted anonymously by the public Company. The Parliament, on the other hand, has the authority to include this budget in expenditures of the public sector, different from those of central administration. We could even draw a parallel here with the autonomous budget of the judicial system, administered autonomously by the budget of the central administration, respectively of the Ministry of Justice.

Table 1. Evolution of budgetary allocations for TRM in the total of budgetary expenditures

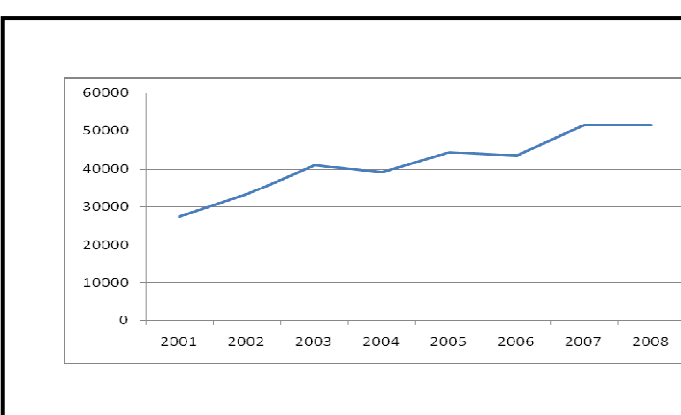


The rate of budgetary allocations for the Public Company TRM, in the total of budgetary expenditures, decreased constantly since 2002. They were reduced by 2,3 times (from 0,93% to 0,4%). Maintenance in 2008 of the level achieved in 2002 would represent allotment from the state budget of over 110 mln lei in comparison with 51,5 stipulated in the draft law on state budget for 2008.

The change of paradigm of interpretation, elaboration and autonomous administration represent consequences of the judicial reform. Similarly, the autonomous adoption of the budget of the public campaign TELERADIO-Moldova should represent an „liberation” from the tutelage of the political factor. In the Republic of Moldova, however, practice overcomes theory because the decisions of the Council of Observers – entity empowered by law and parliamentary vote to represent the public interest and to monitor the autonomous and efficient functioning of the company is being abolished by tradition of „implicit subordination” of forming the budget with indications or instructions coming from the Ministry of Finance. Thus, even if the Council of Observers adopted an approving decision regarding the budget of the company for 2008 – on September 27, 2007 – the administration of the company found itself in a few weeks with a totally different budget imposed by the government and parliament, this one being practically a copy of the budget format of the company for 2007. reasons of this abnormal situation can be found, probably, not only in the lack of finances in the public budget or in the defective communication between the company and central authorities, but maybe even further – in the authority of the Council of Observers, in general. Let us exemplify.

The analysis of budget evolution of the company shows that the government influences through the financial instrument the editorial policy of the company. Since 2001, budgetary allocations for the state company TELERADIO-Moldova were strictly determined by the political schedule and electoral evolutions, the government being interested in keeping the most important TV channel and radio station at the lowest level of subsistence possible, thus encouraging the administration of the company to „try out” the political loyalty especially before elections. In 2001, the budget of the Company constituted 27.5 mln lei, followed by a sudden increase in 2003, with the budget achieving 41 mln. In 2004, we notice a decrease in absolute terms of the budget, and in 2005, the budget of the company again increases – to 44.5 mln lei. In 2006, a new decrease of financing from the public budget intervenes so that in 2007 to notice an increase up to 51,5 mln. Lei. According to the reactions of the authorities, we can presume that in 2008, finances will suffer a new stagnation which will be followed by an exponential increase in 2009. **Why do these political cycles occur?**

Table 2. Volume of budgetary allocations for TRM



There is a remarkable correlation between the volume of budgetary allocations and electoral cycles. We can presume that the Government foresees the increase of budgetary allocations for TRM only in 2009.

Of course, one could mention that the reflection of the campaign means additional money for emission, but, if we analyze carefully the structure of the budget we will notice that each time the successive increases of additional financing has not influenced by all means the quality of programs broadcasted, but rather the exaggerated costs of administration and management of this state company. Additionally, we have to point out a very serious fact. Although, apparently, budgetary allocations approved by the government increased significantly in the last 7 years, this increase was twice lower than general encashment of the state budget. As a result, the rate of expenditures for functioning of the Teleradio-Moldova Company decreases constantly from 0.93% in 2002 to 0.4% (prognosis for 2008).

Nobody disputes that lack of financial resources and investments in technical re-equipment of the company represents a serious obstacle to institutional reform of the company. However, causes of today’s crisis do not refer only to insufficient financing from the state budget. Most serious problem is the incapacity of this company’s administration to manage efficiently the existent resources and rationalize internal costs. Apparently, the single skill that is retransmitted faithfully from one director to another (from Magaleas – Gonta – Telesco – to Todercan) is the “talent” of begging money staying in the Secretary office of

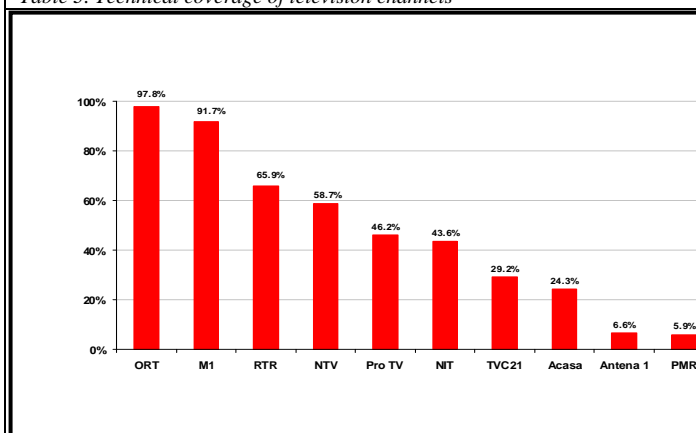
political decision-makers for obtaining some additional funds from the state budget, the only stable source of financing of the company, in their opinion.

There is no need to mention here “space for maneuver” that these political factors (Government, Presidency, Parliament, Ministry of Finances) obtain in this mode upon the editorial and administrative policies, despite the separation by law of the public audiovisual, but also in the detriment of the public interest, placed thus at the disposal of the political clients. It is obvious that in such conditions, the managerial quality of the Presidents of TELERADIO-Moldova Company (who changed in the last 10 years) have never depended on their qualities of good managers or strong personalities in their decisions, but on their ability to keep up the step with the „political favors” to be able to persuade officials to allot money in the company’s budget.

Having the largest territorial coverage (technical audience), the company is clearly left behind by the majority of private TV channels (with no budgetary financing) regarding “attracting resources from advertisement”. The advertisement market in Moldova represents currently, according to some independent estimations, nearly 250-300 mln lei annually, out of which TELERADIO-Moldova manages to attract only 8 mln. per year. The budget of the Company predicts a limited increase of up to 8,92 mln lei for 2008 (if the advertisement market registers an anual growth of 40%), operating further on with the lowest tariffs on the advertisement market, and probably, with the weakest strategy of attracting external resources to the company. **What are the causes of this situation?**

The conclusion that we can draw from the analysis of market data allows us to affirm that enormous expenditures paid by the TELERADIO – Moldova Company for broadcasting on the national level (22 mln lei in 2007) are not justified and do not produce necessary expected incomes. Having a technical coverage of 92%, Teleradio Moldova does not obtain more than 4.7% of the audience of viewers having a performance of 4 times lower than ORT. For comparison, we can compare TVM1 with private TV Channel „NIT”. Having a technical coverage on a national level of only 42,6% in 2003-2004, this channel had a quota on the market higher with 40% in comparison to TELERADIO-Moldova Company. What are the causes of this disparity?

**Table 3. Technical coverage of television channels**



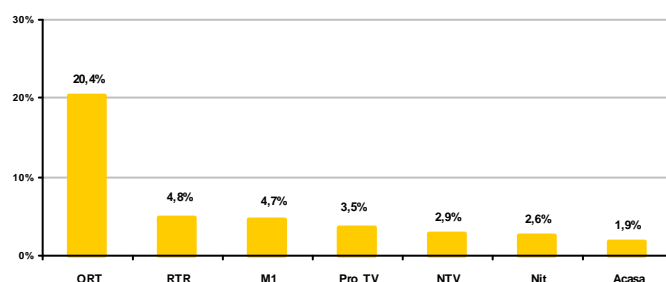
*Moldova 1 is in the top of television channels with the highest national coverage. M1 can be viewed on 92% of the country territory.*

Beyond technical aspects there is a long list of managerial factors that explain attraction of reduced incomes on the advertisement market. Often, attracting money from advertisement is private, exclusive, as a private business within the company. We will start from the fact that currently, there is no credible auditing (internal or external) until now upon the activities of the Publicity Department and repeated trials of the Council of Observers to get informed about the financial evidence and reports have not been successful.

Following the example of the administration, even certain „elites” of employees and journalists ensure their existence based on less transparent relations for attracting sponsorships from outside of the company. In the conditions of a tariff policy there is a certain malefic „pactization” between the administration and privileged groups of protégées of the company. Another cause of the poor financial situation within the company relates to the lack of systemic and credible measurement upon the preferences of TV viewers, maintenance in the emission space of old-fashioned programs, out-of-date and even harmful for the public taste, perpetuating materials and movies from the obscure Soviet times, under the pretext of lack of resources for buying film products that would increase the audience. Gerontocracy promoted in administration of employees, lack of human and material resources reduce the chances of administration to transform the

company into a truly public institution. The same factors determine the current administration of the company to support a pattern of extensive and expensive development of the company, that can not solve structural problems of the company.

**Table 4. Audience of television channels present in the Republic of Moldova**



*Having coverage of 92% M1 has only 4,7% of the audience, a performance 4 times lower than ORT.*

Another cause of main importance represents the public image crisis of the company. The only factor that is in favor of the company today is rather the inertia of the rural viewers, but this fact will also consume itself in the next 3-5 years due to extension of television through cable and satellite in rural localities in Moldova. Even the competent state authorities are afraid to over-finance this company because of its bad administration. The reports of the Court of Accounts noted systemically the lack of adequate control upon the financial-budgetary process, lack of transparency of expenditures, bad administration of the company’s patrimony, etc. Let us see the last report of the Court of Accounts from 2006 (for 2004-2005).

*„The Court of Accounts identified that there is no efficient control related to maintaining primary documents and advertisement services, respectively, the revenues in 2004 were diminished with 342.000 lei from advertisement, and in 2005 unregistered revenues in the accounting evidence equaled 722.000”. (No.4 of 14.02.2006).*

The report ascertains that „in 2004 what is presented by the TELERADIO-Moldova company as „profit” in sum of 76 mln lei are in fact „losses” of 23 mln lei covered integrally with entries in assets estimated at 85,7 mln lei and financing from the state budget of 13,6 mln lei”.

The report describes the deeply-corrupted mechanisms of public acquisitions from the company. For example, the report identifies the scheme of purchasing by the company video movies from one single company, avoiding the procedure of public acquisitions established by the law by signing 18 successive contracts with the same economic agent, for the same type of goods. Another good example is the fact that currently, TELERADIO-Moldova company has annually assets administration revenues of only 130.000 lei per year (approximately equal with the rental of a modest apartment „with two rooms in the city center”), in the situation when the same company has building space of thousands of square meters, neutralized at the moment. The conclusions of this 2006 report are shocking for someone who administers public funds. However, there is no person sanctioned for these illegal operations. We can suppose as such that the attitude of the government towards the company is dictated to a certain extent both by the bad image, lack of responsibility for the administration of funds allotted and extremely bad quality of the financial management – the budget within the company.

### III. Unfair and non-transparent payroll at the TELERADIO-Moldova

An important cause of dependence on the political will of the Government is related to the weak budgetary planning. Thus, the budget administered as well as the budget drafts proposed recently by the administration of the company is badly defined at the conceptual level. The budget of the Company, according to the draft project, is composed of 2 sources: budgetary and extra-budgetary. Or, the budget of the Company can not have “extra-budgetary” sources, thus confusing sources transferred from the public budget (a distinctive element of the revenues) with the budget of the company. This confusion allows the administration of the company to use money originated from the state budget for salaries, and the money coming from advertisement, rental, service delivery (approximately 20% of the total company’s budget) as bonuses, material aid, and different remuneration payments, distributed discretionary, outside of any legal framework. This absurd structure of the Company’s budget reflects upon the

mode the employees are paid. Thus, the salaries of employees represent 61% from the entire fund of salaries (22,5 mln according to the draft budget law, July-August, 2007), including: wage increase that represents 14%. These revenues are distributed relatively transparently but according to a tariff network totally disagreed by the employees, that provokes further protests and social discontents. Even now, the Administration of the Company protects this absurd system of salary payment by applying the provisions of a Government decision from 2006 (No.381 of 13.04.2006), even though this decision should be invalid after the adoption of the Code of Audiovisual, which stipulates the financial and administrative autonomy of TELERADIO-Moldova Company, having a budget approved by the Council of Observers, based on own tariff policies, consulted with the Company's employees. Most serious is the fact that nearly 39% of the Company's budget, proposed for 2008 (nearly 8,7 mln lei) will be disbursed to the employees of the Company as material aid, bonuses, other payments, through totally nontransparent mechanisms and regulations vehemently condemned by the employees of the company.

#### IV. Transparency assures Company's autonomy

Among the first hot topics in the new Council of Observers, the need for an external auditing on all activities of the public Company, obligation stipulated as well in the Code of Audiovisual (art. 64) came out even from the very beginning of the Council's activity. We have to emphasize in this context that the foreseen stipulation previously mentioned (art. 64, p. 1, regarding the guarantee of financial coverage of Company functioning-related expenditures) is directly linked with the periodic organization of an external auditing (art. 64, p. 6). The company can not ask for public funds without protecting its credibility of administration confirmed through an external auditing, sufficiently professional to represent a guarantee for decision-makers that funds allotted for the development of the public audiovisual are not swallowed by diverse corrupted groups. Unfortunately, the decision of the Council of Observers to announce the organization of an external auditing of the Company was perceived very badly by the administration who qualified it as an "attack on the image", trying to manipulate the Council of Observers either through "the parliament has not allotted funds for auditing of the Company" or "there is no precedent in the history of the Company for its activities to be audited".

Despite the decision taken by the Council of Observers to carry out an external audit, the Administration of the Company tergiversated for months the procedure of organizing the tender, fact that determined the submission of the approved budget by the Council of Observers to the Parliament not to have its most important elements: management letter regarding the implementation of an external auditing in the company, and a strategy of reform of the company for the following years. The conclusion we can draw is that the Administration of the Company sabotaged the decision of the Council of Observers. Contrary to the detailed recommendations of the Council of Observers regarding the involvement of independent experts in the working group on public acquisitions (art. 14, p. 2 of the Law on public acquisitions No. 96 of 13.04.2007), the Administration of the Company kept in secret the organization and announcement of results of the tender. Although the Council of Observers insisted for the Administration to send special invitations of participation to the international companies, with offices in the Republic of Moldova (a widely-used practice in Moldova and abroad – see p. 15 of the decision of the Government of the Republic of Moldova No. 832 of 13.08.2001), the Administration of the Company stopped at two offers, declared the tender accomplished and granted the tender contract to a company that had no previous experience in auditing public institutions and moreover, with no international experience. It is easy to presume that the results of the auditing carried out by the Administration will be more than just "predictable", and obviously not useful for the effort of the Council of Observers to reform and develop the Company, bringing no expected answers to the serious problems of financial, budgetary, patrimonial and administration management of TELERADIO-Moldova Company according to the legislation in force.

#### V. Company's relationship with its employees:

The Council of Observers "debuted" in January-February with a conflict between the employees and Administration. Nearly 200 journalists were protesting at the beginning of the year against low salaries and non transparent, unjust, and non-coordinated with the employees wage policies promoted by the administration. We have to mention that these protests were rejected by the official trade unions that in astonishment of the Council of Observers were totally against the protests initiated by the employees. These were surprised how the salary fund was used, where a considerable part of the resources were distributed as material aid and bonuses, and not as salaries, according to the law in force. Thus, according to the protesting journalists, the Administration pays the employees in accordance with their loyalty towards the President of the Company, and not in accordance with the professional rated capacity. At our request for explications, the Administration of the Company, Mr. Telesco, denied vehemently the accusations but could not offer the explications solicited by the Council of Observers in a period of 2 months with the table of general wage payments and additional benefits,

distributed on all categories of employees of the Company. In February, the members of the Council of Observers stopped the escalate of protests after holding several discussions with the protests' leaders and promising to identify urgently adequate solutions, after examination of both variants of settling the crisis, proposed by the Administration and employees. The lack of transparency when forming the salary payment persists also after changing the administration of the Company. This fact made possible that also after the election of the new President for expenditures operated without the agreement of the Council of Observers to still exist, including investment and usage of resources collected from advertisement.

Currently there is no clear policy of the Company regarding its employees. The only approach reminded each time by the Administration of the Company refers to the reduction or increase in personnel, called "structural optimizations". It is supposed thus that the project of development of the Company will reduce from 1,115 units to 840 units. According to the Labor Code, cut in personnel can not be operated without the agreement given by a representative trade union institution (art. 87 of the Labor Code). The Administration of the Company tried in the session of October 17, 2007 to obtain a decision of the Council of Observers upon the Concept of Reform of the Company (with the immanent reductions), before consulting at least from curiosity the opinion of employees, trying to use in this manner, the authority of the Council of Observers to initiative restructuring the personnel. These suspect tactics increase the risk of new social tensions, thus sweeping away the possibility of new viable solutions of institutional reform of the public audiovisual.

#### VI. Council of Observers' Role for Reforms:

Although, according to the Code of Audiovisual (nr. 260-XVI of July 27, 2006), the Council of Observers is the main organ of administration and control within the public Company TELERADIO-Moldova, its independence being guaranteed by law (art.56, p.2), in reality, the majority of its members fulfill docile indications from outside of the respective institution, using the mandate possessed – willingly or constraint by circumstances – for strictly clientelist purposes, that have nothing in common with the public interest. Thus, from the very beginning, the party in power did its best to impose its people from the Council of Observers in front of this "independent" mechanism, benefiting from a comfortable majority elected also by them (with majority of votes, in the Parliament of the Republic of Moldova). Despite flagrant procedural violations, the comfortable majority from the Council of Observers (5 against 4) voted on the very first day of session for a President and Secretary, before having a Regulation of functioning of the Council of Observers and before discussing even generally the agenda of the Council. From the first day of session, in these positions were confirmed in function those members of the Council of Observers, who rushed to communicate to the Presidency in the moment of their election, under the bewildered looks of the audience, and even boasted publicly about the "elected privilege".

The vote aggregated in the Council represented in that moment the formula „4 minus 5". Very soon, however, rumors about passing in the camp of the „comfortable" majority of certain „hesitant" members appeared to be more than just real. Someone received a work service car as a "gift" on behalf of the Government, others received their "satisfaction" in other various forms of seduction, so that very soon, the variable format of the Council of Observers was: "2 plus 2 minus 5". The same party commissars voted diligently, for the president, about who was known to be voted one month prior to voting candidates contest-based. It would be logic that in such an embarrassing situation, the Council of Observers to prove honesty and annul results of "so predictable" elections, but the voting machinery installed in the Council of Observers through strict indications of its "commissars" was well established and functioned smoothly. In March, the Secretary of the Council of Observers was busy collecting participation forms and interviewing candidates, stepping on procedural "rakes" each time, some of them even very unpleasant. Finally, the majority voting machinery within the Council of Observers voted "the person needed", excluding Mr. Ilie Telesco (former president) and installing Mr. Valentin Todercan as president of the Company.

There are few totally false ideas regarding the function Council of Observers should exert in the Company. First, the Council of Observers should "support" only the editorial guideline of the company's administration, helping when needed at "funds debate in the Government and Parliament". Not accidentally, from the very first sessions, the official lawyer of the company reproved the members of Council of Observers even in the plenary sessions that they (the Council of Observers) will have the moral right to deal with the company's money only when they will bring them in the pay office (!?). Moreover, the lawyer as many other employees of the company considered that financing from the public budget is the "duty of the state", and the resources accumulated from advertisement are money "truly earned through hard-work", respectively, according to this "strange" logic, state financing is "good" for current activities

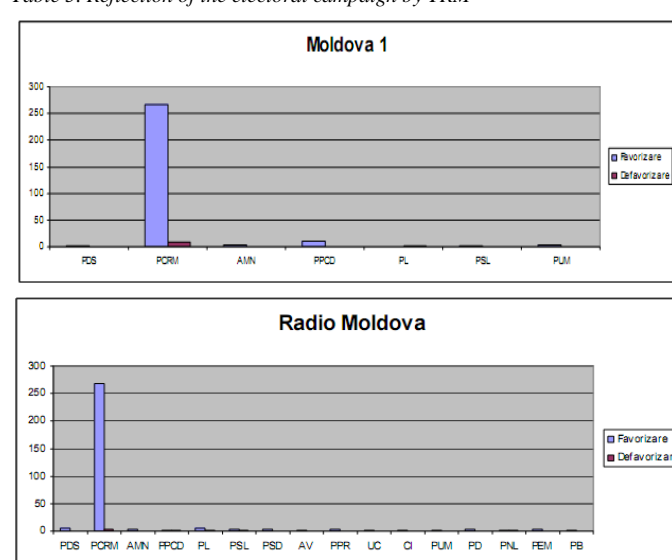


and maintenance/broadcasting programs as long as another considerable part of the money originated from publicity is directly administered by the president of the Company, with the declared purpose to “motivate” the administrative apparatus but also a part of “loyal” journalists. In the situation of miserable salaries and a constant deficit of budgetary resources, this scheme of nontransparent administration of company’s funds has the effect of a financial octopus that alimts obscure interests, selfish calculi and docility. Bad management of public funds was signaled numerous times in the reports of the Court of Accounts, but every time, the successive administrations of TELERADIO-Moldova Company managed to rest “untouched”, with no qualms of conscience at least. Meanwhile, on the basis of the old state company TELERADIO-Moldova an extremely financially-budgetary bad administration structure was installed gifted with a megalomaniac bureaucratic apparatus, low qualified with bad intentions. The frequent conflicts between employees of the company and administration end regularly, in the Company not in the format of tripartite negotiations, but more often, through dismissal of most “active” leaders, or corruption of others by using the same instruments of “financial courtesy”, from President’s fund.

## VII. Autonomy of the Public Company:

TELERADIO-Moldova Company refuses stubbornly to achieve the rank of public institution. Observations received from certain mass media organizations are pushed on the reason of being unjust or not convincing, while the quality of news and its programs are, almost always, the fruit of occurrence, political taste and deficit of ideas. Monitoring reports done by CIJ and APEL brought only disapprobative reactions at administration’s level, and the decision of the Council of Audiovisual to sanction the Company for “inadequate behavior during local electoral campaign in 2007” stimulated the reaction of the President to attack in court this decision, for “slander”. Only with the effort of the members of the Council of Observers, this subject was closed, accepting in general lines reasons why the company was sanctioned. We mention however, that the administration of the Council of Observers did not consider necessary to reply, under any form, to the declaration of diplomatic officials, accredited in Chisinau, regarding the situation of the public audiovisual, with the motive of being “misinformed” or that “it is not the case”. The most eloquent confirmation of “editorial autonomy” of the TRM Company can be easily found in the monitoring Reports of the Coalition 2007 <http://ijc.md/Publicatii/monitorizare>. The monitoring report on mass media documents the clear and non-doubtful favor of the PCRM in the news and programs broadcasted on “public” TV and radio. Moreover, the TRM Company truly worships the personality of the President of State (see Rezonance program). Through “Rezonans” the public Television is used as instrument of manipulation and dirty propaganda, the tone being given by the President. Despite numerous discussions to close down the program, neither the Administration nor the Council of Observers reacted adequately.

Table 5. Reflection of the electoral campaign by TRM



Source: [www.ijc.md](http://www.ijc.md)

According to the monitoring report of the OSCE mission of observers, ([www.osce.org/documents/odihr/2007](http://www.osce.org/documents/odihr/2007)) M1 offered 74% of its space for emission in the period of electoral campaign to the President, prime-Minister, Speaker, and 6% specially dedicated to PCRM. Monitoring proved clearly that TRM Public Company ignored the opposition. Despite CCA warned publicly M1 Company and Radio-Moldova about political partisanship, the general space of emission dedicated to central authorities decreased from 93% to 53% only in the last week

of campaign. Finalizing the international monitoring (OSCE), there is no need to mention that Radio and TV channels of TRM restarted old practices.

## WHAT HAS TO BE DONE:

### Council of Observers (CO):

- CO has to assume responsibility for applying the Code of Audiovisual for ensuring the autonomous functioning of the Company, imposing conduct and management standards for employees and administration of this Company.
- CO has to create a favorable environment for internal reform in the Company, stimulating internal debates on priorities of transformation of the Company, improving communication between administration and employees.
- CO has to stimulate assimilation of good practices by inviting some international consultants, long- and medium-term, to support the administration and the technical staff of the Company.
- CO has to ensure the formulation of major objectives of transformation of the Company and sufficient managerial capacity-building for achieving them.
- CO has to use efficient mechanisms for mobilization of the administration (through management contracts) and sanction the lack of performance, in case it brings disadvantages to the Company.
- CO has to ensure the clear separation of costs for creation, administration and production within the Company from maintenance costs of the emission networks. Relations between the Company and Distributors have to take place based on services delivered.
- CO has to ensure the autonomous planning, elaboration and approval of Company’s budget, without any intervention from external factors (including from the Central Government).
- CO has to ensure favorable conditions for the appearance of a healthy competitive environment among employees, including attraction of private groups of creation.
- CO has to analyze the possibility of transferring to the system of national TV and radio subscription, enhancing the responsibility of employees and managerial staff upon the quality of programs produced.
- CO has the responsibility to cultivate ethic principles and deontological code as the cornerstone of editorial policies of the public company, excluding aggressive propaganda and totalitarian ideology (see Rezonans).

### Public Authorities from the Republic of Moldova

- Parliament of the Republic of Moldova has to support the effort of consolidation of functional autonomy of the Company, ensuring the implementation of the Code of Audiovisual, protected from interventions of governmental officials.
- Parliament of the Republic of Moldova has to examine as a priority the project proposed by the CO of TELERADIO-Moldova Company regarding the technical re-equipment and modernization of the public audiovisual, with a separate budget from the annual financing from the public budget of the Company.
- Government of the Republic of Moldova has to change the attitude towards the public company TELERADIO-Moldova in accordance with the law in force, and any other future relations to be based on Agreements of Collaboration between the Government of the republic of Moldova and TELERADIO-Moldova public company.

### Civil society and the academic environment:

- Implementation of the Code of Audiovisual is impossible without a permanent and substantial contribution on behalf of the civil society and particularly of the media community. This contribution can generate permanent monitoring activities, assessments of editorial policies, administrative and deontological capacity-building, increase in public interest of audiovisual reform.
- Civil society can efficiently build a public recognition of the need of autonomous functioning of the public audiovisual, having not only the role of “watchdog”, but also of the competent expert.
- Civil society has to propose viable alternatives for currently broadcasted programs that are not current anymore either by form or message.
- Civil society has to monitor the reflection of cultural, religious, educational and linguistic diversity, monitoring carefully cases of “hate speech”, according to standards elaborated by OSCE and Council of Europe in the field of civic and political human rights and liberties.

According to Art.58(c) of the Code of Audiovisual, members of the Council of Observers assess the performance and administration of the Company, publishing annual reports and recommendations. Members of the Council of Observers activate independently (Art. 56, p.2) and do not represent any other external interest for the Company but the public interest. They do not solicit or accept instructions related to the activity of the Council of Observers. For additional information, access [www.viitorul.eu](http://www.viitorul.eu), Council of Observers Directory or contact us at 21-09-32, 22-18-44, 22-71-30.

