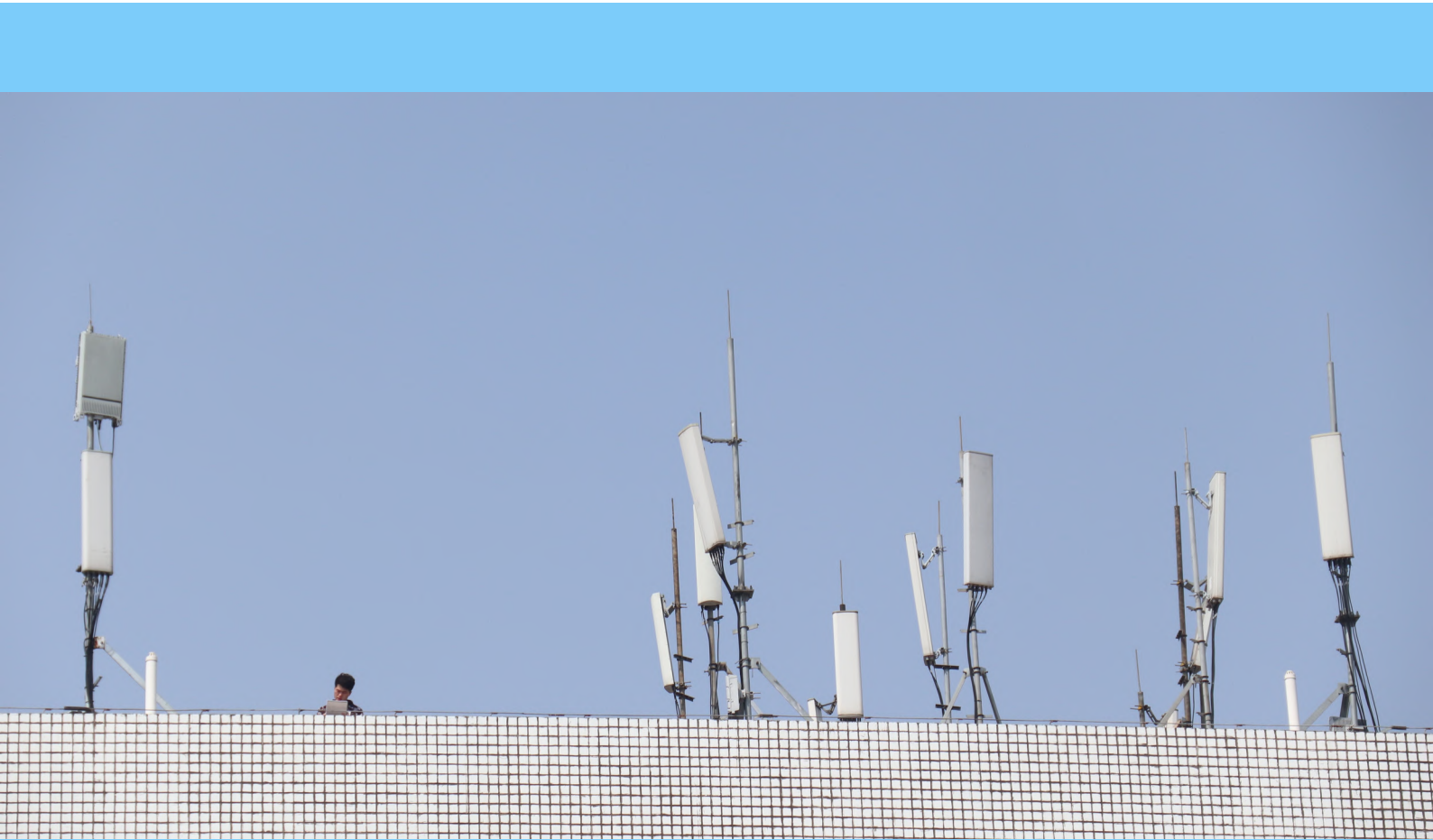OCTOBER 2019

MEDIA INFLUENCE MATRIX: ROMANIA

Technology, Public Sphere and Journalism

Author: Dumitrita Holdis
Editor: Marius Dragomir

About CMDS

The Center for Media, Data and Society (CMDS) is a research center for the study of media, communication, and information policy and its impact on society and practice. Founded in 2004 as the Center for Media and Communication Studies, CMDS is part of Central European University's (CEU) School of Public Policy and serves as a focal point for an international network of acclaimed scholars, research institutions and activists.

CMDS ADVISORY BOARD

- *Clara-Luz Alvarez*
- *Floriana Fossato*
- *Ellen Hume*
- *Monroe Price*
- *Anya Schiffrin*
- *Stefaan G. Verhulst*

About the Authors

Dumitrita Holdis works as a researcher for the Center for Media, Data and Society at CEU. Previously she has been co-managing the "Sound Relations" project, while teaching courses and conducting research on academic podcasting. She has done research also on media representation, migration, and labour integration. She holds a BA in Sociology from the Babes-Bolyai University, Cluj-Napoca and a MA degree in Sociology and Social Anthropology from the Central European University. She also has professional background in project management and administration. She has worked and lived in Romania, Hungary, France and Turkey.

Marius Dragomir is the Director of the Center for Media, Data and Society. He previously worked for the Open Society Foundations (OSF) for over a decade. Since 2007, he has managed the research and policy portfolio of the Program on Independent Journalism (PIJ), formerly the Network Media Program (NMP), in London. He has also been one of the main editors for PIJ's flagship research and advocacy project, Mapping Digital Media, which covered 56 countries worldwide, and he was the main writer and editor of OSF's Television Across Europe, a comparative study of broadcast policies in 20 European countries.

Hungary, 1051 Budapest, Nador st. 9.
Tel: +36 1 327 3000 / 2609
Fax: +36 1 235 6168
E-mail: cmds@ceu.edu

Cover photo by Jacky Xin on Unsplash

The Media Influence Matrix Project is run collaboratively by the Media & Power Research Consortium, which consists of local as well as regional and international organizations. The consortium members are academic institutions (universities and research centers), NGOs, journalism networks and private foundations.

MEDIA INFLUENCE MATRIX ADVISORY BOARD

- Special Advisor: Dean Starkman
- Media Management and Economics: Philip M. Napoli
- Research and methodology: Amy Brouillette
- Research and advocacy: Susan Abbott, Minna Aslama
- Civil Society & Technology: Kate Coyer
- Policy: Francesca Fanucci
- Data: Attila Batorfy, Jessie Labov

CMDS TEAM

- Director: Marius Dragomir
- Editorial consultant: Tom Popper
- Research: Eva Bognar, Roni Dorot, Dumitrita Holdis
- Design and outreach: Robert Nemeth
- Coordinator: Mihaela Groza

TABLE OF CONTENTS

TECHNOLOGY, PUBLIC SPHERE AND JOURNALISM

Romania's information technology and communication field is following general trends present in most countries in the European Union (EU), with a few notable differences that have an impact on media practice and consumption. The use of technology by Romanians is slightly different than how EU citizens generally use technology: Romania has lower internet penetration rates, higher television consumption and a saturated mobile telephony market.

Worrying trends in access to technology include a wide digital gap between urban and rural areas and between younger and older Romanians. While Romania has one of the fastest internet connections in the world, less than 80% of its population is connected.

Technology giants such as Google, Facebook and Microsoft are dominating the operating system, browser and social media markets. A concentration of economic power is also present in the telecom market with four big players (Orange, Vodafone, Telekom and Digi) dominating the telephone, internet and cable business.

Convergence of services usually affects the quality and price of services offered by providers. However, this has not been the case in Romania yet. People benefit from a very competitive market and enjoy fairly cheap services, but the implications of convergence on the content made available to consumers

are less beneficial for citizens. If three major companies start controlling both the infrastructure and the media content, the production of good quality journalism is likely to be affected and tastes and ideas could be shaped in unexpected ways. If these companies establish ties with the political elites as well and start endorsing certain ideologies, they can start having an unwarranted impact on society. Although these concerns are now hypothetical, they are grounded in practices that could be observed already for years in Romania.

Social media is becoming increasingly influential as a source of information, with more than two-thirds of Romanians getting their news from Facebook, YouTube and other social media platforms.

Recent debates surrounding fake news have prompted calls for regulation of the online media in a similar way broadcast activities have been regulated for decades. Civil society organizations have been critical of such initiatives, fearing that they could pave the way to the reintroduction of censorship disguised as user protection.

People lack understanding of how the internet works, how algorithms function and how news is spread online, a problem that needs to be addressed if any serious debate on freedom, privacy and access is going to be socially inclusive.

TECHNOLOGY OVERVIEW

The tools Romanians use to access the internet, either to sift through information or to communicate reflect larger trends in technology and use of digital media. Smartphones are now ubiquitous whereas fixed telephone lines are steadily disappearing. The internet is now used by more than two-thirds of the population. Tech giants such as Microsoft in the operating-system (OS) market, Google in the browser and search engine market, and Facebook in the social media market, are the biggest technology players in the country.

What is specific for Romania is the country's sometimes surprisingly performant and accessible technology: the speed of the internet oftentimes reaches high levels and data and mobile packages are affordable for many. If access were measured strictly on technical terms, Romanians would look like a highly privileged people.

Nevertheless, the digital divide remains wide. Some Romanians are luckier than others in having performant technology available to them: young and mature adults from urban areas benefit the most. In contrast, older people living in rural areas still lack affordable and easy access to the internet.[1]

Like in other European countries, fixed telephony in Romania is seeing a steady decline in usage and market penetration. Since 2012, the share of households with landlines has decreased from 50% to 40% of the total homes. Fixed telephony in Romania was always a predominantly urban infrastructure as most villages in the country used to be served by only one or two landlines, usually located in a public institution such as a post office, healthcare unit, local bar or business. When mobile phone operators entered the Romanian market some two decades ago, their coverage was almost inexistent in rural areas. However, it improved significantly with the introduction of 3G networks in 2010, which promised coverage of up to 90% of the population, including remote rural areas. In 2012, 4G networks were already being tested in Romania.[2]

Today, the mobile telephony is an oversaturated market. The number of active mobile phone users in Romania is higher than the actual population of the country, a total of 19 million people. In mid-2018, there were over 22 million active mobile Subscription Identification Module (SIM) cards, which means a 113% penetration rate. Nevertheless, this figure is lower than in 2015 when the country had 26 million mobile users. The explanation for such a high mobile penetration is the multiple ownership of SIM cards, which in some cases are an addition to a phone subscription.

The price of mobile phone subscriptions is relatively low, ranging from €7 to €16 a month. Use of pre-paid SIM cards costs as low as €5 a month. The packages included in these subscriptions are very generous. Common subscription and pre-paid packages now include unlimited minutes for same-network users, a minimum of 200-300 minutes and messages to other national networks and fixed numbers, and a minimum of 100 international minutes to countries within the EU. Data packages start at 2 GB, but are often higher than that.

---

[1] National Authority for Management and Regulation in Communications (Autoritatea Naţională pentru Administrare şi Reglementare în Comunicaţii,ANCOM), Annual Report 2018, available online: http://www.ancom.ro/rapoarte-anuale_268

[2] ANCOM, Press Release 2012, "Rezultatele licitaţiei de spectru pentru comunicaţii electronice mobile" (The results of the tender for mobile communications frequencies), available online (in Romanian) at http://www.ancom.org.ro/uploads/links_files/24_09_2012_Rezultate_licitatie_spectru_radio_.pdf (accessed on 8 July 2019).

The implications of such generous and affordable packages are immense in terms of accessibility to information.

A mobile revolution

Overview of telephony penetration in Romania, 2012-2018

Indicator	2012	2013	2014	2015	2016	2017	2018*
Fixed-line telephony (total number of subscriptions, m)	4	4	3.9	3.7	3.6	3.4	3.2
Fixed-line telephony (per 100 households, %)	50.8	51,0	49.9	46.5	44	42	40
Mobile telephony (active users)	22.8	22.9	25.2	26.2	22.9	22.4	22.2
Mobile telephony (per 100 inhabitants, %)	113	114	114	116	116	114	113

*data for mid-year
Source: ANCOM Annual Reports, 2012-2018

Romania became famous for its high internet speed in 2016 when the then candidate for the U.S. presidency and governor of Vermont, Bernie Sanders, tweeted that the internet speed in Bucharest was higher than in most of America. Little did he know that Romania's internet connection consistently scored amongst the five countries with the fastest internet in the world.

High internet speeds in Romania are often said to be a sign of accessibility and connectivity, but a quick glance at the actual penetration rates shows a slightly different picture. Romania's famed high-speed broadband, in fact, does not reach everybody. In the past seven to eight years the gap between the EU average penetration rate and that of Romania was steadily decreasing, but Romania's rate is still behind by several percentage points (p.p.). In 2010, there was a 22-p.p. difference between the number of households with internet connection in Romania (42.0%) and the EU average (64.1%). In 2017, this gap was lower than 5 p.p.: 67.5% in the EU versus 63% in Romania.

According to data published by the National Authority for Management and Regulation in Communications (Autoritatea Naţională pentru Administrare şi Reglementare în Comunicaţii, ANCOM), the Romanian telecom regulator, access to fixed internet increased by 3.6% p.p. in mid-2018 compared to the previous year to 60% of households. Mobile internet connections represented a penetration of 85% at the time.[3] The gap between urban and rural areas is still present, but it decreased in 2018.

---

[3] This includes high-speed 3G and 4G mobile connections. According to ANCOM, if slower 2G connections in use in Romania are taken into account, the penetration rate for mobile internet is close to 99% of the population.

Internet penetration and usage in Romania, 2010-2017
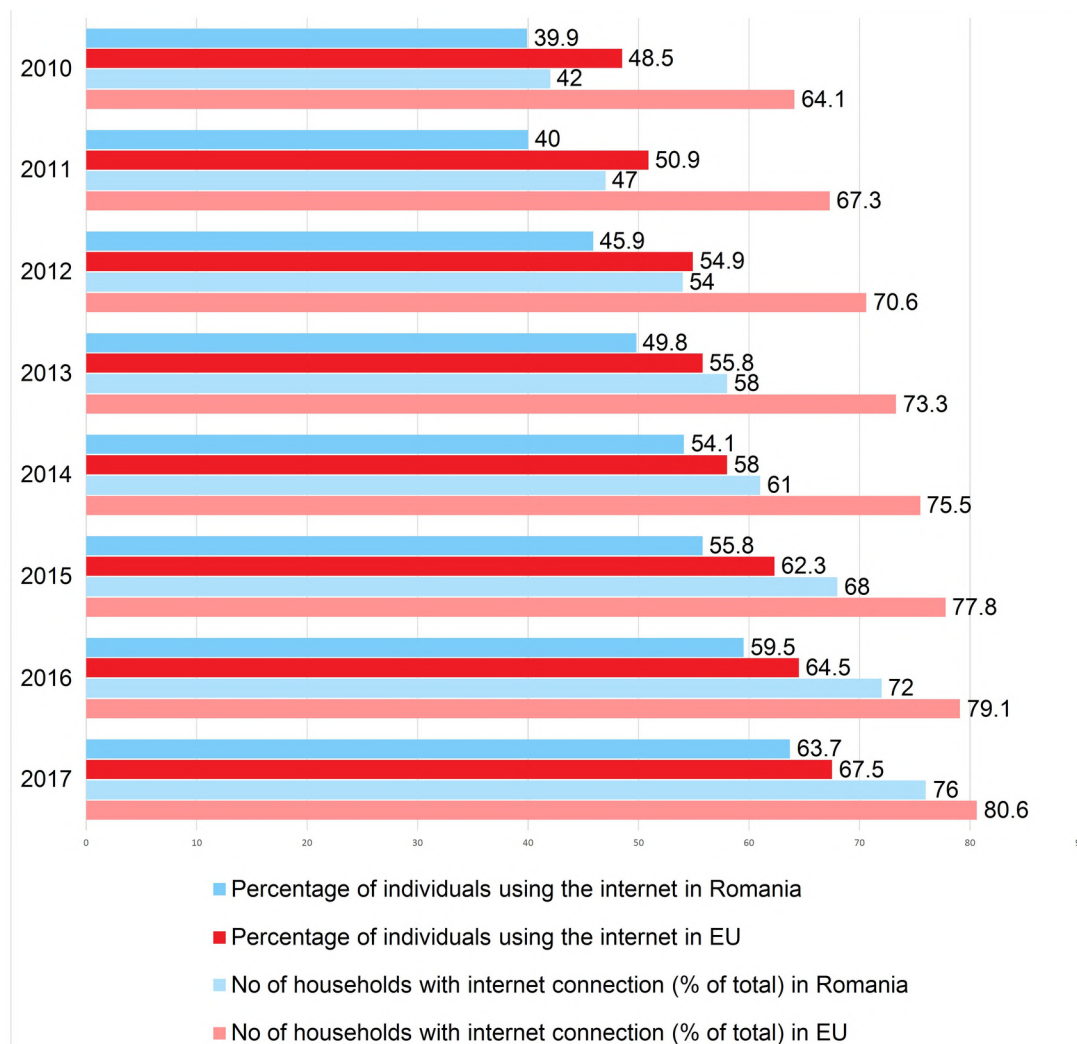
Source: CMDS based on data from Eurostat, ITU

The number of households with internet connection in 2018 stood at 80%, but broadband coverage (fixed and mobile combined) is slightly lower (74% in 2017, according to the latest data available). Fixed broadband penetrationis slightly lower, with 60% of households in Romania having a subscription.

Broadband connectivity in Romania, 2012-2018

	2012	2013	2014	2015	2016	2017	2018 (mid-year)
Households with broadband connection (fixed and mobile), share in the country's total population (%)	50	56	58	65	70	74	n/a
Fixed broadband (total number of subscriptions)	3	3.8	4	4.3	4.4	4.8	4.9
Fixed broadband subscriptions per 100 households (%)	n/a	n/a	n/a	51.8	53.7	58	60

n/a: not available

Source: CMDS based on data ANCOM

If availability of the internet is increasing in Romania, there are still obstacles for different categories to access the internet. Younger people will use the internet more often, with a percentage of 88% of Romanians between 16 and 34 using the internet on a daily or almost daily basis. The percentage drops for older adults, between 34 and 54 years of age, to 73%. Only half of the 54+ used the internet daily in 2017. There has been, however, a steady increase in internet usage over the past five years. If in 2013 only 60% of Romanians aged between 16 and 74 years used the internet almost daily, the figure increased to 75% in 2017.

Individuals regularly using the internet (every day or at least once a week), breakdown by age, 2014-2018
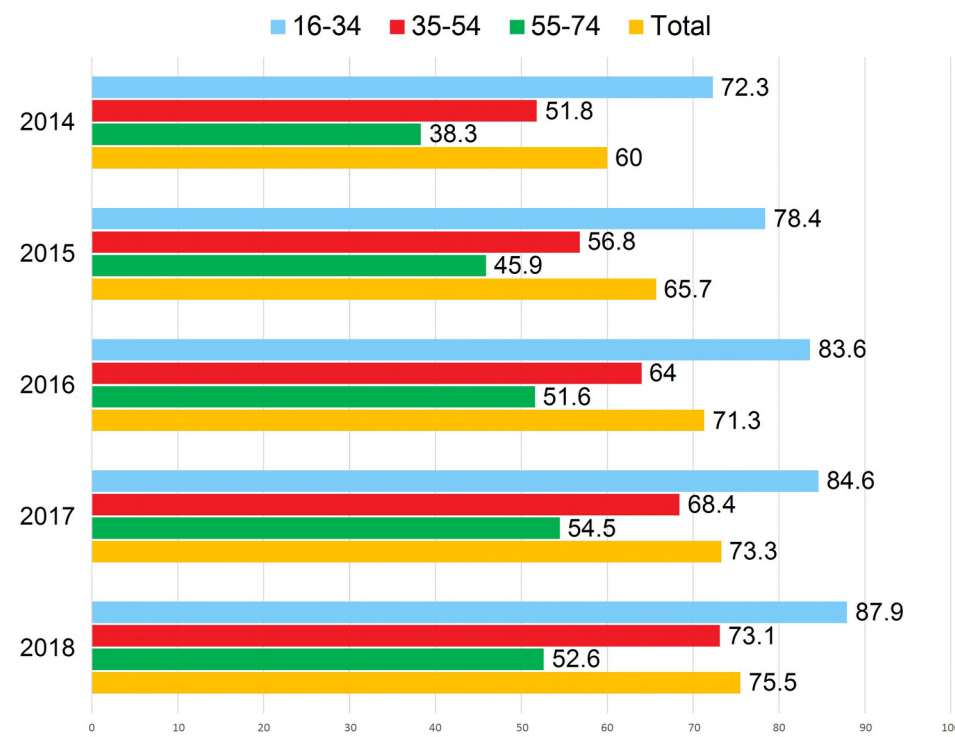
Note: the figures are calculated based on total population
aged between 16 and 74 (in %)
Source: CMDS based on data from the National Institute for
Statistics (INS) in Romania

Other forms of digital divide are related to gender, residence (urban/rural) and economic status. Statistics from the INS about active users (daily or almost daily use) show that in 2018, men used the internet in lower proportions than women (74.9% vs 76.2%). A year earlier, a higher number of people living in cities used the internet daily than rural residents (77.5% vs 65.5%). People known to be economically privileged (in the capital city Bucharest and its surroundings) are the most avid daily internet users (87.3%). In contrast, in poorer regions like northeastern Romania, less than 70% of the population use the internet regularly.

Romanians have very similar internet usage habits as other EU members.[4] They spend a considerable amount of time using social networks, reading the news[5], sending and receiving

_____

[4] Eurostat, "Internet activities in the past three months by age group EU-28," 2016, available online at
https://ec.europa.eu/eurostat/statistics-explained/index.php?
title=File:Internet_activities_in_the_past_three_months_by_age_group_EU-28,_2016_(%25_of_internet_users)4.png
(accessed on 9 July 2019).
[5] INS published in 2018 its "Access to Information Technology" study without this item in the questionnaire; hence, we use in this report the figure for 2017, the latest available.

emails, and finding information about goods and services online. It appears that the internet is a platform primarily used for communicating and for collecting information. Using the internet for banking, watching videos, and selling or buying goods is still not very frequent in Romania where these online activities are common for 8%-10% of internet users, opposite to EU averages that are in excess of 50%. Video streaming services like HBO GO and Netflix are not extremely popular among Romanians yet.

What's in the internet for me?

*Purpose of using the internet among Romanians, 2018*

Communication	%
Sending / receiving e-mails	59.3
Calling over the internet/video calls (via webcam) over the internet (using applications, e.g. Skype or FaceTime)	51.1
Participating in social networks (creating user profile, posting messages or other contributions to Facebook, Twitter, etc.)	86
Access to information	
Reading online news / newspapers / news magazines*	69.5
Seeking health-related information (e.g. injury, disease, nutrition, improving health, etc.)	43.4
Finding information about goods or services	58.6
Entertainment	
Downloading games	32.8
Listening to music (on the radio, recorded music)	50.9
Watching online TV transmitions (live or recorded)	18.9
Watching on-demand video streaming platforms (Netflix, HBO GO)	10.2
Watching video content on sharing platforms (YouTube)	8.1
Other online services	
Selling of goods or services, e.g. via auctions (e.g. eBay)	4.8
Internet banking	9.7

*figure for 2017; the question was not included in the 2018 survey
Source: INS

Most Romanians (86%) use mobile devices to access the internet. Yet, desktop and notebooks remain popular as well. Tablets are the least popular devices to access the internet. For news consumption, the mobile phone remains the preferred device for young and mature adults (aged 18-44) and becomes less popular for people aged above 44.[6] Overall the computer is still used more to read the news (71%) than the mobile phone (66%) or the tablet (18%).

---

[6] Raluca Petre, "Romania" in Digital News Report 2018, Reuters Institute for the Study of Journalism (RISJ), available online at http://www.digitalnewsreport.org/survey/2018/romania-2018/ (accessed on 7 June 2019).

Use of devices to access internet in the previous 3 months (% of total), 2018
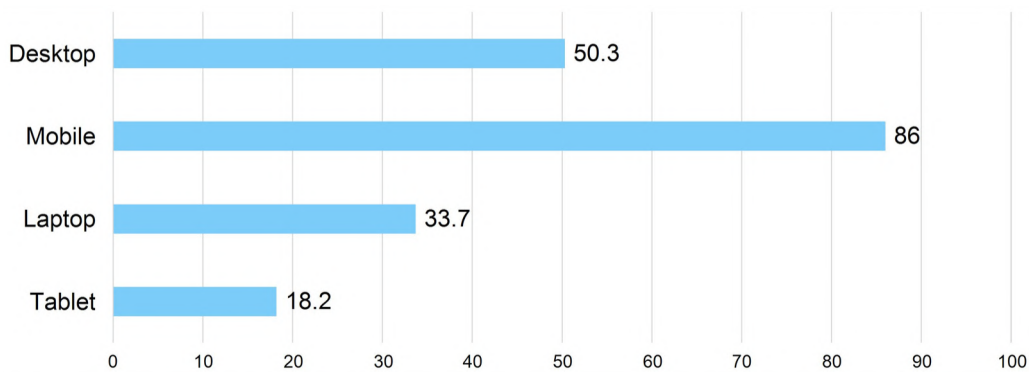
There is a clear correlation between the (high) use of desktop and laptop devices and the market dominance of the Windows platforms. Apple products are still considered a luxury item in Romania, one of the EU's lowest income countries. Similarly, in the mobile device market, although Apple's iPhone sells much better than the Apple notebooks, it can hardly compete with Android-carrying smartphones produced by companies like Samsung. The tablet market is far more balanced. Tablets operating on Android are still more popular in Romania, but iPads hold a higher market share in this segment than their sister products, Apple notebooks and iPhones, in their own segments.

The OS game

Operating System market share (%) in Romania, June 2019

OS	Windows	Android	iOS	OS X	Linux
All platforms	48.6	37	8.6	2.9	0.9
Desktop	89.7	0	0	5.5	1.6
Mobile	0.3	81.5	17.5	0	0
Tablet	0.1	55.1	44.8	0	0.02

Prominent mobile makers

Mobile vendor market share (%) in Romania, June 2018-June 2019
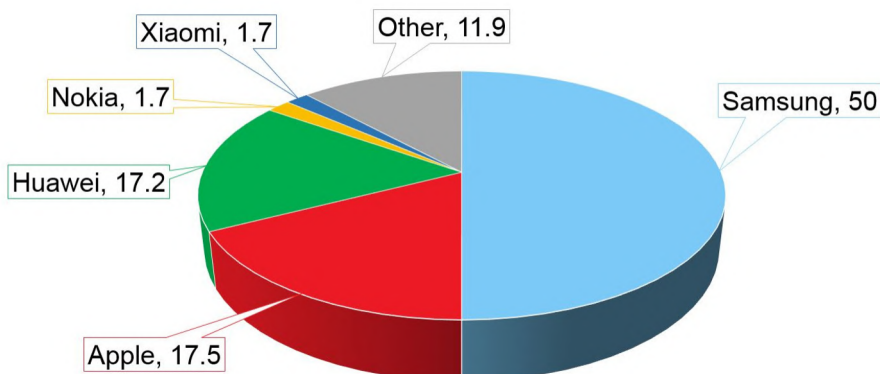
Across platforms, Chrome reigns supreme, with Firefox and Safari lagging. Chrome and Safari were developed by Google and Apple, respectively. If on mobiles and tablets, Safari fairs better, while on the desktop segment, Firefox comes a distant second after Chrome.

Samsung Internet is popular on mobile devices thanks mostly to its popularity as a mobile vendor. Preinstalled browsers are highly popular among Romanians, which shows that people in Romania usually choose the browser that is handy for them to use. Chrome is highly popular mostly thanks to Google, which is the dominant search engine in Romania. Open source browsers such as Mozilla Firefox have similar performance parameters like Chrome (in terms of uploading speed, Random-access memory (RAM) consumption, user-friendly interface and add-ons), but they must be installed by the user.

The sole browser produced by a technology giant that has almost disappeared from the Romanian market is Microsoft's Internet Explorer.

The browser game

Browser market share (%) in Romania, June 2018-June 2019

Browser	Chrome	Firefox	Safari	IE	Opera	Samsung Internet	Edge	Android
All platforms	71.6	7.3	8.9	0	3.1	4.9	1.7	0
Desktop	73.8	13.1	2	2.6	5	0	3	0
Mobile	69.9	0.6	16	0	0.8	11.3	0	0.7
Tablet	46.4	1.2	39.6	0	0.4	0	0	11.8

Source: StatCounter, 2019

Google dominates the search engine market in Romania, as in many other countries. Bing and Yahoo! have insignificant market shares of 1% to 2% on all platforms, while open-source alternatives such as DuckDuck Go are almost unknown (although, considering that DuckDuckGo has a similar market share on tablets as browsers produced by Yahoo! and Microsoft, we can say that its 0.42% is decent).

Search engine market share (%), 2018-2019

Search Engine	Google	Bing	Yahoo!	DuckDuck Go
All platforms	98.2	0.8	0.7	0.1
Desktop	96.3	1.8	1.4	0.2
Mobile	99.6	0.1	0.1	0.01
Tablet	98.6	0.5	0.4	0.4

Note: Figures are calculated based on page views
from June 2018 to June 2019
Source: StatCounter, 2019

The reality of open-source use in Romania is generally quite bleak. Platforms such as Linux and search engines such as DuckDuck Go are almost unheard of and rarely used. This has implications for the security and privacy of users.

Open-source software and operating systems have consistently been more conscientious about the privacy and security of their users. Linux is a free platform and highly resistant to malware, mostly because of its unpopularity. DuckDuck Go was set up as a privacy company from its inception. This does not make them more user friendly or efficient, as open-source alternatives tend to need a higher level of computer literacy when employed, due to problems such as incompatibility with many software products from technology powerhouses like Microsoft and Apple.

However, the dominant position of large technology companies in both the hardware and the software markets, combined with a low level of internet and computer literacy, has implications for the digital security of the Romanian users.

Romania is a Facebook country. Across platforms and devices, Romanians primarily use Facebook to socialize online. Surprisingly, YouTube fares worse than Pinterest while Twitter and Instagram are niche platforms. According to the Digital News Report[7], 69% of Romanians trust Facebook as a news source while 31% trust YouTube and only 7% trust Twitter. Facebook is one of the key sources of news and information in the country.

Socializing online

Social media market share (%), 2018-2019

	Facebook	YouTube	Pinterest	Twitter	Instagram
All platforms	91.5	1.4	5.3	0.8	0.6
Desktop	86.4	3.8	5.8	1.8	0
Mobile	92.7	0.9	5.1	0.5	0.7
Tablet	86.2	1.2	9.6	2.6	0

Note: Figures are calculated based on page views
from June 2018 to June 2019
Source: StatCounter, 2019

[7] The Digital News Report 2018, The Reuters Institute for the Study of Journalism (RISJ), available online at http://www.digitalnewsreport.org/interactive/ (accessed on 7 June 2019).

ROLE OF TECHNOLOGY IN MEDIA AND JOURNALISM

Overview and Profiles of Key Players

Company Profiles

Internet and mobile

Internet players: the big players

Key players in the Romanian internet and mobile market, breakdown by services

Company	Email service	Messaging and VoIP	Mobile ecosystems	Search	Social network & blog	Video & photo	Cloud Services
Apple		✓	✓				✓
Facebook		✓			✓	✓	
Google	✓		✓	✓		✓	✓
Microsoft	✓	✓		✓			✓
Samsung			✓				✓

Source: CMDS based on company data

Facebook

Facebook, the most popular social media platform in Romania, does not have an office in the country. It covers Romania via its regional office in Warsaw, Poland. It doesn't declare any revenues that it generates from the Romanian market or information about how it handles content in Romanian language.

Google

Google opened in 2010 a local office in Romania, focused solely on business development. It invests in IT literacy and programming education[8] in a country that has become known as the Silicon Valley of Europe. Experts interviewed for this report say that this investment is strategic as Google is building its future labor

---

[8] "Proiect pentru tineri susținutde Google, în 3 orașe din România" (Youth project supported by Google in threeRomanian cities), Digi24, 16 April 2019, available online at https://www.digi24.ro/stiri/actualitate/educatie/proiect-sustinut-de-google-pentru-tineri-in-3-orase-din-romania-1114575 (accessed on 7 June 2019).

force. In addition to educational programs, Google has funded a series of journalistic initiatives through its Digital News Innovation Fund. (*See more about Google's funding media in Romania in Technology Companies & Media in this report*)

Since its launch, Google's operation in Romania has expanded significantly, growing from an annual turnover of less than €3m in 2013 to nearly €4.5m in 2018. The company has been profitable throughout all these years, its net earning registering a high record of €224,000 in 2018. The company is not known to have links to politicians or political parties. Its first CEO in Bucharest was Dan Bulucea, formerly a marketing director with Microsoft. As Mr Bulucea went to work in Google's Singapore office in 2016, Elisabeta Moraru was appointed the company's CEO in Romania in October 2016. Ms Moraru had various jobs at Google in Romania before she was promoted to the company's highest management position in Bucharest.

Google's Romanian sales

Key financial indicators for Google Bucharest, 2018

		2013	2014	2015	2016	2017	2018
Sales revenues	RON '000	12,799	16,290	16,211	17,085	19,738	20,838
	€ '000	2,902	3,668	3,651	3,805	4,328	4,490
Net profit	RON '000	502	883	901	886	988	1,040
	€ '000	114	198	203	197	216	224
Number of employees		11	12	14	14	14	15

Note: average exchange rate of the Romanian
National Bank (BNR) was used
Source: Finance ministry

Telecommunications

Romania has a competitive telecommunication market in terms of available offers. However, the market is dominated by a few big players. Orange is the market leader, followed by Vodafone, Telekom and Digi (RCS&RDS).[9] All of them except for Vodafone are also in the cable and television retransmission business.

Digi Communications is by far the best-positioned firm in the cable business as it started in this sector and moved into offering mobile and fixed phone services only in the recent years. Digi is also a media content producer and owns several television and radio channels. The convergence of services combined with the growing domination by a few big players raised concerns at the Competition Council (Consiliul Concurenței), Romania's antitrust agency, and the European Commission. In a recent case, Orange Romania received a fine of €14m in 2019 for blocking the services of one of its partners, which led to a five-fold decline in that company's revenues.[10] In

---

[9] In the internet (fixed and mobile) market, the leading operator has a share of 38%, and its next two competitors shares of 24% and 19% whereas the other companies a combined 19%. In the mobile phone market, the leader has a share of 39%, and its next two competitors shares of 30% and 18% whereas the other companies a combined 13%. (ANCOM annual report 2018, available online at http://www.ancom.org.ro/rapoarte-anuale_268, accessed on 10 July 2019).

[10] Competition Council, Press Release, available online (in Romanian) at http://www.consiliulconcurentei.ro/uploads/docs/items/bucket13/id13820/amenda_orange_ian_2019.pdf (accessed on 10 July 2019).

recent years, both Orange and Vodafone have been fined for abusing their dominant positions in the market.[11]

Vodafone is now looking to enter the cable and television market by purchasing UPC Romania, a major cable television provider, for €19.4bn. In July 2019, the European Commission cleared the acquisition. The purchase is part of a bigger deal whereby Vodafone is to take over UPC's assets in the Czech Republic, Hungary, Romania and Germany.[12]

The telecom giants

Net profits of prominent telecommunication operators and internet service providers in Romania, 2014-2017

Company		Ownership	Country of ownership	Number of employees 2017	Net profit (€m)			
					2014	2015	2016	2017
Orange Romania		Orange S.A.	France	2,366	90.9	59	85.4	70
Vodafone		Vodafone Plc.	UK	2,508	35.7	40.6	42.1	13
Digi Communications		Digi Communications NV (87%) RCS&RDS S.A. (9%) Zoltan Teszari (1.8%)	Netherlands / Romania	11,703	-16	-51.6	-13.2	65.4
Telekom	**Telekom Romania Communications S.A.**	OTE International - 54,01% Romanian State - 45,99%	Greece / Germany / Romania	4,733	-74.6	-27.6	-183	-208
	Telekom Romania Mobile Communications S.A.	Cosmote Mobile Communications S.A. (69%) Telekom Romania Communications S.A. (30%)	Germany / Romania	866	-30	-53.4	-10.7	-98.5
UPC		Liberty Global	US	1,084	-46.5	-51.8	-61.7	-26.5

Source: CMDS based data from the Romanian finance ministry

Technology Companies & Government

Telecom giants do not heavily intervene in policymaking in Romania and they refrain from taking positions on political matters.[13] Except for Digi Communications, telecom companies have rarely intervened in discussing or taking positions on public affairs in Romania.

A rare occasion in which they did was the recent passing of the Emergency Ordinance 114 (OUG. 114) in December 2018 that introduced a 3% tax (also known as the "greed tax") on certain businesses including banks, gambling companies and telcos. To justify the tax, the Government argued that these industries do not contribute enough to the state budget and should pay more of their revenues

---

[11] In 2011, for example, Vodafone was fined €34.8m and Orange was fined €28.3m for abusing their market positions. Details about the fines are available (in Romanian) at https://www.juridice.ro/135520/consiliul-concurentei-a-amendat-orange-si-vodafone-cu-peste-60-milioane-eur.html (accessed on 10 July 2019).
[12] "Mergers: Commission clears Vodafone's acquisition of Liberty Global's cable business in Czechia, Germany, Hungary and Romania, subject to conditions," European Commission, 18 July 2019, available online at https://europa.eu/rapid/press-release_IP-19-4349_en.htm (accessed on 1 August 2019).
[13] Interview Bogdan Manolea, director of the Technology and Internet Association (Asociația pentru Tehnologie și Internet, APTI), conducted online on 6 May 2019.

into the state coffers. The National Association of Internet Service Providers in Romania (*Asociaţia Naţională a Internet Service Providerilor din România*, ANISP), an industry group, issued a public statement condemning the tax.[*14*] All major telecom companies publicly condemned the ordinance. One of them, Telekom, threatened to pull out its bid in a major tender for the introduction of the 5G technology in Romania, slated for the end of 2019, because of the ordinance.[*15*]

The introduction of the 5G network in Romania is most certainly going to mobilize all big telecom players. The move to 5G is expected to see investments of €2.9bn from the state (on top of investments that are going to be made by telecoms) and it is estimated that it will create around 250,000 jobs and revenue of €4.7bn.[*16*]

The institution managing the 5G implementation, ANCOM, is headed by Sorin Grindeanu, a former prime minister for the Social Democratic Party (PSD) government in 2017. His mandate last only about six months (between January and June 2017) as he got into a fight with the then leader of the Social Democrats, Liviu Dragnea, and was removed from his position through a no confidence motion. Mr Grindeanu was also excluded from the party following the no-confidence vote.

The two market leaders, Orange and Vodafone, seem to be the most competitive players (in terms of the infrastructure they already manage and their financial situation) and are likely to be awarded licenses to deploy 5G technology.

Digi Communications is the sole telecommunications player that is believed to have connections with the ruling party PSD, according to industry experts interviewed for this report. Digi Communications runs an internet service company, but also owns television and radio stations, being thus in a better position to influence public debates although it does not have the high ratings to compete with popular broadcasters (such as Pro TV, Antena 1 and Antena 3). (S*ee more details about the most popular television channels in Romania and their sources of funding in Funding Journalism: Romania report in the Media Influence Matrix*)

In the past year, media reported about a rapprochement between Digi24 (Digi Communications's main news channel) and the leadership of the Social Democratic Party. Local journalists who follow media also noticed that Digi24's reporting on government policy has become more favorable. At the same time, some of the channel's prominent journalists were sacked and their investigative journalism programs were shut down. Zoltan Teszari, the founder and leader of the company is also involved in the energy sector, especially in the renewable solar energy field. Some journalists expect the planned introduction of the 5G network combined with upcoming presidential and parliamentary elections in the fall of 2019 and 2020, respectively, to bring Digi Communications closer to PSD.

---

[14] ANISP, Press Release, available online (in Romanian) at https://www.anisp.ro/blog/2019/01/23/oug-114-2018-reactia-furnizorilor-de-servicii-de-comunicatii/ (accessed on 10 July 2019).

[15] Lidia Neagu, "Telekom România ia în calcul să nu participe la licitaţia pentru 5G din cauza OUG 114" (Telekom Romania is considering not participating in the 5G bid because of the emergency ordinance 114), Economica.net, 22 February 2019, available online at https://www.economica.net/telekom-romania-ia-in-calcul-sa-nu-participe-la-licitatia-pentru-5g-din-cauza-oug-114_165213.html (accessed on 10 July 2019).

[16] Adrian Dumitrache, "Grindeanu, ANCOM: 5G va crea în România peste 250.000 de locuri de muncă. Comercial, serviciile vor fi disponibile în 2020. La cât se ridică investiţiile pregătite" (Grindeanu, ANCOM: 5G will create in Romania over 250.000 jobs. Services will be available commercially in 2020. What the planned investments are worth.), Profit.ro, 21 November 2018, available online at https://www.profit.ro/stiri/grindeanu-ancom-5g-va-crea-in-romania-peste-250-000-de-locuri-de-munca-comercial-serviciile-vor-fi-disponibile-in-2020-la-cat-se-ridica-investitiile-pregatite-18669283 (accessed on 7 June 2019).

Technology Companies and Media

Social Media

Social media have become a serious contender, along with television, on the Romanian news market. They play a major role, first of all, in distributing media companies' content. Among social media, clearly Facebook is the leading distribution platform for media content providers.

The main television channels in Romania are also the most popular online platforms, ProTV, Antena, Realitatea and Romania TV being among the 10 most accessed television news sources in the country, but also among the most followed news media on Facebook. Radio stations such as KissFM and Radio ZU are popular both on Facebook and on FM waves. With the exception of ROL.ro, an aggregator of over 40 thematic sites publishing articles on anything from gardening to foreign news, all other most "liked" media pages on the Romanian Facebook are traditional media operations, be they television, radio or print.

In the likes

Most liked Romanian media pages on Facebook, June 2019
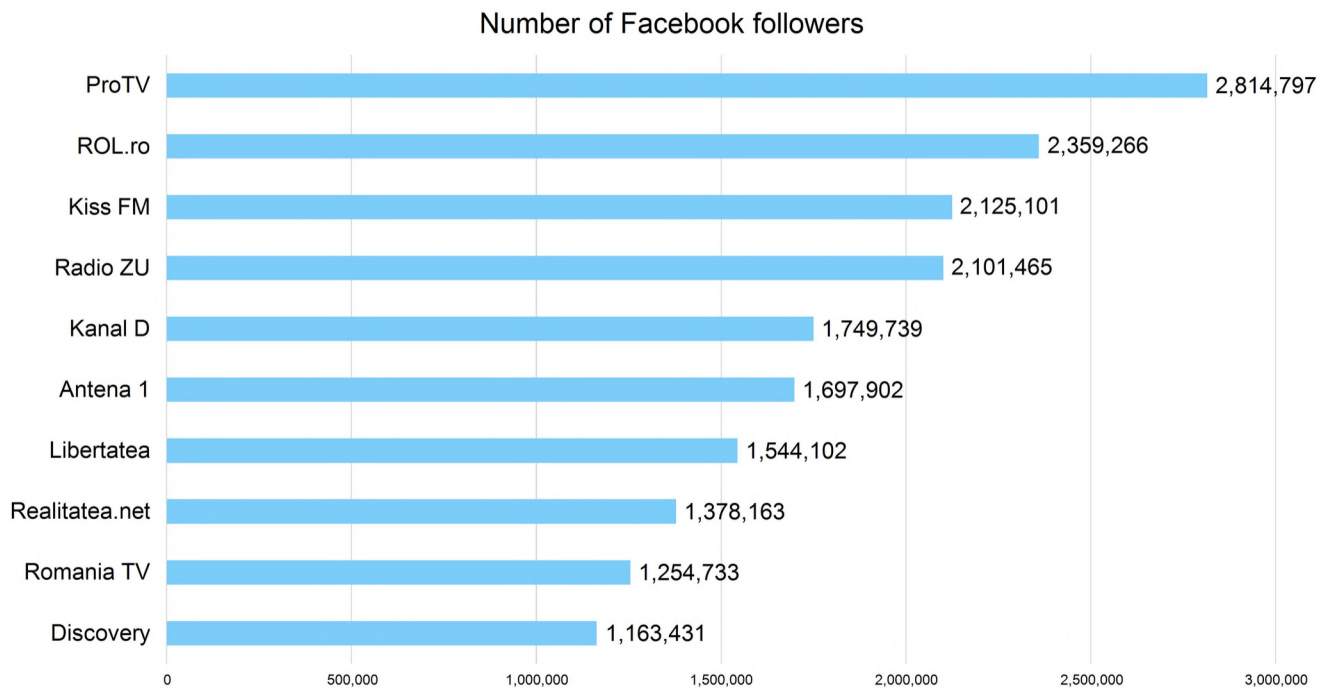
Source: Socialbakers

The Romanian YouTube is also dominated by some of the country's largest media outlets. Popular television channels such as Antena, Kanal D and the national broadcaster (TVR) have the most watched channels on the Google-owned video-sharing platform. Surprisingly, the market leader ProTV doesn't appear in the top 10 list, probably due to the low number of videos uploaded on their channel.

Other strong players on YouTube include Cartoon Network, which is a very popular children-focused channel, and RTL Klub, the most popular television channel in neighboring Hungary whose popularity in Romania is probably boosted by the 1.2 million ethnic Hungarians living in Romania.

The motion picture

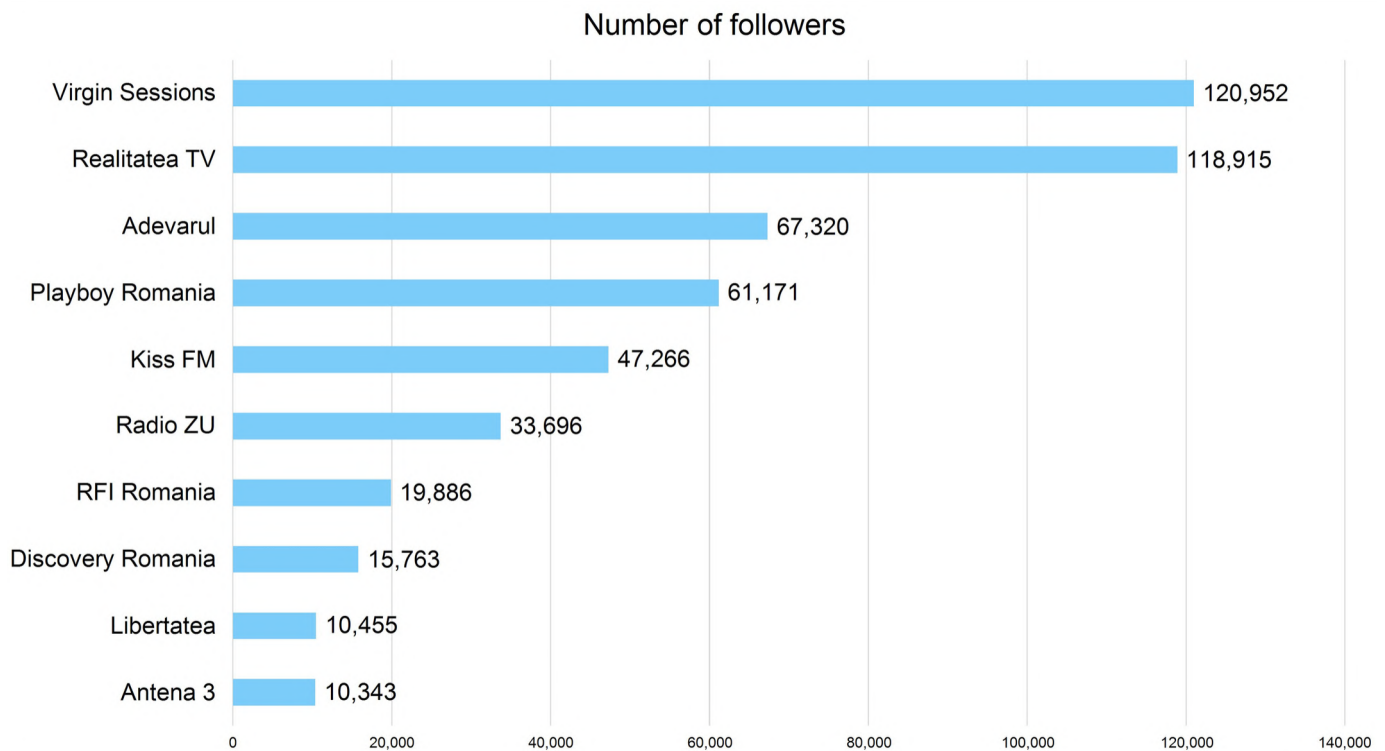*Most watched media YouTube channels, June 2019*

Outlet	Number of subscribers	Total views of uploaded videos
Antena 1	1,043,268	934,094,470
Kanal D Romania	690,424	563,035,272
Radio ZU	750,640	427,948,075
TVR	553,254	404,922,096
Kiss FM	578,166	179,662,380
Cartoon Network Romania	256,305	129,684,123
B1 TV	115,470	96,869,925
RTL Klub	88,880	82,692,346
Realitatea.NET	17,366	50,964,529
Radio 21	58,272	34,781,665

Source: Socialbakers

Twitter is not very popular in Romania. Compared to the number of subscribers for the top YouTube channel (about one million) the 120,000 followers of the leading media outlet on the Romanian Twitter is hardly impressive, to say the least.

The most followed news media accounts on the Romanian Twitter include some of the most popular media outlets in the country such as the dailies Adevarul and Libertatea, the radio stations Kiss FM and Radio ZU, and all-news television channels Realitatea and Antena 3, but also a couple of niche players such as Radio France International (RFI) Romania and the men's lifestyle magazine Playboy.

Ranking of the most popular media on Twitter in Romania, June 2019

Number of followers

Media	Number of followers
Virgin Sessions	120,952
Realitatea TV	118,915
Adevarul	67,320
Playboy Romania	61,171
Kiss FM	47,266
Radio ZU	33,696
RFI Romania	19,886
Discovery Romania	15,763
Libertatea	10,455
Antena 3	10,343

Source: Socialbakers

Facebook's role in disseminating information is so significant now that the network is often identified as a media company. Its content is regulated solely by its own community standards, which Facebook does not apply with a satisfactory degree of transparency. Facebook does not disclose enough about the implementation of its policies on freedom of expression and the privacy of its users, according to Ranking Digital Rights Index, a research initiative co-funded by the U.S. Government and private foundations.[17]

In practice, decisions about content takedown in Romanian language, made both by algorithms and people (Facebook's employees), often come under critical scrutiny. For example, the takedown of the accounts owned by former diplomats[18] for no apparent reason or the deletion prior to the European elections in May 2019 of accounts that Facebook decided to call "fake news"[19] stirred a heated debate about why and how such decisions are made. Significantly, it opened a discussion about why a privately held technology company is allowed to perform content moderation.

[17] Ranking Digital Rights Report 2019, available online at
https://rankingdigitalrights.org/index2019/companies/facebook/index/ (accessed on 7 June 2019)
[18] Codruța Simina, "De ce blochează Facebook conturi în România și ce se întâmplă când ești blocat" (Why is Facebook blocking accounts in Romania and what happens when you get blocked), PressOne, 22 March 2018, available online at
https://pressone.ro/de-ce-blocheaza-facebook-conturi-in-romania-si-ce-se-intampla-cand-esti-blocat/ (accessed on 7 June 2019).
[19] Facebook Press Release, available online at https://newsroom.fb.com/news/2019/03/removing-cib-uk-and-romania/
(accessed on 7 June 2019).

Also, in Romania, Facebook has recently published a list of advertisements paid for by political parties during the European elections campaign.[20] This decision again ignited a debate about the role of social media platforms in disseminating information online. Such debates, which have sprung up only recently in the Romanian public sphere, are much needed in a context in which traditional media is increasingly losing the trust of its public.

On top of the questionable regulatory decisions that Facebook is making, technology companies are sharply criticized in Romania for clobbering the country's media industry. Google and Facebook together control 66% of the total digital advertising market in Romania.[21] This is the most significant way in which the two tech giants influence news production in Romania. Much of this control is the direct result of the platforms' popularity. Although television is still the most used source of information for news (82% of Romanians saying that they receive their news from television[22]), social media is becoming increasingly dominant (with 62% of Romanians using social media platforms as a source of news). This increased consumption of content on social network is likely to drive the online ad revenues in the coming years, but much of that is likely to be attracted by Facebook and Google.

The EU is trying to push back. A recently adopted copyright directive, approved by the European Parliament, is arguably a reaction to practices that see most of online ad revenues go to intermediaries such as Google, YouTube and Facebook, and not to media producers. The directive will have to be adopted by member states by 2021. (*See Government, Politics and Regulation: Romania in Media Influence Matrix for more details*)

Ownership and financial relations

Technology companies do not have any ownership or financial links with media content producers. They usually do not financially support media enterprises or journalistic initiatives in Romania.

The sole exception is Google, which in recent years has awarded grants to media outlets in Romania as part of its Digital News Innovation Fund, a project aimed to support journalism in Europe run between 2015 and 2019. In Romania, Google supported 16 projects, including fact-checking websites, investigative journalism projects and user-centered journalistic production initiatives. The funding went to both established news providers such as the publisher Ringier and HotNews, and smaller initiatives including startups and individuals. For example, Sorin Vasile Ozon, an investigative journalist working with the Romanian Center for Investigative Journalism (*Centrul Român pentru Jurnalism de Investigație*, CRJI), received a grant from Google to develop a database of documents that investigative journalists can use.

Most of the projects funded by Google in Romania, however, a total of 12 out of 16, were small grants worth up to €50,000. In total, Google doled out less than €2m to journalism projects in Romania over a period of four years, which is an insignificant sum in the overall media spending in the country. Although it helped some of the local media to pursue projects that otherwise they would not be able to run, Google's support was far from having any impact on the country's journalism.

[20] Costin Ionescu, "Facebook publică în premieră date despre publicitatea electorală în România. Cât investesc partidele și pentru ce fel de mesaje" (Facebook publishes for the first time data on electoral advertising in Romania. How much do political parties spend and for what), HotNews, 6 May 2019, available online at https://www.hotnews.ro/stiri-europarlamentare_2019-23124462-facebook-publica-premiera-date-despre-publicitatea-electorala-romania-cat-investesc-partidele-pentru-fel-mesaje.htm (accessed on 7 June 2019)
[21] Media Fact Book Romania 2019, available online at http://www.mediafactbook.ro/ (accessed on 7 June 2019).
[22] Raluca Petre, Digital News Report 2018, cit.

Telecoms

Among telecommunications operators, cable television providers do play a significant role in the Romanian media as they can exert leverage on smaller media content producers. Larger media companies are in a better position to negotiate distribution deals.

An example of the power game between media content producers and cable distributors was the conflict in Q1 2019 between ProTV and NextGen, Telekom's cable provider. While carrier fees-related negotiations between the two companies were ongoing, ProTV announced on its popular primetime news program at 7 p.m. that the channels part of ProTV group would no longer be available on NextGen's platform. The station also announced the same decision during one of its most popular shows, "Romania's Got Talent," which had been sponsored since 2011 by Telekom. The move was believed to be aimed at increasing the pressure on Telekom to accept paying a higher fee to carry Pro TV's programs in its television package. Telekom made a formal complaint with the CNA, the country's broadcast regulator. However, CNA couldn't intervene because financial disputes are not covered by its remit. In the end, the dispute between Telekom and ProTV was solved behind closed doors, Telekom agreeing to continue to carry ProTV's program.

Other than that, telecom providers exert unseen influence in the media through its zero-rating practices. Zero-rating deals allow for different charges to be applied on the type of traffic or internet consumption, meaning that internet providers can charge their customers different prices for the use of specific applications, websites or media content or formats (video vs audio for example). In many cases, some platforms or applications can be used without eating into the monthly data allowance customers pay for.

These practices have raised concerns regarding the impartial delivery of internet providers. In Romania, like in the rest of the European Union, zero-rating deals are not forbidden, but are closely monitored by relevant regulators. In the Romanian case, ANCOM monitors the activity of all internet providers, including their commercial practices. Some NGOs, including ApTI, also monitor such practices.

Three of Romania's large telecom companies offer zero-rating deals in the country, namely Telekom, Vodafone and Orange. The three companies offer either higher access speeds for certain applications (mostly video streaming) or no-cost deals for the use of social media, maps and messaging apps.

ANCOM publishes yearly a Net Neutrality Report[23] that details, amongst other indicators, the prevalence of zero-rating practices. According to ApTI, one of the zero-rating practices[24], a deal offered to its users by Vodafone (according to which, buyers of certain mobile subscriptions can access social media apps like Facebook, Instagram, Viber, WhatsApp and others for free) could have negative implications for net neutrality. The case was referred to ANCOM, but a decision was not published at the time of writing.

However, the hyper-competitive nature of the internet market in Romania shields the population from the potential negative effects of zero-rating deals. According to industry experts interviewed for this report, the generous data packages offered by both internet and mobile providers in the country makes zero-rating deals almost redundant in Romania.

---

[23] For 2018, see the ANCOM's "Net Neutrality Report" at
http://www.ancom.org.ro/uploads/links_files/Raport_NN_2018_RO.pdf (accessed on 28 July 2019)
[24] "ANCOM investigheaza ofertele de tip zero-rating" (ANCOM is investigating zero-rating deals), available online at
https://apti.ro/ancom-analizeaza-ofertele-zero-rating (accessed on 28 July 2019).

The Business of Misinformation

The role that social media, particularly Facebook, play in spreading misinformation, a phenomenon that has been increasingly affecting Romania, is very problematic for independent media and journalism.

Generally, Romanians have a fairly low trust in media, only 42% of them saying that they generally trust the news, and 48% saying that they trust news that they actually consume.[25] These figures are not surprising given a series of corruption scandals involving media owners that have rocked the country's media industry in the past ten years. Following these scandals, a few notable media owners, including founders of major television channels or owners of popular print media, ended up in prison.

Some 72% of Romanians think that fake news is a common phenomenon, a slightly higher proportion than the 69% average in the EU.[26] Because the online space is unregulated in Romania, there is no systematic monitoring of misinformation websites. However, fake news websites have mushroomed in Romania in recent years, according to various organizations and institutions that are mapping the field. Their number is continually changing as many of them oftentimes change their name, close down or resurface after a while.

Verifica sursa, a website that monitors the misinformation landscape in Romania, has identified a total of 84 fake news websites to date.[27] However, it's unclear how much impact these websites have on the Romanian public.

The Laboratory for the Analysis of Informational and Communication War (*Laboratorul pentru Analiza Războiului Informațional și Comunicare*, LARICS), part of the Romanian Academy of Sciences, collected around 200 websites that spread false information, concluding that they had an impact on more than 5,000 people.[28] This is by no means an impressive number. Nevertheless, as Romanians seem to trust social media more than they trust established news outlets, there is clearly potential for misinformation to reach a wider audience in the future.

---

[25] Raluca Petre, Digital News Report 2018, cit.
[26] "Eurobarometru 90" (Eurobarometer 90), 2019, available online at
https://ec.europa.eu/romania/news/20190603_eurobarometru_standard_90_opinie_publica_UE_ro (accessed on 8 June 2019).
[27] See more https://verificasursa.ro/ (accessed on 1 July 2019).
[28] Cristina Dobreanu, "Partidele, Facebook și paginile false. Cât de răspândite sunt fabricile de trolli în România?" (Parties, Facebook and false pages. How widespread are the troll factories in Romania?), Radio Europa Liberă, 9 March 2019, available online at https://romania.europalibera.org/a/partidele-facebook-%C8%99i-paginile-false-cat-de-raspandite-sunt-fabricile-de-trolli-in-romania-/29811044.html (accessed on 13 July 2019).

CENTER FOR MEDIA, DATA AND SOCIETY

CEU SCHOOL OF PUBLIC POLICY

Tel: +36 1 327 3000 / 2609
Fax: +36 1 235 6168
E-mail: cmds@ceu.edu
cmds.ceu.edu
Postal address:
Center for Media, Data and Society
Central European University
Nador u. 9
1051 Budapest
Hungary