

CHAPTER «SOCIAL COMMUNICATIONS»

DENATIONALIZATION OF PRINT MEDIA: UKRAINIAN AND INTERNATIONAL EXPERIENCE

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Abstract. Every country of the former Communist block ran along its special path towards democracy. Most of them, especially the states that were formed after the fall of the Soviet Union, shared years' long history, had the same or very similar starting economic conditions, old elites and desire to be independent. Independence involves several aspects, but a determinant one is an information component which is largely formed by the mass media. The research structure is driven by the need to consider the issues of print media denationalization regarding historical, economic, political and social conditions that stipulated the start of consideration of the given issue, its adoption and implementation.

The subject of research is theoretical and applied aspects of the current state of print media in Ukraine in the context of completed reforming. The purpose of the article is to investigate the state of the print media of Ukraine since the beginning of denationalization to transformation results processing as well as to highlight measures so that they could remain at the market.

Procedure (methodology). In the furtherance of the purpose to be achieved, a complex of general scientific and special methods of the investigation was applied in the article, in particular: analytical and logical generalizations, system-oriented, structural and comparative analysis, analogy, comparison and extrapolation. Theoretical and methodological background to the research includes fundamental theoretical statements of the mod-

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ern theory of social communications, system-based integrated approach towards the issue of print media denationalization. The informational base includes laws and regulations concerning press reformation in Ukraine, academic works on press functioning written by national and foreign scholars, materials of media lawyers and practicing journalists.

Results. In the course of research, we highlighted the outcomes of print media denationalization in the countries of former Communist block, shortcomings of the relevant Law of Ukraine, the results of the first and second stages of transformation in Ukraine, a set of measures for further functioning and development. We identified and classified obstacles that mass media face on the way.

1. Introduction

Active process of transition from industrial to post-industrial information society, that can be observed in the world and the development of which is impossible without the existence of independent media, could not but touch Ukraine as well, as far as the information space, owing, in particular, to the Internet network, is open, free by its definition, wherein information is passed around instantly, over all distances and without borders. The issues of regulation of the given sphere remind of the passenger trying to catch the train. There are some objective reasons for this, such as, for example, historically short time of state independence, a long time of being under the totalitarian rule, isolation from the worldwide changes and development processes, psychological burden of the Soviet past (Soviet identity), lack of new political elites as well as lack of the desire for changes among the ruling circles, etc. Over a comparatively short period, we have to cope with challenges, which the countries having a much longer history of democracy were experiencing for decades both psychologically and legislatively. In such countries, there are no media fully owned by the state. The fundamental premise of continental democracy is based on the fact that governmental authorities have no right to engage in propaganda for the population of the country. As far as the countries of the so-called former Communist block are concerned, denationalization of their mass media started at the end of the last century and by now it has most commonly been completed or is at its final stage. As noted by the researchers, there exist such media in these states, but they are broadcasting for foreign countries, because propaganda of certain values, in particular, cultural ones, is unacceptable for democracy.

Recent research and publications analysis show that the issues of legal support of mass media activity are not extensively covered in the works of legal academics. For example, the latest and practically the only attempt to investigate the very question of denationalization is the article written by H. M. Krasnostup “Some aspects of legal support of reforming the print media established by central and local public authorities” [3]. In the field of social communications, the issues of legal support of mass media activity are examined by such authors as V. Ivanov, V. Rizun, L. Snitsaechuk, Y. Finkler, Z. Haladzhun, and Y. Vaskivskyi. Apart from this, the issues of regulatory maintenance of mass media activity are addressed by both media lawyers and practicing journalists, in particular, I. Rozkladai, T. Shevchenko, S. Kurpil, K. Kulyna, O. Tseluiko, L. Prysiazhna, O. Sushko and others.

Novelty of the obtained results lies in the fact that theoretical and applied aspects of print media functioning in independent Ukraine were comprehensively researched for the first time in the field of social communications; prehistory of denationalization was analyzed, and its stages were elaborated; results of press reforming in the countries of former Communist block were generalized and clarified; the results of transformation in Ukraine were processed, and accompanying obstacles were highlighted and classified; the experience of the countries with longer history of democracy was generalized for the reformed print media of Ukraine.

The purpose of the article is to investigate the state of the print media of Ukraine since the beginning of denationalization till transformation results processing as well as to highlight measures so that they could remain at the market.

The objectives of the given research are the following:

1. to study the history of press denationalization in post-Soviet states and highlight the results of this process;
2. to analyze the process of development of the issue of “denationalization of print media in Ukraine” before the adoption of the Law of Ukraine “On reforming state-owned and municipal print media”, to determine its periodization;
3. to study the text of the Law “On reforming state-owned and municipal print media” as well as feedback of media circles and experts, and following that, highlight its drawbacks;

4. to analyze the data of the first stage of printed press denationalization in Ukraine and determine its results; to highlight and classify problems accompanying it;

5. to study the processes of the second (final) stage of municipal press reforming in Ukraine, and determine its results as well as identify obstacles in the course of its implementation;

6. specify the goals of the local press and main reasons for cessation of their activity (or their paper versions) in the states with a much longer history of democracy (the USA and Great Britain); to highlight measures for the development of the Ukrainian print media.

2. Denationalization of press in the countries of former Communist block

Soviet past is a heavy burden not only for our country, but also for several other states that are now referred to as the countries of the former Communist block, post-Soviet states, and Eastern European countries. Apart from the Soviet republics, they also include Albania, Poland, the Czech Republic, Slovakia, Bulgaria, Romania, Hungary, former Yugoslavian countries. Are all of these generalized names of the states equal in terms of their scale? Regarding the countries of the former Communist block, all of the above-mentioned states belong to this notion. If we refer to the Eastern European countries, we imply only some of them, namely Albania, the Baltic countries, Belarus, Ukraine, Moldova, Poland, Slovakia, the Czech Republic, Hungary, Romania and the former Yugoslavian countries. When we refer to the post-Soviet states, the scale of this notion must be narrowed to the states that had been the republics as part of the Soviet Union before the declaration of independence. In the context of the given research, we will analyze the process of municipal print press denationalization in certain states that belong to the scale of the notion of “the countries of the former Communist block”, presenting only vivid examples and tendencies, not intending to analyze the experience of all the above mentioned states.

All the processes that we can observe today have historic reasons. The Soviet past of our state is still our reality in many fields. Only now, after more than 20 years of independence, we launched the process of refusing the press, the primary target of which is propaganda of the activity of government authorities, ruling parties and public officials. Is it possible and neces-

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sary in a democratic country? Yes, it is possible, though only on the level of party press, the crisis of which was observed in the 80s of the 20th century in Europe, and not on the level of a mass medium, which is, most commonly, the only printed publication in the community. Is it necessary? The answer is a resounding “no”, as it contradicts the basic principles of democracy, where the principle of pluralism in every area of life is determinant.

As regards the countries of Eastern Europe (except for Ukraine where the process is still going on, Belarus) and the Baltic countries, most of them have already liquidated the institute of municipal print media, because in those countries these processes started in the late 80s and early 90s of the past century and are over for today. It is illustrative of awareness of the importance of the press in a democratic society. The experience of those states is priceless for Ukraine, as we can observe the consequences of such processes, study their positive and negative outcomes.

In the countries of European democracy, there are no state-owned newspapers, including parliamentary ones. Information on the parliament activity is spread via the web portals, live broadcast, in the text mode (Slovakia, Great Britain) or video format (Austria, France, Ireland).

In the 80s and 90s of the past century, denationalization of mass media in the countries of Eastern Europe began. The process was going on in various ways, but overall, it was marked by chaotic nature, imperfection of legislation resulting in corruption scandals (Hungary), monopoly of media (Poland, Romania, Hungary), mass media bankruptcy (Estonia), appeal of privatization results (Poland), transfer of press only to politically loyal proprietors (Hungary, Croatia, Romania). Methods of alienation were different. For example, Bulgaria, Romania and Latvia used competitive privatization, but, most commonly, complex schemes of denationalization were applied when it became possible in a variety of ways. In particular, in Poland and Lithuania, some newspapers were transferred to employees and the rest of them were privatized on a competitive basis. Liquidation committee in Poland headed by the Prime Minister transferred the property of only those editorial offices that, in their opinion, could survive in the market economy environment (they chose 71 out of 178). The process of collectivization lasted from 1990 till 2002. In Estonia, they applied free of charge transfer to the employees as well as privatization on a competitive basis [5]. Latvia went through the stage of “spontaneous privatization” of

the Latvian Communist Party publications, which was taking place without legal grounds, was illegal in its nature, but nobody raised the issue of its legitimacy. The second stage (from 1992 till 1998) was privatization by law in the course of which government publications were collectivized. Denationalization processes in Lithuania were carried out based on a special law during 1991-1992 when creative specialists of editorial offices set up a company and purchased the property on a competitive basis, which made it possible for them to dispose of their share at their own discretion. In the Czech Republic, they used voucher and competitive privatization, set up joint-stock companies, dismissed the staff with the subsequent start of a newspaper with a similar title. In Croatia reforming has been carried out according to the general law on privatization since 1992 and up till now, because there is no special obligation to “denationalize”, and the community decide whether they need a newspaper or not, whether the editorial team wants to buy out the publication or no. The scheme of “privatization/purchase by the employees” is the most commonly used in the countries of the former Communist block. Competitive privatization is generally used for television/radio companies, large publishing houses, printing offices and distribution networks. Free of charge privatization by employees was used only in Poland, Lithuania and Serbia. The benefits of such a scheme are the following: workers are interested in success and development of their own business; workplaces are preserved; the best conditions for the realization of the right to freedom of speech are created; there is an opportunity to sell the publication at the market price.

At present, we can observe the results of denationalization in the countries of the former Communist block. For example, in Poland, where the process of collectivization is usually called “state-managed”, all print media were purchased by German and Swedish media holdings. In Lithuania, almost all the newspapers obtained by the employees turned bankrupt or were repurchased by Scandinavian investors, and, as of today, the whole market of print advertising is shared by 5 newspaper and magazine publishers. In Belarus, at the beginning of 2017, there were 729 newspapers and 829 magazines, where the state share was less than one-third. At the same time, more than four thousand foreign printed publications are sold in the state [6]. As of 2012, there were 150 media in Georgia, none of which was state-owned. After denationalization some newspapers disappeared, a

number of daily newspapers decreased, while a proportion of weekly publications on social and political topics as well as magazine editions of international brands increased [14].

Legislative attempts to regulate the problems of reforming municipal print media have almost 20-year-old history. Discussion of denationalization matters started in the late 90s, to be more precise in 1999. The Verkhovna Rada of Ukraine adopted a regulation “On the activity of Cabinet of Ministers of Ukraine and other governing institutions concerning assurance of freedom of speech, satisfaction of informational needs of the society and development of informational sphere in Ukraine”, which acknowledged the „need to force mass media denationalization concept development”. Only in 2003, the highest body of legislative power conducted parliamentary hearings on “Society, mass media, authority: freedom of speech and censorship in Ukraine” resulting in the adoption of the resolution on including into the agenda consideration of the draft law “On Conception of mass media denationalization”.

Between 2003 and 2006, National Television and Radio Broadcasting Council was discussing and ratified the draft Law of Ukraine “On denationalization of mass media, though it has not been passed. Key decisions concerning printed media denationalization were passed in 2006. Thus, on April 5, 2006, National Television and Radio Broadcasting Council discussed and ratified the draft Law of Ukraine “On denationalization of mass media, developed by the Ministry of Justice of Ukraine. On June 16, 2006, with support from the International Renaissance Foundation, public hearings of the draft Law of Ukraine “On reforming state and municipal printed media took place. As far back as 2005, Ukraine accepted an obligation to the Council of Europe to carry out denationalization of mass media, but it was 2010 when two draft laws on denationalization were registered in the Parliament of Ukraine (No. 6468 “On reform of state and municipal press” authored by the people’s deputy Stepan Kurpil in summer; No. 7313 “On reform of state-owned and municipal print media” introduced by the Cabinet of Ministers of Ukraine in autumn). On November 29, 2006, hearings on “Reforming state and municipal printed mass media” took place in the Verkhovna Rada of Ukraine Committee for the freedom of speech and information policy. Drafts of two documents, developed by the Ministry of Justice and National Union of Journalists, were introduced at the hearings. It is

worth mentioning that these initiatives differ not only by their titles but also by their conception. In particular, the version introduced by the Ministry of Justice refers to reforming, while the one introduced by the union refers to peculiarities of denationalization. Besides, there were differences regarding the issue of assigning premises for editorial offices, funding sources, social security, etc. The draft introduced by the National Union of Journalists contains one fundamental thesis on a pilot project of print media denationalization, which presupposes detailed study of the problems, and in the end, it was reflected in the law. Also, the Community Council on Freedom of Speech and Information Policy introduced their draft law “On editorial freedom of the state-owned and municipal press in the course of denationalization process” meant to help the media during the transition stage.

Given the fact that it directly concerned the fate of media people, consideration of the given issue was actively discussed and studied in journalist professional circles. Some editors did not support the changes, particularly, the editor of Radekhiv newspaper “Narodna sprava” states, “We are not going to agree to denationalization, because we are satisfied with the actual state of things. And frankly speaking, I do not believe that the law will be passed. It is being discussed for too long and too much.” Chief Editor of Busk newspaper “Volia narodu” Mykola Ivantsiv states that he has been monitoring the discussion of draft laws on municipal press denationalization for 15 years. He claims that after numerous meetings, debates and publications newspaper staff has already become the supporters of denationalization idea, but in Kyiv they are too slow to pass the law. He points out that the newspaper has 700 thousand of its funds and the deficit is about 100 thousand hryvnias, and it is settled by the local authority on condition that its activity is covered. Volodymyr Zamroz, the chairman of Busk Raion Rada, says, “We would like our newspaper to be in the pilot project on denationalization because our employees want it, and we support them, too”. The First Secretary of the National Union of Journalists of Ukraine Serhii Tomilenko agrees that, “Editorial offices of Lviv regional press demonstrate one key feature: readiness to survive under any external conditions. However, it is an obvious point that the authorities should not carry out experiments on the municipal press. The authorities should once and for all withdraw from founding members and allow the media to depend solely on the audience and not on policy and politicians”.

Active discussion among the editors of municipal mass media attested to the fact that the process of transition from total lack of understanding of the importance of these actions to realizing its importance began. The Committee on Freedom of Speech and Information Policy carried out the hearings on “Reforming state-owned and municipal print media.” The National Union of Journalists of Ukraine organized several trainings on clarification of the press reforming. Kostiantyn Hryhorenko says, “We can see how newspapers change after trainings. Editors and journalists are ready to be flagships of their communities, ready to change their editions. There are many examples of successful local raion newspapers. One of them is “Polohivski Visti” (Zaporizhia Oblast). The founder of the newspaper is Raion Council, the publisher is the editorial office, the editor is Iryna Lisova. Circulation is 4500 copies. About one million of gross income (half of which are subscription proceeds and almost 40% are advertising revenues). The newspaper changed dramatically in the course of two years owing to training, the introduction of the best experience and perseverance of the editor”.

In June 2010, the Media Law Institute studied which periodical publications were under the jurisdiction of public authorities and how much money was expended on their support. Its representatives sent formal requests to 59 governmental institutions inquiring about the names of mass media, founded by a relevant government institution, and how much budgetary money was expended on their funding in 2009. The research showed that 11 state institutions are not mass media founders and one (State Committee of Ukraine on the State Material Reserve) ceased publication of its bulletin in 2008. The other 39 government authorities gave the names of their print media and provided brief information about them. 22 bodies of authority made it clear that their publications do not expend public funds. Some of them did not declare the amount of such expenditures referring to restrictions regarding the distribution of such information (the National Bank of Ukraine). Some of them just ignored such an inquiry (the Higher Administrative Court of Ukraine). After all, only 10 bodies of authority mentioned exact amounts of mass media funding, and that incomplete sum was almost 900 million hryvnias [7].

On June 17 the Verkhovna Rada Committee on Freedom of Speech and Information Policy supported the draft law №1123 “On reforming state-owned and municipal print media” registered on December 1, 2014, by peo-

ple's deputies Mykola Tomenko and Oleksandr Abdullin. It went through after certain adjustments and on December 24, 2015, the Verkhovna Rada of Ukraine adopted the Law "On reforming state-owned and municipal print media", which came into action on January 01, 2016. According to the primary target of the current document, all the print media founded (co-founded) by the bodies of state authority, other governmental authorities and local authorities (hereafter referred to as print media) as well as editorial offices of print media founded (co-founded) by the bodies of state authority and local authorities (hereafter – editorial offices) should be reformed in accordance with current legislation, that is either by withdrawal of state authorities from founding/co-founding members or transformation of those mass media into official printed publications of central executive bodies.

The main arguments for mass media denationalization are the following: in the first place, assurance of equal and competitive conditions; budget savings; minimizing the influence and pressure of governmental authorities on media; improvement of information space. Also, experts in the field of media law Epp Lauk and Cees van Zweden point out that the adoption of the given law will promote democratization and pluralism of the print media system, increase editorial independence of news media, promote the development of free and open market [7].

3. Results of reforming in Ukraine

The Law of Ukraine "On reforming state-owned and municipal print media" [15] presupposed two stages of reforming implementation. 645 municipal print media were subject to reforming. The first (pilot) stage lasting for one year (during 2016) included media voluntarily, the ones that were at the forefront of changes, sought them and were not afraid neither of legislation incompleteness nor free-floating in the economic implication. There were 244 such editorial offices [8]. Not a single publication was reformed during the first stage. According to the experts, among the key reasons for holdback at the first stage was a great delay (for more than 10 months) with adoption of the Resolution of the Cabinet of Ministers of Ukraine "On approval of the list of print media and editorial offices to be reformed during the first stage", without which 90% of editorial offices of the first stage did not start the process. Besides, lack of knowledge became a large obstacle without proper support. They developed standard documents and certain standardized forms, though it

turned out to be the trap because considerable differences in foundation documents of editorial offices in comparison with the developed standard forms made them inapplicable for state registration. The majority of them got to know it only in half a year when the government finally approved the list of publications subject to reforming during the first stage. It took a lot of precious time, and for many of them it became a disappointment, so they gave up on reforming and put it on the long finger. The next obstacle is a delay, because the first stage officially did not take place, the second stage was not announced, which is to say as if it did not begin at all. They prepared the relevant draft law on improving the procedure of print media reforming, but it was never passed though it could be a particular start of the second stage. Final and transitional provisions of the Law point out directly that on completion of reforming, the certificates of the publications that will not be reregistered, will be abolished. As experience shows, under favorable conditions (with the assistance of the founders, consulting support), reforming of the editorial office may last from four till ten months. There are certain legislative and practical reasons for such a period that may seem too long at first glance. As long as the given procedure has no precedents in Ukraine, it is not always possible to foresee all the difficulties that may arise in the course of document preparation by the editorial office, division of property, division of shares among the members of the editorial office, undergoing inspection etc. It will be necessary to prepare a draft resolution for the session of the relevant council, wait for it, and the termination procedure itself cannot be shorter than two months. All these tasks remain with the editorial team who, along with that, has to continue performing their main activity, which is to prepare and publish a newspaper. Consequently, if editorial offices fail to start reforming right now, they risk not having a chance to do it at all and cease its activity following the law. We managed to identify the main obstacles to reforming at the end of the first and at the beginning of the second stage (actually, from November 2016 till May 2017).

There are three main problems as far as these obstacles are concerned:

- inactivity of founders and lack of efficient instruments of putting pressure on them;
- putting pressure on the staff, and first of all, dismissal of chief editors;
- lack of legal possibilities to start reforming, for instance, impossibility to withdraw the editorial office from the municipal enterprise that carries out several types of activity.

Legal and material obstacles are the factors that, in journalists' opinion, became the main cause of bad results in 2017 (during the first year of the second stage). Apart from them, they also highlight the lack of clear understanding among the chief editors of the necessity of such reforming.

Taking into account all the above-mentioned information, we can point out that the first stage of reforming, which lasted for one year, actually did not take place, because none of the editorial offices that were willing to participate in the pilot project managed to complete reforming before its finish (before January 01, 2017).

As of December 2017, 128 publications completed the process of reforming [9], having chosen the desired form of economic management and reissued constituent rights to the print medium. As of April 1, 2018 there were 173 such publications [10], meaning that only 27% of publications completed reforming as of the third year of reforming. The leaders according to the proportion of reformed municipal newspapers as of that moment were the following oblasts: Vinnytsia – 16 out of 35 mass media were reformed, Khmelnytskyi – 9 out of 26 editorial offices finished the process, Ternopil – 9 out of 21 newspapers were denationalized, Sumy – 10 out of 22 editorial offices were collectivized, Rivne – 9 out of 21 publications completed reforming. The worst situation was in Kyiv, Zakarpattia and Lviv Oblasts. In Kyiv only one publication out of 39 completed reforming and seven of them did not have relevant resolutions at all. In Zakarpattia none of the print media was reformed, and 6 of them did not have primary resolutions to start the denationalization process. As far as Lviv Oblast was concerned, only two publications completed reforming out of 40 publications that were on the list of the ones subject to reforming. Eleven of them demonstrated total inaction as of that time. 472 publications, which made 73% out of all municipal print media, were not reformed. The future of 102 local newspapers out of them (almost 16%) was uncertain because as of that time there was no founders/co-founders' resolution. Considering the fact that you need from four till ten months to carry out reforming (on average – six months), June of 2018 was a crucial date because editorial offices that had not started reforming risked being liquidated.

As of January 1, 2019, 424 publications applied for reregistration to the Ministry of Justice. 62 publications opted for withdrawal of the authority body from the founding members of the print media as the first method of

reforming. It was available for the publications that did not have state or municipal property on the balance sheet. The second method was the most popular one, and it presupposed withdrawal of the authority body from the founding members of the media as well as the transformation of the editorial office into the independent legal entity. 634 publications decided to use the second method. The third method of reforming, privatization, remained an enigma for reforming participants and media experts because the Law on reforming did not describe the procedure for such transformation. According to the State committee for television and radio broadcasting, two publications formally opted for privatization (Kryvyi Rih newspaper “Chervonyi hirnyk” and Zaporizhzhia magazine “Khortytsia”). After all, the latter ceased to exist according to the decision of the founders, and the founder of the first one was LLC “Editorial office of Kryvyi Rih city newspaper “Chervonyi hirnyk”, though it remains unknown how it looked from a legal perspective.

According to the Consolidated list data, the fourth method of reforming – transformation into the official print publication – was chosen only by one editorial office, that is State Information and Manufacturing Enterprise Publishing house “Pedagogical press.” Paradoxically, this method was aimed at transforming the former state publications into bulletins where only official information was to be published, and it is against the law to use the work of journalists in the course of their establishment. This method was possible only for print media and not for editorial offices. Moreover, official print publications cannot have an editorial office at all.

Towards the end of the second stage of reforming, the traditionally fast pace was observed in Vinnytsia, Sumy, Khmelnytskyi and Ternopil oblasts, and the slowest pace was in Kyiv and Zakarpattia oblasts. In Zakarpattia oblast the process was so slow that half a year till the end of denationalization none of the publications was reformed. In that regard a special session of the State committee for television and radio broadcasting was called, the activity of local authority was declared as unsatisfying, and they introduced monthly monitoring. In the end, the method turned out to be efficient: as of January 2019, only 3 publications were reformed while as of September 2019 14 publications completed reforming. 17 publications ceased their activity. It is the biggest number of publications among the oblasts of Ukraine, and Lviv oblast is the next on the list with 12 liquidated licenses. Poltava Oblast is a leader of denationalization in quantitative and

qualitative respects with 29 reformed publications (93% of all the publications). Thus, according to the Consolidated register, as of September 30, 2019, 555 municipal print publications were reformed, licenses of 102 were liquidated and there are publications undergoing transformation now [10].

Reforming of state publications was going on slowly and with worse results. According to the State committee for television and radio broadcasting, 98 state publications were subject to reforming, though CEDEM (Centre for Democracy and Rule of Law) estimation referred to 142 state publications. As of May 15, 2019, unlike municipal publications, 83% of which became independent, only 25% of state print media successfully completed reforming. 67 print media (47% of state print media) were liquidated in the course of reforming. State committee for television and radio broadcasting representatives claim that the majority of liquidated publications existed only on paper, mainly, in the Register that was not updated timely. Thus, liquidation of their certificates of incorporation was just a formality. It is interesting to know that 18 state bodies are still the founders of 38 print media [4].

4. Local print media: Ukrainian and international experience

All local print publications have an important role. They not only inform about topical issues of national significance but also bring up the problems of certain communities to public discussion and guards democracy in relationship with local officials. According to researchers Kristy Hess and Lisa Waller in the work

“Geo-Social Journalism” [2], “the practice of “geo-social journalism” has two dimensions. Firstly, journalists must engage with the land (environment/agriculture/industry), populations, histories and cultures of the places they report the news. Secondly, it involves connections and understandings of the shifting constellations of global and national systems, issues and relationships of the digital era”. Certain democratic functions of local newspapers are presented in the work “Social journalism”, in particular: be the main source of local, original information; encouragement of economic growth of the area; promotion of the feeling of geographic unity; assistance in making a choice in elections. Each of these functions is important. For instance, the research by Jack McLeod determines relationships between local media use and “institutional participation”, such actions as

voting, contact with local officials, and points out that communication plays a central role in promotion and ensuring of local political participation. The research by Lee Shaker regarding Seattle and Denver, two cities where the newspapers recently ceased their activity, showed the same outcomes. Shaker discovered that “civic engagement in Seattle and Denver dropped significantly when they lost one of their local newspapers.” They state that the functioning of local press itself is a form of democracy implementation, which is necessary for community members in order to healthy and secure living conditions, access to educational, occupational and professional opportunities as well as the ability to participate in public life. Based on the information requirements of local communities, newspapers also create certain associations uniting people according to their geographical location/residence, common problems and requirements. For this purpose, such publications assume numerous roles: inform the community; perform a ritual function as a part of readers’ daily life and assure the feeling of comfort; assist in self-understanding and personality formation; set standards and norms of society; view themselves as a bridge between global events and local issues. Acting as a leader, the newspaper models, supports, and forms the citizens’ identity as members of the local community. In order to do that, publications often focus not on mere problem determination but on solutions, which shift away from the traditional objectivity concepts in journalism, being close to the principles of citizen journalism.

Analyzing factors that caused closing down the newspapers in foreign countries, we can highlight the most common ones: financial (loss of advertising profit, for example, the Catholic Italian-language newspaper “Giornale del Popolo” in Switzerland [11]), decline of the readers’ interest (like, for example, the Russian-language newspaper “Viesti” in Israel [12]), increase of popularity of new media (closing down of the print version of the “Independent” newspaper [13]).

Investigating the issues of the local Ukrainian print publications functioning, we may highlight that the most common reasons for closing down the newspapers or their print versions are the following: financial (expensive printing, “Ukrposhta” tariff raising, etc.), decline of the readers’ interest (low level of the staff competence, the audience is interested in the latest media, etc.), legal (they do not want to carry out denationalization or cannot make it in time), occupation of the part of state territory of Ukraine (they

cannot meet their obligations to the audience and face difficulties in informing about local issues as well as distribution of publications, etc.).

There is a great need for information supply of villages and small towns because all-Ukrainian publications are published in large cities, where they do not know about the problems of villagers and residents of small towns. Besides, they also are not cheap. On the contrary, small newspapers have a substantial potential because they are in accord with local residents and speak about the realities of their life. This way, they influence their opinion and act as a channel between the community and local authority, bringing the problems and difficulties to the authority's attention, and at the same time conveying the necessary information from authority to the community. Thus, the local press is the instrument, which promotes unity and consolidation of people according to their territorial communities.

Agnes Gulyas [1], the Professor in Media at Canterbury University, and some other analysts believe that the biggest problem of local newspapers in Great Britain is a revenue crisis rather than a readership problem. In the course of research, she highlighted four basic strategies of avoiding newspaper bankruptcy: changes in operations, organizational culture, financial model and product portfolio. Changes in organizational culture were described as the most important on the agenda of adaptation strategies. Historically, a lot of local publications were weekly newspapers with relevant operation cycles, and they had to change abruptly with the help of online activity towards twenty-four-hour production standards. In the majority of cases, populated areas had only one local newspaper, and its organizational culture was based on such values as "focus on traditions", "reliability", etc. However, under current conditions, there has been a trend to move away from this paradigm towards a more flexible and adaptive outlook of culture shock, as the editors noted, "We are starting to move from being an oil tanker to being a speed boat, and that's the best analogy. We all have to change our traditional attitudes and we have been seen as cumbersome, inflexible, and that is not how we will survive and thrive." The publications experimented starting to change the product portfolio: added new types of print products (specialized publications such as sports, arts, etc.); looked for partnership with local businesses and community bodies. However, it was the introduction of multi-platform approach with multimedia content that became a life saver for a great number of local publications. As far as

changes in financial models are concerned, there are various strategies of searching new finance models, but there is a general trend towards diversification of revenue streams. With an 18% drop in advertising on television in Great Britain (between 2000 and 2009), advertising rates for local newspapers increased by 55%. Some companies introduced a hybrid financial model to maximize revenues and minimize printing costs. Another strategy for diversification of revenue stream was an increased emphasis on the third revenue streams (after advertising and copy sales) that rest upon strong traditions, brand and relationship with their audience. They include merchandising activities, local events, travel and insurance services, education and training, affiliate marketing where publishers get a commission for linking sellers with their customers. The British newspaper market has one peculiar feature: only a very small number of people subscribe to local newspapers, while most people buy the newspapers at the newsagent. That is why it is difficult to collect data about the readers, which then could be used for third revenue streams. In conclusion, Agnes Gulyas emphasizes that although the traditional business model has been modified, a new business model remains elusive and with that, the economic future of local newspaper organizations remains uncertain. Christopher Ali and Damian Radcliffe [1], researchers from the United States of America, analyzed tendencies of development of small newspapers and highlighted key findings that are interesting and relevant for Ukraine, in particular: the experience of the local press must be studied thoroughly, because overgeneralization of newspaper industry is wrong; local newspapers face the same problems as regional and national ones, including declining circulation and migration of advertising to digital platforms, but they have certain advantages, because they hold their audience partly thanks to exclusive content (including local product advertising) not offered elsewhere and physical (geographical) closeness of their audience, the tastes of which it is easier to study; digitalization of local publications was going on slowly because the low level of digital technology use among the audience (chiefly in rural areas) gave the editorial offices more time to prepare for loss minimization; consolidation of advertising markets, because even though local mass media are more likely to retain traditional advertising habits, the increasing homogeneity of consumers' experience (manifested, for example, in the rise of Amazon and Walmart) is inevitably reshaping local advertising markets. As larger

national products with much larger budgets replace advertising of local businesses, this reduces local newspapers' advertising revenues; financial survival depends on the proper choice of income diversification strategy. The evolution of local advertising markets makes local newspapers continue to explore opportunities to broaden their income basis. The research showed that local newspapers are experimenting with means for generating revenue, increasing the cost of print subscriptions, establishing spin-off media service companies, placing sponsored content, etc. There is no generalized model for success in local journalism. Each newspaper needs to define the right financial and content mix for itself. This may seem obvious, but there have already been attempts to create templates and standardize approaches only to prove that what works in one area, will not necessarily work in another. Nonetheless, we cannot deny the fact that the popularity of newspapers as a media source for consumers has declined as readers gravitate towards plenty of other sources. Thus, nowadays the newspapers have lost their status of "mainstream media". According to statistical data from all the countries under study, in spite of small circulation, local printed publications remain the leaders according to media outreach.

5. Conclusion

1. Tracing back the history of print media denationalization in former Communist block countries, we may claim that the process generally started in the early 90s of the past century. It was long-lasting and difficult, but as a result, the state lost its role of propagandist and agitator, which is the victory of democracy. Among the consequences of such changes we will highlight the following ones: there was a strong concentration of print media without relevant transparency in terms of ownership; free transmission of publications to editorial office members has led to considerable alienation of shares in charter capital to the third parties; a lot of newspapers ceased their activity or were merged into large global companies; grant support of newspapers distorted the principle of free market and competition; the number of daily press decreased, while a proportion of weekly publications increased; participation of foreign investors has led to the drop of journalism level, and the press has become "more yellow"; rigid editorial censorship has appeared.

2. Tracing back the history of print media denationalization in Ukraine, we may claim that in our country after a difficult and long process that

lasted for almost twenty years, they adopted the Law establishing two ways of municipal print media collectivization, particularly: free transfer of them to the editorial office employees and privatization according to the relevant Ukrainian legislation. In the course of reforming, certain shortcomings of the document were identified, in particular: an obligation of the reformed mass medium to keep its name/title, target purpose, language of publication and thematic scope; decision regarding the start of reforming is made by the founder with the participation of editorial team, which allows for manipulations, such as the change of the chief editor and, as a result, assigning reforming consent to loyal parties; unsettled issue of percentage distribution of shares among creative specialists and other members of editorial team; the procedure of assigning targeted financial support for the reformed editorial office is not defined accurately; introduction of amendments to the relevant laws is not foreseen (it could make it possible to avoid registration problems associated with withdrawal of the editorial office from the municipal enterprise performing several types of activity, etc).

3. Having analyzed the data of the first stage of print media denationalization in Ukraine, we managed to identify and classify problems accompanying it. Thus, during the first stage, none of the publications was collectivized. However, certain legal, practical and psychological factors held back the process. Legal factors are the following: a delayed (for 10 months) adoption of the Resolution of the Cabinet of Ministers of Ukraine on the list of the first stage participants; lack of legal possibilities, for instance, impossibility to withdraw the editorial office from the municipal enterprise that carries out several types of activity. The obstacles of practical nature include inactivity of founders and lack of efficient instruments of putting pressure on them; putting pressure on the staff, first and foremost dismissal of chief editors, workplace conflicts; inapplicability of standardized forms for registration due to great differences in founding documents of editorial offices; deliberate delays in considering and making decisions regarding the start of reforming on the part of councils and chairmen of local public administrations; failure to obtain announced state financial backing to carry out reforms. In our opinion, psychological factors are the following: fear of the unknown future; fear of entrepreneurial activity; fear of pushing one's way out of the comfort zone, etc.

4. During the second (final) stage of municipal press reforming in Ukraine 555 municipal print publications were reformed, licenses of 102 were liquidated and still, there are publications undergoing transformation now. Reforming of state publications was going on slowly and with worse results. According to the State committee for television and radio broadcasting, 98 state publications were subject to reforming, though CEDEM (Centre for Democracy and Rule of Law) estimation referred to 142 state publications. As of May 15, 2019, unlike municipal publications, 83% of which became independent, only 25% of state print media successfully completed reforming. 67 print media (47% of state print media) were liquidated in the course of reforming. 18 state bodies are still the founders of 38 print media.

5. Analyzing factors that caused closing down of the newspapers in foreign countries, we can highlight the most common ones: financial, decline of the readers' interest, increase of popularity of new media. In order to remain at the market the publications took the following measures: added new types of print products (specialized publications such as sports, arts, etc.); looked for partnership with local businesses and community bodies; introduced multi-platform approach with multimedia content; introduced hybrid financial model to maximize revenues and minimize printing costs; organized merchandising activities, local events, provided travel and insurance services, made use of affiliate marketing where publishers get a commission for linking sellers with their customers; increased the cost of print subscriptions, established spin-off media service companies, placed sponsored content, etc.

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