

THEORY

Deficit of Trust and the Decline of Print Media in Lithuania

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Abstract. *Since the turn of the 21st century, the global decline of print media has become a universally accepted inevitability, along with the broad consensus that this has been brought about by the internet and social media. The ascendancy of new media and the vicissitudes of digital transformation, along with shrinking advertising revenues and the sudden death of classified advertisements, have been piling up pressure on print media worldwide. In the meantime, there are some additional local factors at work in Lithuania that could propel Lithuania to become one of the first countries in Europe to lose the printed press for good.*

The decline of Lithuanian print media has been caused not only by technological progress and new innovative media business models, but also by a rather flawed development of the traditional media, as the tested instruments of trust building have faced serious difficulties in taking root in the country's print media culture. The downturn in the print media points to the limited ability of the Lithuanian press to strike a right balance between the public interest and the efficiency of the business model, as well as to a lack of willingness to create and uphold certain standards of transparency and journalist ethics. Reluctance to discuss deficiencies of the trade in an open way and weak motivation to develop an honest, efficient and credible media regulation environment have also been responsible for the print media's decline.

The vicious circle of the controversial business model which diminishes trust, and low trust which further undermines the financial viability of

Lithuanian newspapers are in effect pushing the print media out of the market earlier than pure technological progress is asking for. The predicament of the press is making an impact on the Lithuanian media in general, by narrowing the advertising market. On the other hand, choices made by the public, unfavorable to the printed press, are giving the media valuable directions to move faster towards new forms of media that are more sensitive to the public interest and, accordingly, can command higher trust.

Keywords: *Lithuanian media, print media, trust in media, media ethics, media business model, media digitalization.*

1. Introduction: Print Media's Long Quest for Respectability

Historically, press in the Western world has experienced the transformation from a low-income, low-status, lower class enterprise, despised by the general public in the 18–19th century Britain, France or Germany, to a high-earning, high-status, middle class institution, highly respected due to its perceived critical role in the free and open society of the 20th century. Andrew Marr, a leading light in British journalism, reminds us of the time in the early 19th century, when Sir Walter Scott called the newspaper business “a disgrace and degradation” and said that he would rather sell gin to poor people and poison them in that way (Marr, 2004, 11). But some hundred years later, press journalism accomplished an incredible leap to respectability. According to Marr, in the early 20th century “[...] there was a press of ambitious university-educated people determined to find way straight into Fleet Street. It was the beginnings of a class takeover. As the well-educated middle classes realized that journalism could be a high-earning and high-status job, they started to swipe it back from the working classes” (Marr, 2004, 39).

The British journalist and media researcher George Brock, in his book *Out of Print* (Brock, 2013) extensively discusses two major interrelated vehicles of transformation of the press from vulgarity to respectability: the development of an efficient business model and a deliberate, purposeful effort to build the credibility of the press. The

business model of mass-circulation press generates a steady flow of advertising income, provided the press is above any particular business or political interest; therefore, the exponential development of the press in the 20th century was accompanied by a growing awareness in the industry that the press should pointedly and ceaselessly show that its calling is to serve the public interest and that it is doing precisely what it is meant to do. Brock writes: “[...] the power of popular newspapers, becoming evident just before the beginning of radio broadcasting in the 1920s, also inaugurated a heated debate over responsibilities of journalists, editors and publishers, which continues to this day” (Brock, 2013, 45–46).

Major players in the industry gradually came to some sort of tacit understanding that the income generated by the industry is tied to the level of public trust in the media. So, the main selling proposition of the newspaper business was an emphatic declaration of its devoted service to the public interest. People are willing to pay for the newspaper if they believe the newspaper is at their service, but not at the service of newspaper owners, other businesses or government. “To command larger and diverse readerships, city papers needed a justification rooted in a developed professional ethics” (Brock, 2013, 63). Hence, for many decades the cult of journalistic objectivity has been fostered, and the pledge to give both sides of a story has been honored; fact-checking, the two-source rule, the separation of fact and opinion have been imperative. On a parallel course, there emerged a set of journalist ethics rules to ensure the respect for human dignity and a proper handling of lurid or violent content.

In the 20th century, printed press in its prime created and effectively enforced the so-called *Invisible Wall* rule: the principle of rigorous unbundling of newspaper ownership from the editorial process: “News organizations cannot survive without profits, but when they pursue profitability at the expense of responsibility, they lose credibility and fuel public cynicism about journalism and public life. For most of the twentieth century, journalists have tried to preserve their autonomy

with an “invisible wall” that separates the newsroom from the baser, money-making operations of the media organization” (Good, Dillon, 2002, 149). Again, the main perceived purpose of the *Invisible Wall* is to assure people that journalists are rendering a service to them rather than the owners of their media outfit.

Other means to emphasize the public service were rapidly proliferating instruments of media regulation and self-regulation, most of them aiming to draw red lines in order to prevent the encroaching selfish interest and let the public know that the press is making every effort to be seen as an unselfish servant of the people.

Another tool to push media into the line of public interest is the existence of the state-sponsored media, which (in democratic countries) is regarded as a bearer of journalistic standards. Historically, in countries like the United Kingdom, France or Germany (but not the US), the creation of various systems of public media was often motivated by the necessity to provide society with a certain yardstick of journalism, which would eventually help to place the service to the public interest at the heart of the media in general. The British Broadcasting Corporation (BBC) is a case in point.

Finally, the history of Western print media is a story of relentless self-criticism. If journalist ethics fail, if the invisible walls goes down, if regulation and self-regulation institutions look the other way or public journalism standards become corrupted, none other but the press itself is the first to bring the matter up and critically discuss it. The tradition of keeping a beady eye on competition is still strong, and the British fortnightly satirical magazine *Private Eye*, with its “Street of Shame” section, could be an excellent example of such never-failing guardianship of high journalism standards. During my stay in Moscow, in 2002, where I was reporting on Putin’s first presidential election for the Radio Free Europe (RFE/RL), a young and promising *Guardian* reporter told me she feared nothing except getting caught by *Private Eye* for substandard journalism.

Private Eye is one characteristic example of a sophisticated media self-criticism infrastructure, which commonly exists in the Western world. Other forms of this infrastructure are manifest in media sections of newspapers and news websites, newspaper surveys on TV news programs; such media criticism sections consider not only the content of newspapers, but also reflect on accuracy, style and philosophy of specific newspapers. Much of media self-criticism is driven by rivalries between ideologically diverse competitors, for example, Fox News lambasting the American liberal media and vice versa. Media self-criticism might be seen as a naturally developing system of mutual and total surveillance of fair media standards across the entire industry.

While surveying how the media of the world is meeting digital challenges to the established media business model, George Brock gives examples of some bizarre and cynical survival strategies employed by the print media. He was surprised to learn that in India the survival strategy of the *Times of India*, owned by the Jains family, is to sell content and move into direct advertising, thus ditching public responsibility. “The two generations of Jains who run the newspaper came to a simple conclusion: that the ambiguity at most newspapers between commercial and social imperatives was confusing and wrong. A newspaper is a platform whose space is on offer to advertisers” (Brock, 2013, 147). Brock was astonished to witness the following exchange at a conference: a member of the audience accused the *Times of India* of taking money for coverage and the answer of the paper’s representative did not include a denial of the practice. “In fact, the newspaper encouraged it and institutionalized it” (Brock, 2013, 147). Vineet Jain, in an interview to Brock, said: “We are not in the newspaper business; we are in the advertising business” (Brock, 2013, 148).

The advertising practices of the influential *Times of India* in fact provoked an epidemic of content-for-sale culture throughout the entire Indian media: for example, “many rural papers sold coverage to political candidates on a tariff: varying amounts for a varying number of days’ helpful coverage and an extra payment for hostile stories about an opponent” (Brock, 2013, 148).

2. The Decline of Print Media in Lithuania: Technology is Not the Only Culprit

While it took almost two centuries for the Western press to get from the near bottom of society to the near top of the pecking order in terms of revenue and respectability, the history of modern Lithuanian newspapers is compressed into a couple of decades after the country had regained its independence from the Soviet Union in 1990. Although Lithuania had the opportunity of making a new start, its newspapers did not fully take advantage of the ready-made, time-tested media mode. Nevertheless, by and large, the 1990s and the first decade of the 21st century for the media industry were the years of relative prosperity, which effectively ended in 2009, when the world financial crisis of 2008 reached Lithuania, sending its economy into free fall (the GDP plunged by 18% in the first half of 2009). In addition to this, the growing global trend of media fragmentation and the shrinking advertisement market have been seriously aggravating the media situation in Lithuania ever since.

At the same time, there are specific local factors that possibly contribute to the accelerating erosion of the Lithuanian print media. In some sectors of print media, the major flaws seem to be a persistent content-for-sale culture, the ownership structure of the printed press, the direct interference of political and business interests, weak media self-regulation, growing journalist vulnerability and a lack of transparency.

2.1. *The Controversial Business Model*

What in George Brock's opinion is a bizarre and cynical survival strategy, in some sectors of the Lithuanian press could be considered a popular business model for most of the history of the newly independent Lithuania. According to the renowned Lithuanian culture journalist Jolanta Kryževičienė, in the near past, Lithuanian media credibility has been hurt by content-for-sale culture: "There was a time when very big economic interests found their way into the media, and the media was

clearly for sale, as money was paid for what is published and money was paid for what is not published: at that time, trust in the media did decrease considerably” (Kryževičienė, 2016).

In her research *Some Features of Lithuanian Regional Media and Journalism*, Jolanta Mažylė found that the employees of Lithuanian provincial newspapers generally believed that the public trusted the print media; yet the same research provides indirect indications of the twisted press business model that is significantly undermining such a belief. The research revealed that regional journalists in their professional activity are routinely exposed to political, business and local government pressures, and a sizable number of journalists are disappointed in their trade. Perhaps one of the important findings is that many regional journalists are considering a job change: most of them think of moving into public relations, thus admitting that the current pattern of press operation is close to the publicity business (Mažylė, 2016, 63-64).

The 2007 media corruption report by Transparency International Lithuania, titled *Towards More Transparent Media* (Transparency, 2007), was based on a questionnaire where business leaders commented on the Lithuanian media: 65% of the respondents said they had experienced media hints to exchange advertisement purchase for positive coverage; 79% believed that the media was corrupt or highly corrupt; 44% said that paid content constituted the main indicator of corruption in the media; and 54% of the respondents put the national daily newspaper *Respublika* (owner and editor-in-chief Vitas Tomkus) on top of the list of the least transparent media outlets¹.

After Gedvydas Vainauskas, the owner and editor-in-chief of the shrinking but still the biggest national daily *Lietuvos rytas*, was interrogated by the Special Investigations Service, a Lithuanian anti-corruption agency (known by the Lithuanian abbreviation STT), in

¹ We have to use the data of the relatively old research, because, symptomatically, no attempts of any follow-up research have been made in the prevailing atmosphere of media immunity from public criticism.

an interview intended as a rebuttal of the STT charges of influence peddling and bribery, he hinted at a sort of pragmatic understanding of the press business. “It is absolutely unknown that a journalist would bribe somebody, the opposite is more likely,” Vainauskas said in an interview to Edmundas Jakilaitis on LRT, the Lithuanian national TV broadcaster (Jakilaitis, 2016).

2.2. The Lithuanian Press is Reluctant to Prove its Service to the Public

The abovementioned business model arguably leaves limited room for the application of journalist ethics: the ethics are deemed useful in so far as they do not interfere with the business of business. Accordingly, it is difficult to see any chances for the *Invisible Wall* to function properly. Moreover, in the newsrooms of the two major newspaper groups, *Respublika* and *Lietuvos rytas*, their owners are in full command. *Respublika*'s owner Vitas Tomkus simultaneously has been an irreplaceable editor-in-chief, and the major shareholder of *Lietuvos rytas* Gedvydas Vainauskas has never entrusted the position of editor-in-chief to anybody but himself. The pattern of combined ownership and editorship is more typical of the Lithuanian-owned media, as exemplified here by the two most powerful print media groups, whereas the leading foreign-owned media outlets like *Verslo žinios* (The Business News) or the news agency *Baltic News Service* have an efficient separation of ownership and editing in place.

The adherence to the ethical precept of respect for human dignity is often in doubt, as in the case when a national broadsheet finds it acceptable to print a photo of a dying professional basketball player (*Lietuvos rytas*, 2004) or when a report of a teenager's death is headlined as follows: “Friends of the 18-year-old who died at the stadium say: ‘Death rattling started coming out of his throat’” (*Lietuvos rytas*, 2014).

In Lithuania, the regulatory and self-regulatory bodies of the media do not seem either able or willing to fulfill the task of promoting the idea that the media is to serve the public interest. The Office of the Inspector

of Journalist Ethics (ŽEIT), a state-funded industry watchdog, had some spells of activity in the past: during his second term in office in 2005–2009, Romas Gudaitis attempted to analyze the situation of press ethics in a more critical, analytical and strategic way, but since 2014, the position of the journalism inspector has been occupied by a former CEO of the *Respublika* group, and the institution has virtually disappeared from the public sphere.

The Commission of Journalist and Publisher Ethics (LŽLEK), a self-regulatory body, until recently was able to produce some rulings on violation of journalist ethics, and this happened in spite of the fact that the designated composition of the Commission included representatives of newspaper owners, which is a violation of the principle of the Invisible Wall in itself.

Several courageous rulings were issued against *Lietuvos rytas* when the Commission, chaired by Linas Slušnys, found some of the daily's articles unethical: in particular, when the daily attacked government actions against the insolvent bank Snoras, which was a major shareholder of *Lietuvos rytas*. The rulings of the Commission, however, proved too much to bear for the *Lietuvos rytas* group, and a swift legislative initiative was undertaken in 2014 to reorganize the Commission so that members from outside the industry were excluded. The initiative was much helped by large numbers of obliging members of Parliament and by the collaboration of the Lithuanian Journalist Union.

The Lithuanian Journalist Union (LŽS) has never attempted to fight for the Invisible Wall to be installed in the Commission and for publishers to be excluded. The limited willingness of journalists to discuss openly the state of the industry and trade relates directly to the dominant post-2009 economic crisis trend, which is that Lithuanian journalists are less and less secure in pursuing their professional careers. Journalists are getting increasingly vulnerable because the journalist labor market is in fact shrinking, and there is a growing pressure in the interest-saturated print media environment to comply and toe the line. Journalist professional organizations seem neither strong enough,

nor willing to confront the issue in an honest way, while occasional outpourings of media ethics debate in social networks remain a marginal occurrence, which is taking place mostly out of sight of the wider public.

With the exception of social networks and some marginal figures, public debate on media quality and journalism ethics is mostly nonexistent in the mainstream media, due to the presumptive unwritten rule that any kind of media criticism is “unethical”. At the same time, nearly all new media outfits, which a decade ago had an ambition to initiate and develop a meaningful debate on the media, are now extinct or keep a low profile. The last post by a creative and hypercritical anonymous blog, *Dievų žiniasklaida* (Media of Gods), is dated 3 April 2009. Another anonymous blog *Uagadugu.lt*, a relentless critic of the broadcasting media and media in general, gradually faded away after 2010.

The Initiative for Media Honesty (GŽI), established in 2007, now cultivates a temperate approach, which combines moderate criticism with a self-laudatory attitude coming from the Lithuanian Journalist Union, a sponsoring organization. In any case, the GŽI has failed in its initially declared goal to engage a wider audience and to become a forum for public discussion on the media situation. The GŽI has gradually retreated to become in effect a professional club of a part of the Lithuanian media elite.

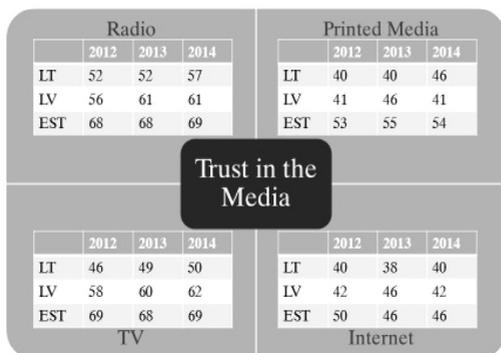
Among the available trust-building instruments, the Lithuanian public broadcaster LRT, by definition, could have served as a journalist standard setter. Boosted by increased public spending after 2012, LRT journalism is usually more secure from unwelcome outside influences, but the LRT mission statement focuses on promoting Lithuanian culture. This could also be evidence proving that public debate on the media is weak and the mission of LRT to set journalism standards has never been publicly discussed.

Another Transparency International Lithuania report without a follow-up, the 2009 reconnaissance research *Media Accountability in Latvia, Lithuania and Sweden* concludes: “While in many countries

newspapers are taking steps to increase transparency in order to win the trust of the public, Lithuanian newspapers stick to the idea that the public should simply believe them. It is an irony that Lithuanian newspapers are pressing for more transparency of government institutions, businesses and NGOs but tend to give only minimum or no information about themselves” (Transparency, 2009).

2.3. Low Trust Means Less Revenue

The faulty business model and patchy attempts to fight for public trust have led to a lower level of media trust in general, compared with the neighboring Latvia and Estonia, the countries of similar historic, social and economic development (see Picture No. 1).



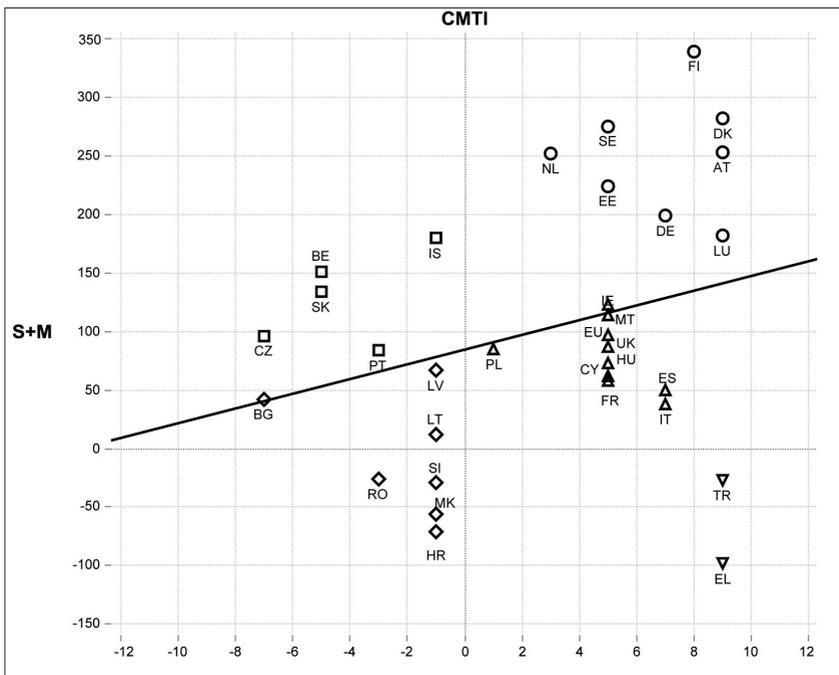
Picture No. 1: Trust in the Media

Trust across the entire range of the Lithuanian media is consistently lower than in Latvia and Estonia. Trust in the Lithuanian print media is usually lower than in other types of media, with an exception of the internet, a newcomer. Although there is a general trend of a slight increase in trust in all branches of the media of the three countries, the biggest single leap of trust of 6 percent happened in the print media of Lithuania in 2014. If this is related to the fact that in 2014, the daily *Respublika*, whose reputation was far from blemish-free, was shut

down, thus becoming the first major national daily pushed out of print, one could perhaps expect a further recovery of trust in the print media, should more of the print media of arguably dubious reputation went out of print.

According to Gintaras Aleknonis, issues of trust in the media are directly related to the level of trust in democratic institutions. In his research (Aleknonis, 2013), he developed a Comparative Media Trust Index (CMTI), measuring trust in five state institutions and three media types, and used it to compare trust in the media and state institutions in the EU.

Based on the findings presented in Picture No. 2, which mirrors the situation in Europe in 2010, Aleknonis groups the European media into four models:



Picture No. 2: Comparative Media Trust Index (CMTI) and “gross trust” (S+M) (Aleknonis, 2013, 133).

1. Transitional media-oriented high trust model;
2. Nordic state-oriented high trust model;
3. Post-Communist media-oriented low trust model;
4. Mediterranean state-oriented low trust model.

While Estonia fits the Nordic model, which means high trust both in state institutions and the media, Lithuania and Latvia belong to the post-Communist model, with low trust both in government and in the media, along with Bulgaria and Slovenia (Aleknonis, 2013, 134-135).

A level of trust in the media has its expression in money. According to a study of the Baltic states' advertising market (TNS 2016), conducted by the TNS LT, an advertising and media research company, in 2015, a share of Lithuanian newspapers in the advertising market shrank by 14.9% (in comparison to 2014) and by the end of the year covered just 10% of the total advertising market, while the advertising share of the internet grew by 14.8% and commanded 15.1% of the market by the end of the year. Estonia was the only Baltic country where the print media grew by a modest 0.4% on the solid 19.3% general share of the market, still holding ground against the internet, which grew at a strong 16.3% annual rate to reach the 18.6% share of the market at the end of the year.

Judging by the advertising data, Latvia could be the winner in the dismal race to get out of print first, since Latvian figures are even worse: Latvian newspapers shrank by 23.2% on the 5.8% general share of the market, while the internet exploded with a whopping 38.2% growth to end up with an impressive 19.1% general share of the market.

The most telling are the absolute numbers of the advertising market in the three Baltic States. According to TNS LT, in 2015, the net value of the Lithuanian advertising market was € 101.1M (estimated population 2 850 000 in 2015), the Latvian market was € 77.2M. (population 1 960 000); the Estonian market was € 92.6M. (estimated population 1 300 000). This means that Lithuania, with more than a twice larger population than Estonia, is nearly on par with Estonia in terms of the value of the advertising market. Certainly, there could be many more factors at work, but the differences in trustworthiness of the media in

general and the print media in particular are likely to be among the major reasons causing a substantial difference in market size.

3. Conclusion: the Lithuanian Press is Being Ousted by the Choices of the Public

In the end, public trust in the media means a considerable difference in real money that the media can earn, thus enabling itself to continue as an independent and free provider of information, a mediator of public debate, operating on the solid ground of a sustainable trust-based business model. But once this cycle of high trust and high financial returns is breached, it is very difficult to get back to the winning formula; rather, it seems easier for the public searching for trustworthy news to move to other media channels, much quicker than the pure technological transformation would suggest.

In a rare instance of media criticism (which should be taken in the context of rivalry between the print media and the internet), Raimundas Celencevičius, editor of the second biggest Lithuanian news website *15min.lt*, in his commentary accuses Gedvydas Vainauskas (of *Lietuvos rytas*) and the print media in general, including Celencevičius' former employer Vitas Tomkus (*Respublika*) of fostering media-for-sale culture, which destroyed the credibility of newspapers and speeded up a digital media revolution in Lithuania: "The words-for-sale culture is a decisive reason why the demise of the grand Lithuanian dailies was so fast when internet news websites emerged. The rapidly westernizing reader was fed up with living in the world constructed with somebody's money, and more and more businessmen dare not to pay hush money for the advertising they do not need" (Celencevičius, 2016).

So, the demise of print media in Lithuania has its silver lining: it is a proof that the public is able to tell the difference between public interest-oriented media and self-serving media or, as Jolanta Kryževičienė puts it, "[...] there is a positive side to that: one is becoming more critical of what one reads, watches or listens to and, in the end, it means we are becoming more mature" (Kryževičienė, 2016). Thus, the public is in

the position to punish the less responsible media by choosing new and more dependable media channels.

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