

MEDIA SUSTAINABILITY INDEX

2006/2007

**The Development
of Sustainable
Independent Media
in Europe and Eurasia**



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USAID

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USAID provides assistance in four regions of the world:

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- Asia and the Near East
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IREX

IREX is an international nonprofit organization specializing in education, independent media, Internet development, and civil society programs. Through training, partnerships, education, research, and grant programs, IREX develops the capacity of individuals and institutions to contribute to their societies.

Since its founding in 1968, IREX has supported over 20,000 students, scholars, policymakers, business leaders, journalists, and other professionals. Currently, IREX is implementing 40 programs in more than 50 countries with offices in 17 countries across Europe, Eurasia, the Middle East and North Africa, and the United States. IREX serves as a major resource for universities, governments, and the corporate sector in understanding international political, social, economic, and business developments.

The 2006–2007 Media Sustainability Index (MSI) represents the sixth iteration of this analytical report, first conducted for 2001. Changes over the past year have been largely incremental, both for better and for worse for the region’s media sector and its ability to provide news and information independently and professionally. More dramatic are the changes recorded over the past six years of MSI rankings. An analysis shows that while a burst of “color revolutions” and “near” revolutions changed the media landscape in several countries in 2004 and early 2005, 2006 witnessed the slow but steady consolidation of longer-term processes.

A. The Leaders

In Southeastern Europe, the course has been largely, although not entirely, positive. Bulgaria and Romania now belong to the European Union (EU), while Croatia and Macedonia are candidates. The accession process served as the “carrot” for these countries to adopt new media legislation. It also meant that these governments faced greater scrutiny of their actions toward the media, reducing extralegal means of pressure on journalists and their outlets. These four countries have witnessed substantial improvements in their MSI ratings since 2001: Bulgaria (34.6 percent), Romania (16.8 percent), Croatia (13.1 percent), and Macedonia (40.8 percent).

Croatia, which has in previous years topped the region’s MSI rankings, leads Bulgaria and Romania in many economic and political statistical categories although it has only EU candidate status. This status is due in part to the EU’s requirement that Croatia resolve many issues related to the end of its conflicts with Serbia and Bosnia and the dissolution of Yugoslavia. Croatia’s progress in the media sector has been led by significant increases in the MSI objectives of news source plurality, business management, and supporting institutions. Bulgaria, meanwhile, has seen its progress in the MSI driven by the largest increases in the same indicators as Croatia—plurality, business management, and supporting institutions. Romania’s growth followed a slightly different path, led by increases in the free-speech, professionalism, and business-management objectives. Macedonia has made greatest progress through improved media business management and stronger supporting institutions.

These variations demonstrate the differing paths these countries have taken since and, more important, before 2001. Media law reform in Bulgaria was under way in the 1990s, with some success. Therefore, the free-speech ratings for the MSI since 2001 reflect the relatively stronger starting point because of the progress made before then. Romania’s supporting institutions were ranked within a narrow band since 2001, while Croatia and Bulgaria witnessed larger improvements due to development of a more diverse and sustainable group of supporting institutions.

It is noteworthy that all four saw substantial improvements in media business management since 2001. Market principles have become not only more accepted in the media industry in these countries, but also better implemented in the management of outlets. Additionally, market research and advertising sophistication have advanced considerably.

Kosovo and Bosnia have been under different forms of international protection and governance, leading to progress in the media law under pressure from, and with the support of, the international community. Additionally, international oversight of content, pressure on offenders, and substantial investment in training have helped lead to improvements in journalism professionalism. However, in both cases exemplary media outlets have led the way in setting standards of practice. In Bosnia, local training institutes and media-support nongovernmental organizations also can take credit for supporting these positive developments. Kosovo's supporting institutions developed later than in Bosnia, where the violence ended earlier, allowing growth of civil-society organizations. Montenegro and Macedonia have both also looked to support from the international community to differing degrees and also benefited from extensive pressure, and assistance, for reform. However, as with Kosovo and Bosnia, local institutions drove many of the beneficial processes, including media law reform and greater professionalism.

B. The Laggards

Meanwhile, the states of the former Soviet Union have witnessed quite different trends, as democratic transitions have either proceeded far more fitfully or have been subject to backsliding as authoritarian regimes reasserted their control over not only the media but society more broadly. Five states have witnessed substantial declines in their MSI scores since 2001: Belarus, Moldova, Russia, Uzbekistan, and Kazakhstan.

Belarus, Uzbekistan, and Kazakhstan continue to show little or no progress in strengthening of the media sector, as the state maintains control through legal and extralegal measures. Belarus showed signs of improvement prior to 2003 and maintains a small, if shrinking, core of independent media, but the government continues its drive to put non-state outlets out of business entirely by enacting restrictive media laws, harassing journalists and media through legal and extralegal measures, and by providing state media with competitive benefits. Belarus's overall MSI score has dropped 35.8 percent since 2001. This drop is fueled by decreases in free speech (down 46.8 percent), plurality of news sources (down 48.5 percent), and supporting institutions (down 42.1 percent).

Uzbekistan has been a laggard since the MSI began in 2001 but witnessed further backsliding, as President Karimov has cracked down on independent civil society. Uzbekistan's overall MSI score

has dropped 48.5 percent since 2001, led by large drops in the objectives for free speech, plurality, and supporting institutions.

Kazakhstan had shown promise with a small core of professional and energetic media professionals who fought for media independence. However, those early signs have slowly been extinguished. Since 2001, the country's overall MSI ranking has declined by 10.3 percent. Free speech and professionalism have witnessed declines of 12.5 percent and 11.8 percent, respectively.

Moldova has seen its MSI scores decline by more than 14 percent since 2001. While Moldova struggled with a poor economy and an internal ethnic and political struggle over control of the Transnistria region, its media system also has stagnated. Substantial declines in free speech, professionalism, and plurality have driven the downward trend.

Russia, meanwhile, has witnessed a gradual consolidation of state control over the media sector under President Vladimir Putin, as independent outlets have been taken over by the state or by companies themselves controlled by or loyal to the state. Since 2001, Russia's MSI scores have dropped by 16.4 percent overall, led by drops in the plurality of news sources (down 39.9 percent) and free speech (down 25.1 percent). The one brighter spot, media business management, has witnessed an increase of 20.6 percent since 2001. However, this has done little to promote editorial independence, as the better management has come, particularly more recently, for state-controlled or state-friendly media. What happens in Russian media matters outside its borders as well, with Russian media playing an important role in Belarus, Central Asia, and Ukraine. The declines in Russia's MSI scores had particular impact in Belarus, where the plurality of news sources dropped not only because of internal pressures but also because of the reduced plurality of Russian news sources available to Belarusian citizens.

C. Key Issues in 2006 and Future Directions

On average, progress toward the objectives of professionalism, plurality, and business management was the greatest in 2006, compared with the previous year. Fifteen countries saw an increase in professionalism in 2006, compared with the previous year, with an average increase for the twenty countries in the MSI objective of 5 percent. Ongoing development efforts by international organizations, the growth of local training institutions, and efforts at individual media outlets (including those supported with foreign investment) have contributed to these gains.

Fourteen countries improved their scores for the plurality of news and information sources, with an average increase of 6.0 percent, as the Internet, satellite, and domestic growth of professional media provided citizens with increased choices. As Internet penetration rises and domestic markets mature,

plurality can be expected to continue its positive trajectory. Only government intervention to restrict access could stop most of these processes.

Overall, the rankings for the objective of improved media business management increased 6.1 percent in 2006 from the previous year and witnessed the largest increase over the period since 2001—34.4 percent. This trend reflects several changes over the past six years. First, many media managers in the early days of the independent media sector were journalists at heart and had little training or disposition to operate as efficient managers of businesses. Over time, these managers have gained experience, and outlets have improved the acumen of their advertising and sales departments. Second, investment—domestic and foreign—in several countries has led to the introduction of improved business practices as companies focus on their bottom lines. Additionally, the supporting institutions necessary to a sound media business also matured; local advertisers have moved toward international practices, and international firms themselves have made more investments in advertising. Research also has matured, with regular audience research according to international standards becoming increasingly common in Europe and Eurasia. “PeopleMeters” are spreading throughout the region to measure television audiences, radio research is more frequent, and newspaper market research, while still sporadic compared with the broadcast sector, is becoming more professional and better accepted by outlets.

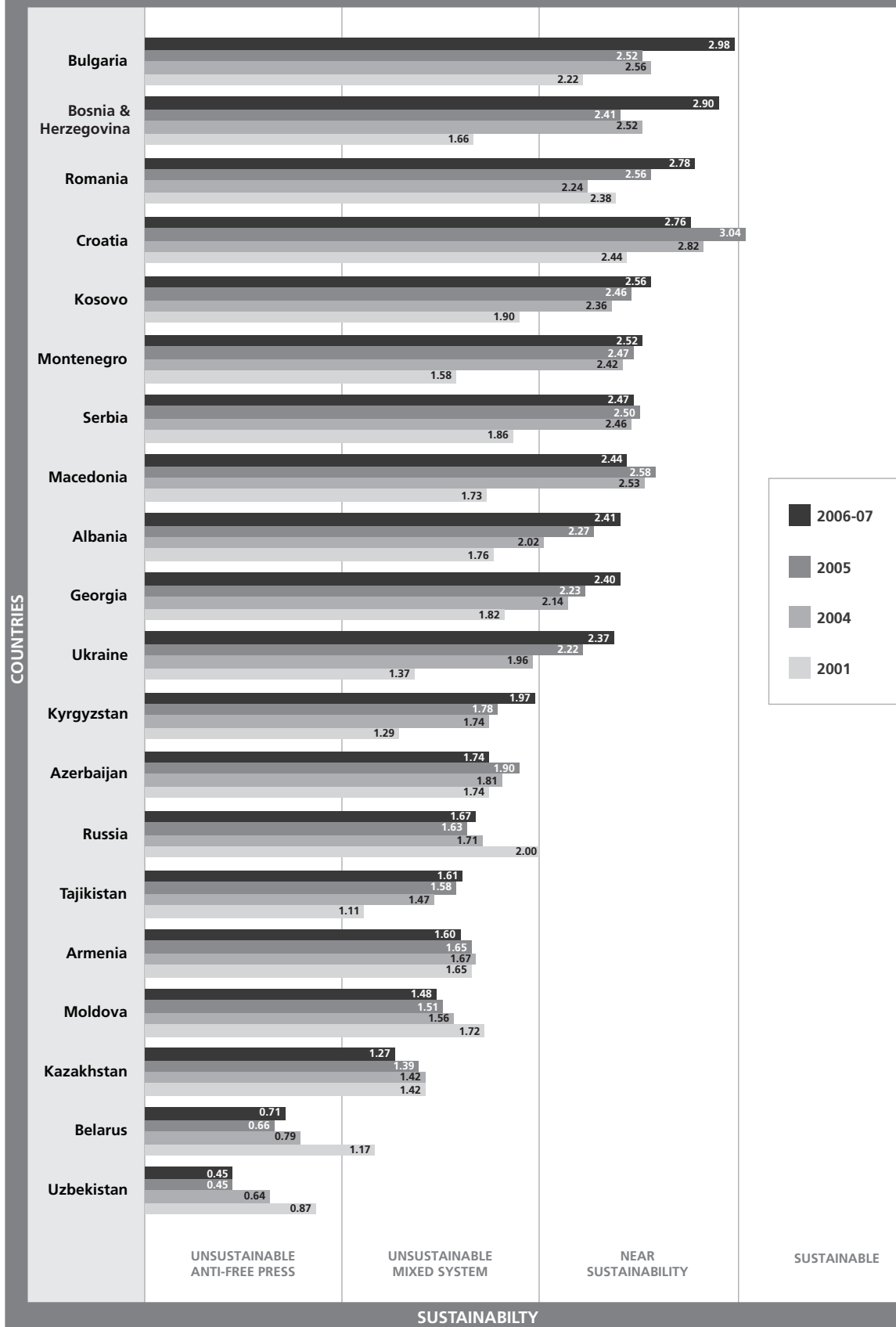
While these positive trends are captured by the MSI statistics, other themes raised by panelists resonated across many countries. Transparency of ownership continues to be an issue in many countries because laws that mandate disclosure are weak and easily circumvented. This lack of transparency in turn leads to a lowering of trust among the public and media community regarding private media. Trust on the part of the public also can be tied to the media’s level of professionalism. Panelists continued

to note that the journalism profession needs to focus on its development—improving ethical standards, raising reporting skills, encouraging broader coverage of topics of interest and use to the public, and ending the practice of self-censorship.

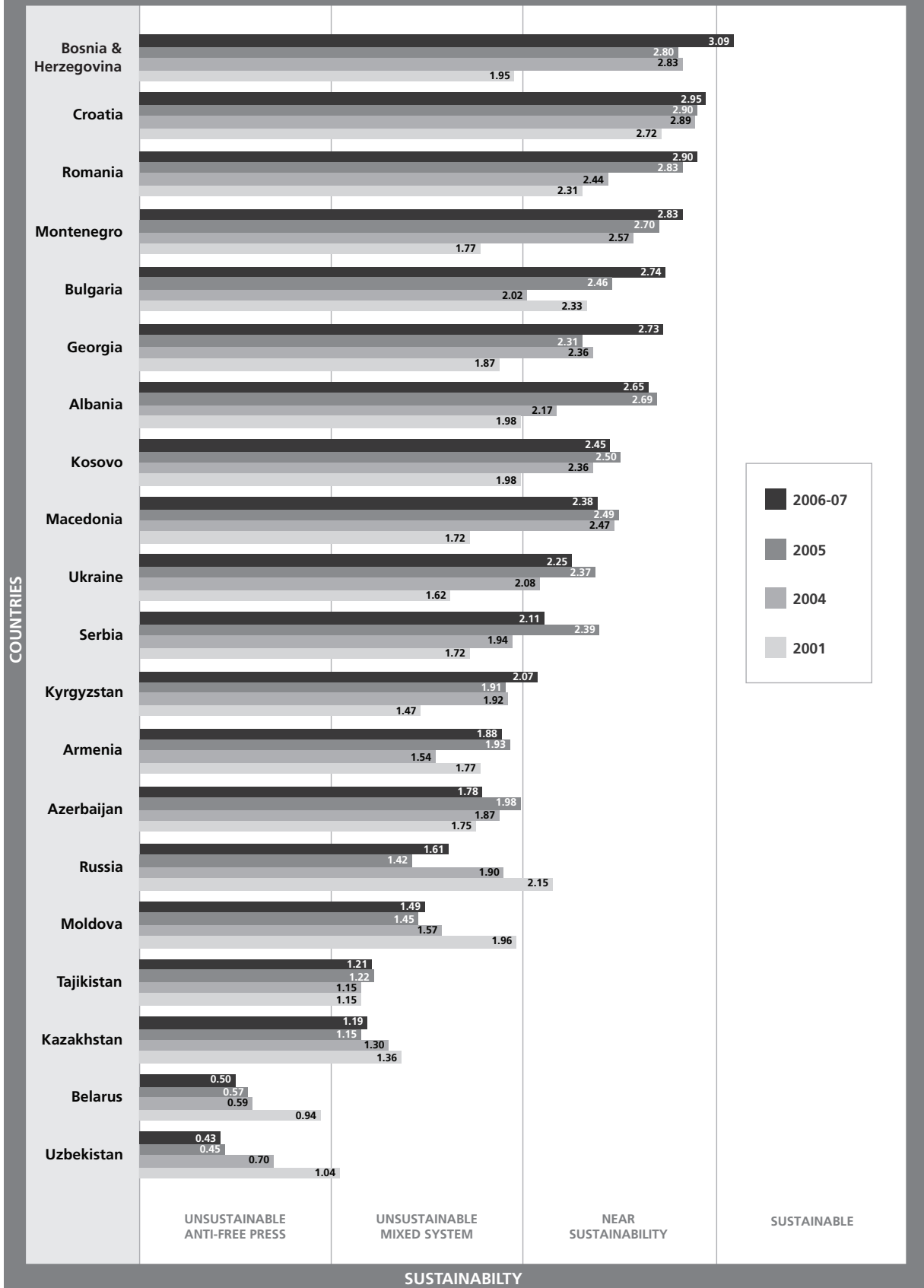
The state continues to play a large role throughout the region as a media owner, for the most part by operating radio and television networks that have not been transformed into true public-service broadcasters. Most continue to serve the regime in power rather than the public’s right to independent, professional, and diverse news and information. Additionally, in many countries the state owns transmission systems, printing houses, and distribution networks. Private media usually suffer in such circumstances, as state media receive preference or the industry services fail to have the resources or drive to modernize.

Finally, there continues to be a need for focus on media law reform in most countries. The MSI panelists emphasized that passage of reformed media laws and regulations is not enough. Perhaps more important, they said, is the need to monitor and push for effective implementation of new and existing laws. Too few judges know how to adjudicate media laws, media-specialized lawyers are in short supply, and journalists do not themselves press for their rights or seek to set precedent through legal action. Access to information statutes provides an excellent example: where model or progressive laws have been implemented, journalists have not tested the laws in courts to force government compliance and set precedent. Since 2001, the media law-focused free-speech MSI objective has witnessed an increase of only 14.4 percent, lagging behind improvements in professionalism, media management, and supporting institutions. Yet it is media laws and their effective enforcement that will cement the ability of independent media to weather the political and social changes that may cause politicians, potentially even with public support, to reduce rights to free speech.

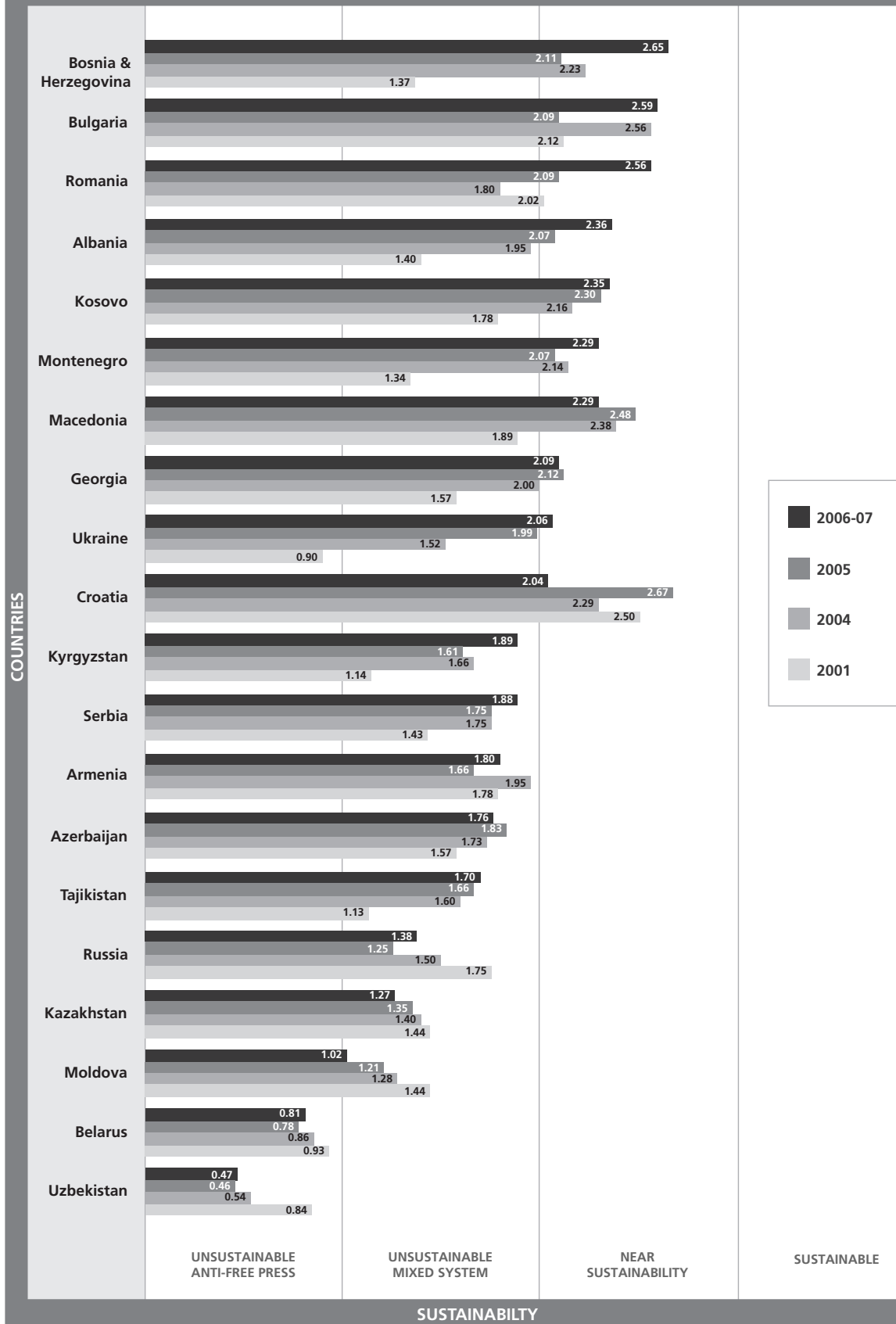
MEDIA SUSTAINABILITY INDEX 2006/2007: AVERAGE SCORES



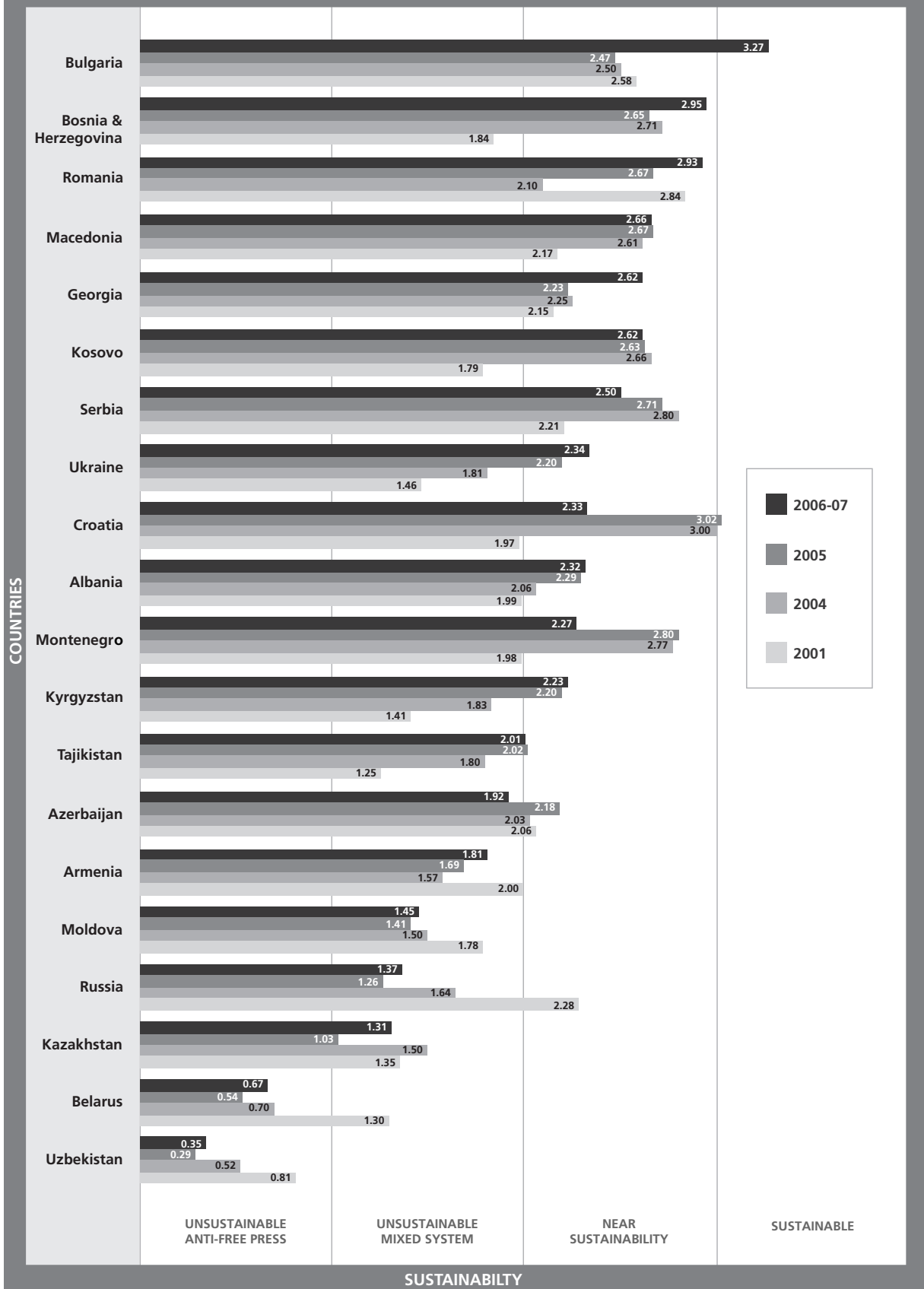
MEDIA SUSTAINABILITY INDEX 2006/2007: FREE SPEECH



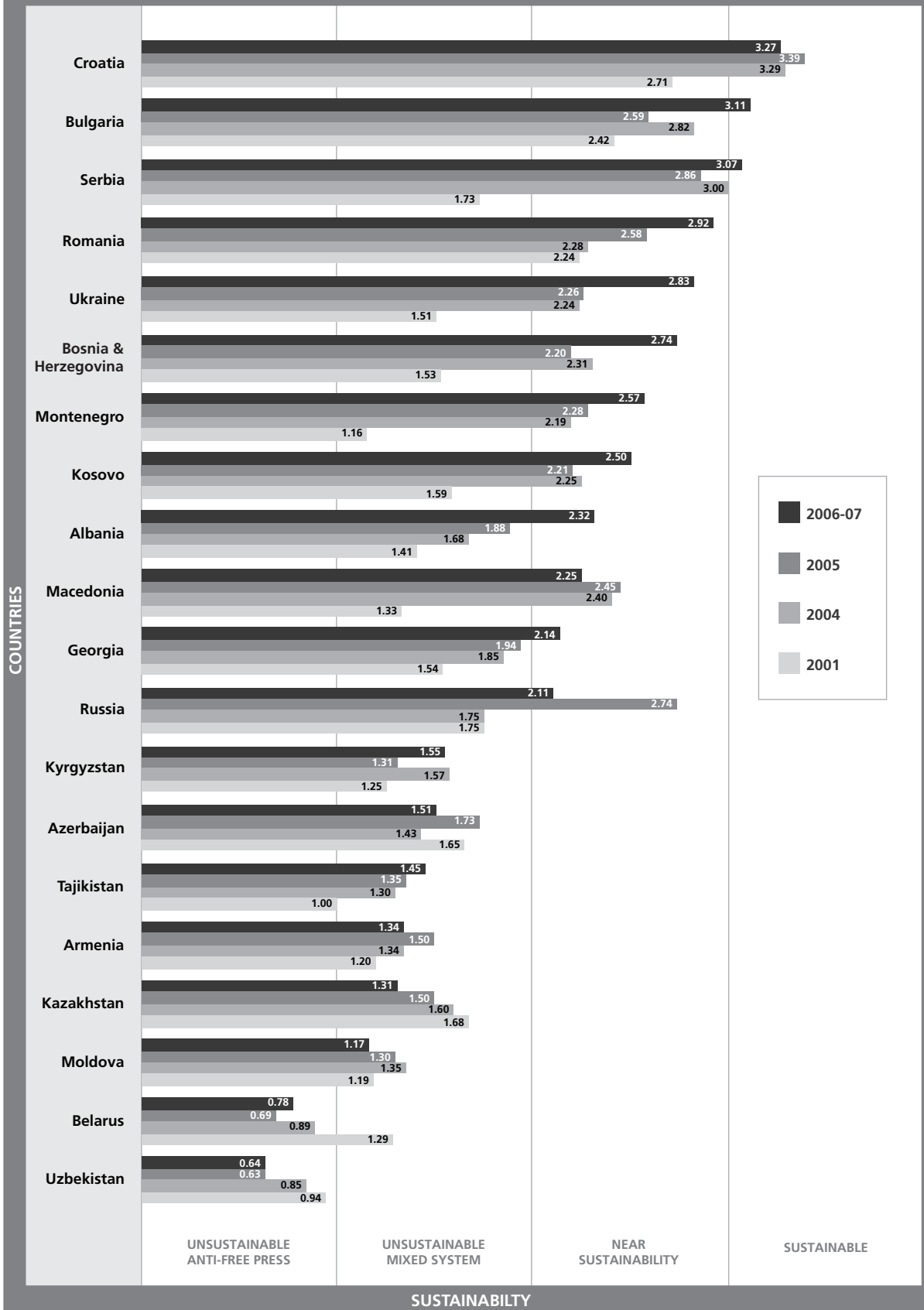
MEDIA SUSTAINABILITY INDEX 2006/2007: PROFESSIONALISM



MEDIA SUSTAINABILITY INDEX 2006/2007: PLURALITY OF NEWS SOURCES



MEDIA SUSTAINABILITY INDEX 2006/2007: BUSINESS MANAGEMENT



MEDIA SUSTAINABILITY INDEX 2006/2007: SUPPORTING INSTITUTIONS

