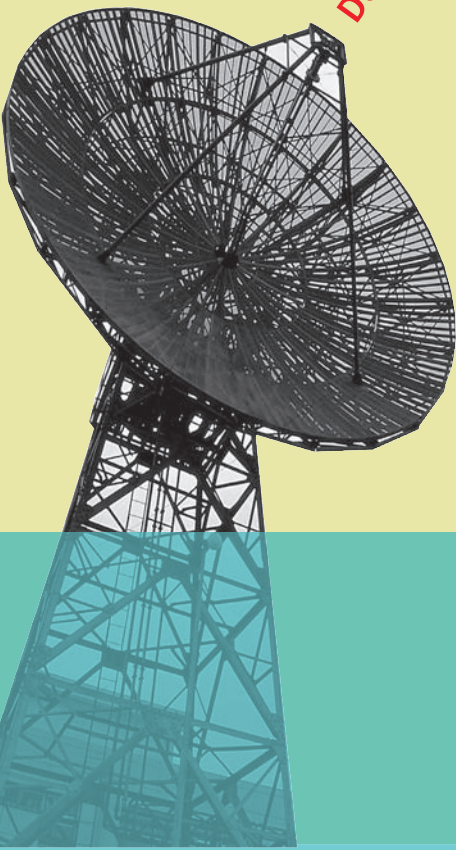


# MEDIA SUSTAINABILITY INDEX

# 2003

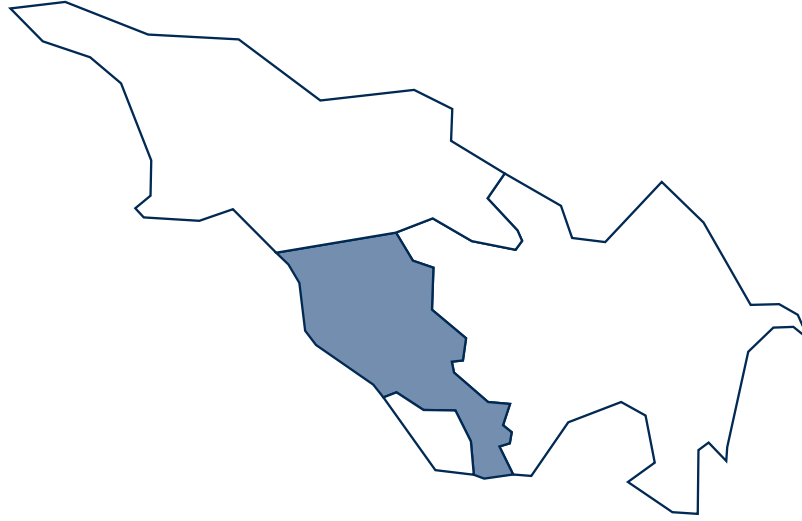
*Development of Sustainable Independent Media in Europe and Eurasia*





"It is very convenient to excuse low professionalism by appealing to false risks," said a panelist.





## Introduction

# A

Armenia experienced significant economic growth in 2003, when refinements in the customs, tax, and other legislation led to an increase in foreign capital investment and more favorable conditions for local small and medium-sized businesses. This came despite some tension during presidential and parliamentary elections, as well as a continuing blockade by neighboring Turkey and Azerbaijan.

A range of macroeconomic indicators such as gross domestic product, the unemployment rate, state budget revenues, and poverty levels showed improvement. However, serious problems such as the strong presence of a shadow economy, corruption, and social polarization still exist. Moreover, socioeconomic development is almost totally concentrated in the capital city, Yerevan, while regional areas still stagnate.

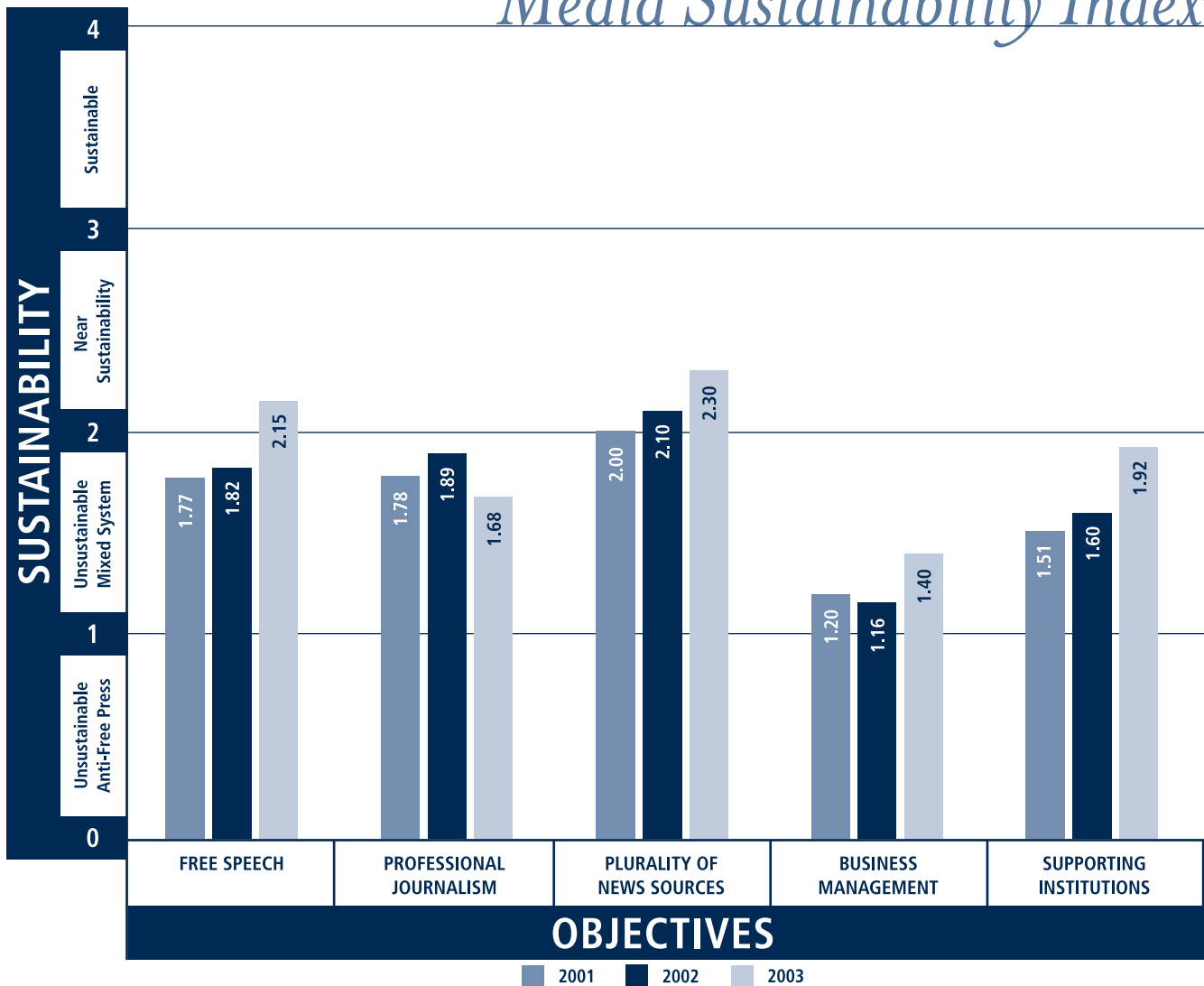
Democratic development progressed little during 2003. Western observers declared that both presidential and parliamentary elections failed to meet international standards, agreeing with Armenian media assessments during the campaigns. However, the political leadership has expressed willingness to develop democracy and a free-market economy further, and it is notable that for the first time in modern Armenian history, no member of the Communist Party is in the newly elected parliament.

Armenian media were primarily focused on political coverage, especially elections, during 2003. The interest moved to the neighboring countries of Georgia and Azerbaijan, where the elections, in contrast with those in Armenia, were marked by political leadership changes. The coverage of the Karabagh conflict receded, with negotiations concerning the situation frozen for the pre-electoral period in both countries.

Armenian media also focused on prominent criminal cases, such as the lengthy trial of those accused in the October 1999 killing of eight officials, including the prime minister and the speaker of the National Assembly, in the parliament. Another court case related to

# Armenia

## Media Sustainability Index



### Objective Scoring

The averages of all the indicators are averaged to obtain a single, overall score for each objective. Objective scores are averaged to provide an overall score for the country. IREX interprets the overall scores as follows:

- 3 and above:** Sustainable and free independent media
- 2–3:** Independent media approaching sustainability
- 1–2:** Significant progress remains to be made; society or government is not fully supportive
- 0–1:** Country meets few indicators; government and society actively oppose change

### Indicator Scoring

Each indicator is scored using the following system:

- 0 =** Country does not meet indicator; government or social forces may actively oppose its implementation
- 1 =** Country minimally meets aspects of the indicator; forces may not actively oppose its implementation, but business environment may not support it and government or profession do not fully and actively support change
- 2 =** Country has begun to meet many aspects of the indicator, but progress may be too recent to judge or still dependent on current government or political forces
- 3 =** Country meets most aspects of the indicator; implementation of the indicator has occurred over several years and/or through changes in government, indicating likely sustainability
- 4 =** Country meets the aspects of the indicator; implementation has remained intact over multiple changes in government, economic fluctuations, changes in public opinion, and/or changing social conventions

**“Journalists should fight to get the information till the very end, unless the officials and businessmen practice reporting to the public, and we should use all opportunities provided by the legislation.”**

newspapers have political biases and party affiliations, the placement of ads is perceived as financial support, which makes advertising carry a political stigma. In addition, some newspaper circulation increases were due primarily to the elections, and new newspapers were established to serve as propaganda forums for particular political figures.

There was considerable advancement in media legislation. In particular, new laws on mass media and freedom of information were adopted, representing a significant step forward for professional journalism and, more broadly, civil society.

## Objective 1: Free Speech

**Armenia Objective Score: 2.15/4.00**

The panelists agreed that the Armenian Constitution and much of the supporting laws guarantee freedom of speech. In December 2003, the Armenian parliament adopted the new mass media law, which had been on its agenda for almost two years. The original draft law was harshly criticized for provisions directly or indirectly limiting freedom of speech. Especially problematic were provisions concerning the right for refutation and response, accreditation and responsibility of journalists, the status of foreign media in Armenia, and financial transparency of media organizations, all of which might be used to restrict independent media. Armenian and international organizations lobbied for changes in the draft, and the new law is considered an improvement. Another new law on freedom of information moved guarantees of free speech forward, but implementation and enforcement remain a concern, especially because

the slaying of the National Radio and Television chairman in December 2002.

The development of the private business sector produced a slight upturn in the advertising market, and several newspapers showed significant growth in ad content. However, because most

the Armenian judicial system is not yet independent of outside influences.

With virtually all media serving some political interest, attacks on journalists are most often political undertakings. Tigran Naghdalyan, chairman of National Public TV and Radio, was the first Armenian journalist killed because of his profession. His murderers were identified, tried, and sentenced because the authorities had personal interest in resolving the case, the Media Sustainability Index (MSI) panel said. Generally there is no such willingness by law enforcement to investigate “simple” cases, when journalists are threatened or beaten. Among such cases is the beating of an editor of the *Or* newspaper, Gayane Mukoyan, who required hospitalization. The police investigation did not clarify the motives for the attack, and the media community, while condemning it, did not move aggressively to protect her. This appeared to be due to the earlier publication by Mukoyan’s newspaper of nude photos of another well-known chief editor, a move that journalists viewed

### Legal and social norms protect and promote free speech and access to public information

- |                               |   |
|-------------------------------|---|
| <b>FREE SPEECH INDICATORS</b> | ■ Legal/social protections of free speech exist and are enforced.   |
|                               | ■ Licensing of broadcast media is fair, competitive, and apolitical.  |
|                               | ■ Market entry and tax structure for media are fair and comparable to other industries.   |
|                               | ■ Crimes against journalists or media outlets are prosecuted vigorously, but occurrences of such crimes are rare.                     |
|                               | ■ State or public media do not receive preferential legal treatment, and law guarantees editorial independence.                       |
|                               | ■ Libel is a civil law issue; public officials are held to higher standards, and the offended party must prove falsity and malice.    |
|                               | ■ Public information is easily accessible; right of access to information is equally enforced for all media and journalists.          |
|                               | ■ Media outlets have unrestricted access to information; this is equally enforced for all media and journalists.                      |
|                               | ■ Entry into the journalism profession is free, and government imposes no licensing, restrictions, or special rights for journalists. |

as an ethical violation. Another noteworthy case was the beating of the opposition *Chorhord Ishkhanutiun* newspaper reporter Mher Khaletsyan, who reported on illegal construction. In that case, an attacker turned himself in. The election period brought more cases of free speech being restricted than usual, panel members said. In one case, several regional television stations were improperly prohibited from broadcasting by local government authorities, and work resumed only after journalists protested.

Despite objections by Armenian and international observers, libel remained a criminal offense when the new criminal code was adopted in April 2003. The code allows a prison sentence of up to three years, although there is no recorded case of a journalist being jailed for libel. The new code also increases the financial penalties for libel, which could seriously damage the poorly funded news media. In addition, the penalty for libeling an official is higher than when the target is an ordinary citizen.

Many concerns were expressed with regard to the Radio and Television Law. The president appoints members of the Licensing Commission, who are not considered independent. Experts referred to the example of the A1 Plus TV station, which lost its broadcasting frequency in spring 2002. The company was unable to resume broadcasting, although it participated in all further licensing competitions.

Adoption of the Freedom of Information law was considered a positive step, although many journalists and officials are unaware of its provisions. One shortcoming is the absence of a law on state secrets, leading to dispute about defining what is public and what is not public information. The government tends to see all information as state secrets, as do businesses that move to protect “commercial secrets.” Nevertheless, practice shows persistent journalists are able to overcome these obstacles. “Journalists should fight to get the information till the very end, unless the officials and businessmen practice reporting to the public, and we should use all opportunities provided by the legislation,” said one panelist. Another panel participant published the main provisions of the law on the front page, stressing penalties set for withholding information.

By contrast, access to international news is completely free. And journalism as a profession is open to everybody interested. The news media is in an advantageous position compared with other businesses because of an exemption from value-added tax (VAT).

## Objective 2: Professional Journalism

**Armenia Objective Score: 1.68/4.00**

Polarization of the news media into two camps—pro-government and opposition—does not leave much chance for the public to get objective and accurate news. The opposition press presents everything in a negative light, while the pro-government media make it glow. The truth is often lost between these extremes, panel members said. News coverage and commentaries are not separated in the Armenian media, and there is a lack of fact-based reporting. Among the reasons:

- The lingering traditions of Soviet-style journalism, when news media were considered as an ideological tool;
- The lack of independence on the part of news organizations, which are affiliated with certain political and business groups that dictate the editorial policy and content;
- The resistance to change on the part of the majority of top editors who represent a generation brought up in the techniques of reporting on a one-party system. This hinders not only the editorial policy, but the commercial side of media operations as well. Panelists said this was particularly true for newspapers, which

### Journalism meets professional standards of quality

#### PROFESSIONAL JOURNALISM INDICATORS

- Reporting is fair, objective, and well sourced.
- Journalists follow recognized and accepted ethical standards.
- Journalists and editors do not practice self-censorship.
- Journalists cover key events and issues.
- Pay levels for journalists and other media professionals are sufficiently high to discourage corruption.
- Entertainment programming does not eclipse news and information programming.
- Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- Quality niche reporting and programming exists (investigative, economics/business, local, political).

are more conservative in their development compared with the electronic media;

- The lack of advanced journalism education.

An underlying cause is the poor financial condition of many news organizations. Many cannot hire additional reporters who would provide more specialized and higher-quality news coverage. With too few journalists and too many time pressures in the newsroom, investigative reporting is sacrificed, as is coverage of Armenia outside the capital.

Self-censorship by both journalists and editors is another serious obstacle for professional journalism. There are topics that journalists do not cover because of

**With too few journalists and too many time pressures in the newsroom, investigative reporting is sacrificed, as is coverage of Armenia outside the capital.**

certain political and business connections. Many journalists fear losing their jobs. The panelists presented an example of the firing of an ALM TV cameraman who captured on film a clash between police and demonstrators in front of the presidential office after

the presidential elections. The experts believe numerous such cases are not publicized. As for fear of physical reprisals, panelists agreed that often no real threat to journalists exists and that the real reason for inconsistent coverage is the lack of professional responsibility. “It is very convenient to excuse low professionalism by appealing to false risks,” said a panel participant.

The pressure on journalists is mainly financial rather than physical, with low salaries providing the foundation for corruption. For instance, many journalists covering the 2003 elections had additional “bonuses” from political candidates for ordered articles. The panelists also mentioned the difference in salaries between editors and reporters. Despite the low salaries, however, the number of journalists in the country is growing. “We have more journalists than we need, and unfortunately most of them are not professionals,” said a panelist from a popular newspaper.

Ethics codes have been developed over the years by media nongovernmental organizations (NGOs) such as the Armenian Journalists Union, Yerevan Press Club, Gumri Asparez Club, and the Investigative Reporters Agency. However, they are not practiced or enforced, and

no one code is acceptable for every media outlet. Ethics codes are not very relevant for news organizations that are being used as a platform where politicians or competing business groups settle scores with each other. Some panelists suggested that, for now, there is no sense in imposing ethical standards for the media, while others were confident that even in current conditions media professionals could apply certain basic norms. Publication of an ethics handbook was suggested as one route. The participants did agree that professional ethics would only follow respect for a more general set of moral principles in society.

On the positive side, panelists mentioned the development of investigative reporting, which had not existed until recently. The panelists also agreed that there are a few media practitioners who set an example by following high professional and ethical norms.

### Objective 3: Plurality of News Sources

**Armenia Objective Score: 2.30/4.00**

There is access to a wide range of news sources in the country through television, newspapers, radio, and the Internet. The government does not impose any restriction in this area. The only limitation is the poverty of

#### Multiple news sources provide citizens with reliable and objective news

#### PLURALITY OF NEWS SOURCES INDICATORS

- A plurality of affordable public and private news sources (e.g., print, broadcast, Internet) exists.
- Citizens’ access to domestic or international media is not restricted.
- State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.
- Independent news agencies gather and distribute news for print and broadcast media.
- Independent broadcast media produce their own news programs.
- Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates.
- A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.

**“We have more journalists than we need, and unfortunately most of them are not professionals,” said a panelist from a popular newspaper.**

in all kiosks. Russian entertainment and fashion magazines sell the best. It is possible to obtain Western press as well, but it is available only through subscriptions that are too expensive for most Armenians. There also is no general practice of following news in foreign languages other than Russian. The main source of news traditionally is television, with free access to a dozen channels in Yerevan. In the regions, radio is the most popular, since access to television is usually limited to three channels—the state first channel, “Prometheus,” and ALM TV—due to technical difficulties and the lack of modern equipment. Newspapers only reach regional centers; there is no delivery to villages due to financial constraints and ineffective distribution systems. Most of the panelists agreed that the phrase “The newspaper costs the same as one loaf of bread, and poor people facing a choice prefer the bread” is outdated. The main problem is that despite paying for a newspaper, a reader does not have any guarantee of getting objective news. To have a better idea of the real picture, one has to buy several newspapers to compare coverage—and this is too expensive. Subsequent to the campaign, panelists noticed that state television had become more open to alternative points of view after providing coverage during the elections that heavily favored the government. The influence of businesses and politicians on media is reflected in reporting, but the spectrum of topics is not limited. Consumers are aware of the ownership of media outlets, which allows them to judge the objectivity of news, especially for television. Newspaper ownership is not so transparent and changes more frequently. Television sponsors (mostly business magnates) do not hide their affiliation with the medium, allowing them to not only freely advertise their companies, but also to have a political influence. Since business and politics in Armenia are closely linked and businesses most often operate illegally, wealthy businessmen often seek an “umbrella” to assure their safety—with media affiliation serving as one such “umbrella,” panelists said.

many Armenians. There are no curbs on access to the foreign print or electronic media. Russian television programs are very popular in Armenia, and Russian newspapers and magazines are sold

Coverage of minority issues does not lead to harassment of journalists, and the government supports newspapers for minority groups. The Internet is not under government control, but not many people can afford it.

## Objective 4: Business Management

**Armenia Objective Score: 1.40/4.00**

Although many editors have gotten accustomed to the idea that newspapers and other media outlets generate products rather than ideological tools, they have not yet succeeded in managing their organizations as businesses. The panelists explained that as long as media are relying on sponsors, there is no sense in trying to do things differently and convert news organizations into effective businesses. The business climate also is not too favorable for media operations, with the ineffective and inflexible distribution system presenting a major obstacle for newspapers.

No market studies are being conducted, and thus there is no information on audience preferences to guide managers. On the other hand, in conditions when the press depends on sponsors, the media are biased toward the preferences of their financial supporters. Some news-

### Independent media are well-managed businesses, allowing editorial independence

- |                                       |   |
|---------------------------------------|---|
| <b>BUSINESS MANAGEMENT INDICATORS</b> | ■ Media outlets and supporting firms operate as efficient, professional, and profit-generating businesses.  |
|                                       | ■ Media receive revenue from a multitude of sources.  |
|                                       | ■ Advertising agencies and related industries support an advertising market.  |
|                                       | ■ Advertising revenue as a percentage of total revenue is in line with accepted standards at commercial outlets.                                  |
|                                       | ■ Independent media do not receive government subsidies.  |
|                                       | ■ Market research is used to formulate strategic plans, enhance advertising revenue, and tailor products to the needs and interests of audiences. |
|                                       | ■ Broadcast ratings and circulation figures are reliably and independently produced.  |



**“While TV cannot be started without huge initial capital, a newspaper can be launched by having two computers and \$500 only. Certainly, such newspapers cannot survive without sponsors,” said one panelist.**

our city, almost all people know each other, and I plan the content of my newspaper while talking with them,” said a panelist from a weekly newspaper. “They are often interested in international news. For example, readers asked me to write more about the war in Iraq. They were also very interested in Georgian events and even asked me to clarify whether Saakashvili is Armenian or not.” There is no special, permanent mechanism focused exclusively on media and media market analysis.

There are several successful printing presses in Yerevan, although the quality is imperfect. One panel participant mentioned that it is necessary for newspapers to have their own presses, allowing more flexibility in content and circulation. “The less the dependence on different structures, the more the opportunities to run newspapers as businesses,” he said. Many regional newspapers are printed in Yerevan because of the lack of presses in the regions, adding time and money to the newspapers’ ability to provide timely, affordable coverage.

Some newspapers in Yerevan have created advertising departments in recent years. But the business environment is not very competitive, and advertising is underdeveloped, reducing its role in supporting Armenian media. Experts say advertising could “feed” only two to three big newspapers while in Yerevan. With a population of approximately 1 million, there are more than a dozen publications. As a result of insufficient advertising revenues, there is always a gap in newspaper budgets left to be filled by sponsors. The bigger the gap—generally from 25 to 60 percent of the cost—the more the newspapers depend on sponsors.

papers occasionally try to get readers’ opinions on specific topics by putting short questionnaires in the newspaper. This is widely practiced by *Novoye Vremya*, a Russian-language publication with relatively little dependence on sponsors. Editors from the regions say they study readers’ opinions in the streets during casual conversations. “In

New newspapers frequently appear on the market. “While TV cannot be started without huge initial capital, a newspaper can be launched by having two computers and \$500 only. Certainly, such newspapers cannot survive without sponsors,” said one panelist. In the regional press, advertising revenues are extremely low. Experts mentioned ad sales amounting to only 1 to 2 percent of total revenue. “There is nothing to advertise in regions. No industry, no production, only stores, which prefer to advertise through TV,” said a panelist. Even though many businesses prefer to advertise through television, the ad market for broadcast media is still underdeveloped. With 19 television stations in Yerevan, the market is clearly oversaturated. The main difference between the business practices of print and electronic media is that broadcast outlets are openly owned by business magnates who do not hide their political affiliations.

**“There is nothing to advertise in the regions. No industry, no production, only stores, which prefer to advertise through TV,” said a panelist.**

Government subsidies are too small to influence media content. Many Yerevan-based newspapers refused to accept them, deferring to youth and regional and minority-group newspapers. “The subsidies are decreasing from year to year. In 2001, we got 1 million drams (approximately \$2,000); in 2002, 800,000 drams; in 2003, 600,000,” said an editor on the panel.

Low newspaper revenue is also explained by small circulations, which are 3,000 to 5,000 for dailies. The biggest circulation belongs to the weekly *Iravunk*, with 8,000 copies. Such low circulations make newspapers unattractive for potential advertisers. With newspapers not oriented toward their readers, however, there are few prospects for significant circulation increases. Some experts support the idea of providing newspapers with loans. “Not all, but some, editors who are committed to the idea of independent press will take this risk and use the opportunity to operate their news organizations in accordance with contemporary business canons and market rules,” said a panel participant. Another option might be to merge small newspapers into larger companies, although that would require overcoming polarized interests.

## Objective 5: Supporting Institutions

**Armenia Objective Score: 1.92/4.00**

There are a variety of media-support institutions working with varying degrees of success to defend the rights of journalists and increase their professionalism. Panelists mentioned that some of these organizations lack professionalism and are inconsistent in their assistance programs, which may be more theoretical than practical.

Supporting institutions function in the professional interests of independent media	
SUPPORTING INSTITUTIONS INDICATORS	■ Trade associations represent the interests of private media owners and provide member services.
	■ Professional associations work to protect journalists' rights.
	■ NGOs support free speech and independent media.
	■ Quality journalism degree programs that provide substantial practical experience exist.
	■ Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
	■ Sources of newsprint and printing facilities are private, apolitical, and unrestricted.
	■ Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

Journalism education in general is of low quality because of the lack of essential components such as relevant literature, trained faculty, laboratories, and model newspapers and television and radio stations. However, almost all public and private universities have journalism programs.

Panelists mentioned several effective support programs, including opportunities to study journalism abroad or receive internships at Western news organizations. They also noted that the conclusion of the IREX/ProMedia program for print media resulted in a significant loss of help and encouragement. They noted that there is no permanent institution in the country focused on providing professional training to journalists.

“Media associations are quite active, but there is no organization defending the corporate rights of editors and publishers,” said a panelist. He gave an example of the agreement among editors not to sign a contract with an unreliable distribution company that later broke down. The same situation exists with acquiring newsprint: Editors are paying twice as much as necessary because they are unable to reach an agreement and organize the joint delivery of newsprint from Russia.

“The journalist unions and associations are only as mature as the overall NGO sector of the country,” said a panelist and NGO member.

**“Media associations are quite active, but there is no organization defending the corporate rights of editors and publishers,” said a panelist.**

## Panel Participants

*Aghasi Abrahamyan*, editor, *Banvor Kumayri* newspaper, Gumri

*Hakop Avetikyan*, chief editor, *Azg* daily

*Greta Grigoryan*, editor, *Zangezur* newspaper, Goris

*Anahit Harutiunyan*, *Ditord* magazine, Spiritual (Cultural) Armenia NGO

*Pap Hayrapetyan*, editor, *Sevan* newspaper, Sevan

*Tamara Hovnatanyan*, journalist, Women with University Education NGO

*Armine Nanyan*, For Sustainable Human Development NGO

*Sara Petrosyan*, journalist, Investigative Reporters Agency

*Artur Sahakyan*, investigative journalist, *Iravunk* newspaper; editor of news department of public radio

*Anna Satyn*, journalist, *Novoye Vremya* newspaper

## Moderator

*Naira Manucharova*, independent consultant

## Observer

*Lilit Voskanyan*, USAID, Armenia