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ARMENIA

Three major developments in 2010 significantly impacted Armenia's media sector and received a lot of attention by the MSI panelists: defamation was decriminalized; in anticipation of the increased use of online media tools, Prime Minister Tigran Sargsyan launched a blog on Livejournal in late 2009, garnering attention from the blogging community over the course of the next year; and the number and influence of online periodicals, citizen journalists, and social networking platforms dramatically increased. The last development incited tangible changes in a number of cases. To name a few, plans to demolish the summer hall of a downtown movie theater were revoked; amendments to the country's maternity-leave laws limiting maternity welfare payments were abandoned; and several teachers were forced to resign after videos of their beating schoolchildren were widely circulated online. Perhaps the most unexpected event of the past year, the forced resignation of the Yerevan mayor following rumors that he beat an officer in the president's protocol department, could also be partly attributed to online media and the blogger community, which heavily covered the incident prior to the resignation.

Over the years panelists have noted that constitutional and legislative norms are in compliance with international practices and provide for free speech and freedom of expression, but the prevailing practice in enforcement—or lack thereof—limits free speech, particularly as many journalists practice self-censorship. Nevertheless, there are exceptions. Free expression is becoming the dominant theme online. Traditional media often pick up topics from these online sources. Issues raised in online media, blogs, and social networking tools like Facebook or YouTube eventually seep into traditional media coverage, allowing for greater impact. This, however, is no guarantee that these sources are necessarily and predominantly reliable or objective. Freedom in online media brings both wheat and weeds.

The country's gradual digitalization process is slated to be completed by 2015. The National Commission on Television and Radio announced the results of frequency license tenders for digital broadcasting on December 16, 2010.

Professional standards and ethics, especially in print media, are still matters of deep concern. The opposition press openly reviles government and pro-government circles, while pro-government media respond in kind.

The overall score for Armenia showed solid improvement, driven by increases in most of the objectives. The most remarkable improvement came in Objective 1, freedom of speech, primarily as a result of decriminalization of libel and defamation laws and the government's finally moving forward with awarding broadcast licenses. Objectives 2, professional journalism, and 5, supporting institutions, also received better scores. Objective 4, business management, was the only objective to decrease in score, and even then only slightly.

ARMENIA AT A GLANCE

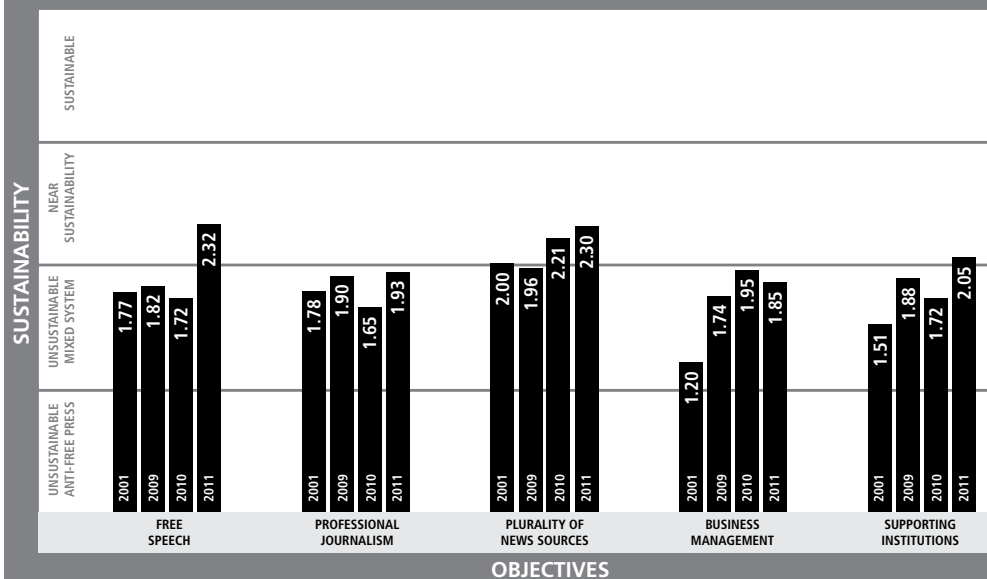
GENERAL

- > **Population:** 2,966,802 (July 2010 est., *CIA World Factbook*)
- > **Capital city:** Yerevan
- > **Ethnic groups (% of population):** Armenian 97.9%, Yezidi (Kurd) 1.3%, Russian 0.5%, other 0.3% (*CIA World Factbook*)
- > **Religions (% of population):** Armenian Apostolic 94.7%, other Christian 4%, Yezidi 1.3% (*CIA World Factbook*)
- > **Languages:** Armenian (official) 97.7%, Yezidi 1%, Russian 0.9%, other 0.4% (*CIA World Factbook*)
- > **GNI (2009-Atlas):** \$9.5 billion (World Bank Development Indicators, 2010)
- > **GNI per capita (2009-PPP):** \$5,410 (World Bank Development Indicators, 2010)
- > **Literacy rate:** 99.4% (male 99.7%, female 99.2%) (*CIA World Factbook*)
- > **President or top authority:** President Serzh Sargsyan (since April 9, 2008)

MEDIA-SPECIFIC

- > **Number of active print outlets, radio stations, television stations:** Print media: 36 publications; Radio Stations: 21; Television Stations: 19 local stations in Yerevan (5 of which broadcast nationwide), 3 Russian relay channels and 1 relaying CNN; 23 television stations in regions
- > **Newspaper circulation statistics:** Average reported circulation is between 5,000-6,000
- > **Broadcast ratings:** The three most popular television stations are H1 (public), Shant TV (private), and Armenia TV (private) (AGB Nielsen)
- > **News agencies:** ARKA, Armenpress, Arminfo, MediaMax, Noyan Tapan, Photolure News
- > **Annual advertising revenue in media sector:** \$85 million, estimated by panelists
- > **Internet usage:** 208,200 (2009, *CIA World Factbook*)

MEDIA SUSTAINABILITY INDEX: ARMENIA



Scores for all years may be found online at http://www.irex.org/system/files/EE_msiscscores.xls

Unsustainable, Anti-Free Press (0-1):

Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

Unsustainable Mixed System (1-2):

Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

Near Sustainability (2-3):

Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

Sustainable (3-4):

Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

OBJECTIVE 1: FREEDOM OF SPEECH

Armenia Objective Score: 2.32

This objective's score increased significantly from the previous year, due in large part to the decriminalization of defamation and libel. In May 2010, parliament adopted an amendment decriminalizing those offenses. In addition, the increased openness of expression online contributed to the higher scores. In fact, all indicator scores showed noticeable improvement, except for indicator 7 (access to public information). Indicators 8 (unrestricted use of domestic and international news) and 9 (free entry into the journalism profession) both scored well above the objective score. However, as in past years panelists agreed that despite free-speech protections in the constitution, the reality is that these laws are unevenly enforced. In particular, despite improvements, indicators 4 (attacks on journalists) and 5 (legal guarantees of editorial independence for state media) still fell far short of the objective score.

Armenia's constitution and its media laws clearly protect freedom of speech. In particular, article 27 of the constitution guarantees the citizen's right to freedom of expression, including the freedom to search for, receive, and impart information and ideas by any means. In reality, this right is effectively restricted because the broadcast media are largely aligned with the government. "It's like having a luxury Mercedes but not being able to drive it because there is no fuel," explained Tigran Paskevichyan, a freelance journalist and producer of many investigative journalism documentaries.

The government's controlling approach is different in the case of electronic or broadcast media versus traditional print media. The latter enjoy more freedom but have less impact because of low circulation numbers. Online media are freer, Paskevichyan noted. "Although the [government's] desire to control and restrict it is strong, at the moment there are no mechanisms to do so," he said. "It's not like you can switch off the Internet in Armenia, or shut down YouTube." Indeed, he said, the government's practice of controlling the media often supercedes the media-friendly laws on the books. "A constitutional article or an article from a law has less influence than a call [to a media outlet] from a government official," Paskevichyan added.

Shushanik Arevshatyan, the owner of Radio Van, and Artyom Yerkanyan, a political analyst for Shant TV and *Novoye Vremya* newspaper, disagreed. They said such occurrences were more typical 15 years ago than they are now.

Violations of free speech cause outrage among different communities, like bloggers, journalists, and NGO communities,

instead of the public at large. The confidentiality of sources is respected by law, but in practice there are ways to circumvent those protections. "You either have to disclose your source or be liable for libel," explained Samvel Martirosyan, a security analyst and popular blogger. However, according to Edik Baghdasaryan, the president of Hetq, an association of investigative journalists, there have been no arrests connected with not disclosing sources of information.

Licensing, which is limited to both terrestrial and cable broadcast media, is still not considered transparent or even apolitical. In December 2010, two rounds of tenders were held by the National Commission on Television and Radio to identify the 18 broadcasters that will be granted digital broadcasting licenses, in preparation for the transition to all digital broadcasting in 2015. As a result of the tenders, two current analogue broadcasters, A1+ and ALM, will not be given digital licenses. In their place, Armnews and Yerevan TV, respectively, received licenses. Although there is an appeals process for those denied licenses, applicants generally do not trust in it, and those motivated enough often take their appeal to the European Court for Human Rights.

Though licensing remains politicized, the barriers to market entry that remain are comparable to those faced by other industries in the country. Tax structures are also no different for media companies.

LEGAL AND SOCIAL NORMS PROTECT AND PROMOTE FREE SPEECH AND ACCESS TO PUBLIC INFORMATION.

FREE-SPEECH INDICATORS:

- > Legal and social protections of free speech exist and are enforced.
- > Licensing or registration of media protects a public interest and is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against media professionals, citizen reporters, and media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > The law protects the editorial independence of state or public media.
- > Libel is a civil law issue, public officials are held to higher standards, offended party must prove falsity and malice.
- > Public information is easily available; right of access to information is equally enforced for all media, journalists, and citizens.
- > Media outlets' access to and use of local and international news and news sources is not restricted by law.
- > Entry into the journalism profession is free and government imposes no licensing, restrictions, or special rights for journalists.

The Armenian law on access to information is very liberal and progressive. However, in real life it is still very difficult for journalists, especially investigative journalists, to obtain and use government documents in their reporting.

Some panelists noted that although crimes against journalists have decreased in number, this is the result of self-censorship cultivated by previous attacks, rather than an improvement in the security situation for journalists. There is some progress. Unlike many years ago, the crimes are now better investigated, and perpetrators are often identified and punished, though not in every case. One vivid example came from panelist Baghdasaryan, who was attacked by three individuals on his way home after work in 2008. One of the individuals was later arrested, tried, and sentenced to five years in prison. However, the people behind this attack were never identified, and outcry about the attack was limited to the media community and not the public at large.

Panelists mostly agreed that public and state media are far from providing unbiased, objective coverage. Indeed, Public Television is treated preferentially and does not need a license for broadcasting. Moreover, Public Television, unlike privately owned stations that are regulated by the National Commission on Television and Radio, is regulated by the Council on Public Radio and Television and can thus circumvent legal provisions applied to private stations, such as those that limit advertising to 10 minutes per any given hour. In addition, Public Television receives annual state funding, giving it an unfair competitive edge over private broadcasters.

Even with some improvements in the legal situation, such as the decriminalization of libel, there still remain consequences for media outlets. The highest fine that courts can impose on media outlets for disseminating defamatory information is 2,000 times the minimum monthly salary of AMD 32,500 (\$87); therefore, a fine could be as high as AMD 65,000,000 (\$174,000). "However, it is only partial decriminalization, since libel against certain state officials—judges, prosecutors, bailiffs—is still criminally prosecuted," Baghdasaryan said. Despite these parameters, there have not yet been any cases of imprisonment for libel convictions in Armenia.

Arevhat Amiryan, editor-in-chief of *Vorotan* newspaper, recollected a case from 2010 when she printed an article that revealed false information disseminated by the local

authorities. Rather than pursue the case in court, the officials contacted the source, Baghdasaryan, and forced him to renounce the information he provided.

The Armenian law on access to information is very liberal and progressive. However, in real life it is still very difficult for journalists, especially investigative journalists, to obtain and use government documents in their reporting. In many cases, even mayors' decisions are not accessible. To obtain them, journalists must go to court, which is time-consuming and can last as long as two years, as is the case with one of Hetq's requests. There is little organized response to the lack of access to information. Because such requests are time-consuming and often costly in terms of court and legal fees, very few journalists or media outlets follow up on such cases.

Armenia media outlets and journalists have unfettered access to international news and news sources and use this freely in their reporting.

There are relatively few other barriers to entry into the journalism profession. Accreditation is required for covering parliament. Online media requesting such accreditation face the additional restriction of proving that they get 800 visitors each day via a rating service, like circle.am. Indeed, entry into the journalism profession is free, and the government imposes no licensing or other restrictions for aspiring journalists.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Armenia Objective Score: 1.93

Trust in journalism is very low, largely because of the quality of information products. Little lasting progress has been achieved over the years in the professional quality of journalism and respect for ethical norms. Nonetheless, the score for this objective did show improvement, with the most improvement coming from indicators 1 (objective, well-sourced reporting), 3 (self-censorship), 4 (coverage of key events), and 7 (modern media equipment). Most of the indicators scored very close to the objective score, the exception being indicator 7, which scored a bit more than half a point higher.

Reporters often do not verify or check all the information on which they report, nor do they consult a wide variety of relevant sources while producing a piece of news. "The journalists don't even think that the information can and should be checked," Baghdasaryan said. "There are media outlets where the news is even accompanied by their own comments." Journalists often use rumors and disinformation

in their reporting. Reporters often visit press conferences without first preparing with preliminary interviews or familiarizing themselves with the individuals speaking. "I was recently covering a key political leader's press conference, and somewhere close to the end a couple of young reporters slammed into the hall, took their seats beside me, and then one of the girls asked me: 'Who is this?'" recalled Anna Satyan, deputy editor-in-chief of *Novoye Vremya* newspaper.

This lack of professionalism can be attributed to several factors, including the low quality of journalism education, which often emphasizes theory over practice, low salaries, and media's distance from their own audience. This is particularly true for print media, which are generally either pro-government or pro-oppositional and do not rely on audience feedback or financing to remain viable.

There are, of course, highly qualified professionals in the field, but they are rare exceptions. Unethical journalism is flourishing more in print and online media than in other types of media.

There is little movement among other professionals to raise standards, though there are some apprentice programs for new journalists. Journalistic organizations have developed ethical standards that fall in line with broadly accepted international standards, but these are not widely accepted or used. Hetq, for example, has developed its own set of rules, but that is for its internal use. Other outlets also may have their own sets of rules, but they are mostly informal. The panelists agreed that it is not rare for media professionals to accept payments or gifts in exchange for certain types of coverage. Most of the media do not make clear distinctions between news reporting and so-called advertorials. "The

TV station I work at [Shan TV] is to my knowledge the only media outlet that does [differentiate between real news and paid-for advertising coverage]," said Artyom Yerkanyan.

Practicing self-censorship remains a major issue.

"Self-censorship in the country is more of a real force impeding objective news coverage rather than hidden censorship," Martirosyan said. The fear of offending certain political circles or figures, businesspeople, and also business interests often leads to a great degree of proactive self-censorship. However, the practice seems to be less prevalent among online media and blogs.

Journalists, in general, do cover most key events and issues in the country. However, there are certain types of events that may be ignored or poorly covered by mainstream broadcast media, such as protests or other activities related to the political opposition. "When it comes to covering opposition events, the TV companies abide by the informal rule: either nothing or accusation," said Gayan Abrahamyan, a reporter for Eurasianet.org and ArmeniaNow.com. "The oppositional media abide by only accusation." Bloggers and citizen reporters, on the other hand, cover all events without hindrance. Indeed, such coverage often later penetrates the mainstream media due to their significance, impact, and scandalous nature. One prominent example was the video of a child who was beaten in school by his teacher. The video was uploaded on YouTube and then covered by broadcast media. The teacher was forced to resign.

While political and social reporting continues to be of low quality, niche reporting has grown in recent years, in some cases due to donor funding. There has been significant growth in ecological and investigative journalism. Even still, there are very few journalists specializing in investigative journalism. Few periodicals can afford ongoing investigations and follow-up reporting. Even fewer specialize in health, business, education, and sports. Those who do are mainly in print or work for online outlets.

Compensation is also a hindrance to improved professional standards. The panelists agreed that reporters are not sufficiently compensated to meet their living expenses. "You can judge pay levels by simply looking at the gender of reporters: they are mainly young females who do not have to support a family financially," Paskevichyan said. Many journalists work for multiple media outlets and take other jobs to meet their financial needs. Others leave the profession altogether and go to other, better-paying industries. Traditionally, the broadcast sector pays better than print or online, since the advertising money is mainly concentrated in the electronic broadcast sector. Indeed, some broadcast journalists earn larger salaries than civil servants or teachers.

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 and retain qualified personnel within the media profession.
- > Entertainment programming does not eclipse news and information programming.
- > Facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- > Quality niche reporting and programming exist (investigative, economics/business, local, political).

Entertainment programming does eclipse news and information programming. It is rarely balanced with news and information programming, though some stations have had success selling advertising for news programs, making them profitable for the stations. In general, consumers can get information when they need it. Nevertheless, entertainment content (mostly soap operas) is increasingly consuming programming time. At most major stations, news programming is limited to two or three top-of-the hour reports in segments of 10 to 25 minutes each.

Overall, technical facilities and equipment for gathering, producing, and distributing news are relatively modern and efficient. The advent of digital technology has made it financially accessible for more broadcasters. Professional analogue equipment for television and radio stations was extremely expensive, especially for regional television stations, but even the semi-professional or high-end consumer digital equipment can provide broadcast quality and these are more affordable. Newspapers, however, lag in this arena. "Many newspapers do not have modern facilities, and several reporters have to work on one and the same workstation," Baghdasaryan said.

Despite advances in digital communications, Internet connections, while available, are not always sufficient for more than basic search and e-mailing needs. Today, most media in Yerevan and provincial capitals such as Gyumri and Vanadzor have Internet connections. Although the prices for such connections are reasonable, compared with previous years, they remain unreasonably high, compared with those of other developing countries.

OBJECTIVE 3: PLURALITY OF NEWS

Armenia Objective Score: 2.30

All of the panelists agreed that the number of sources that provide multiple viewpoints has significantly increased primarily because of the higher number of Internet resources, ranging from established online media to citizen journalists disseminating news through social networks like YouTube, Facebook, Twitter, and others. In addition, the increasing rate of Internet penetration has contributed to a more pluralistic media landscape. This, however, does not necessarily mean that the sources are reliable or trustworthy or that they provide citizens with unbiased, objective information.

Despite the impact of new media, overall the plurality of news has increased only slightly this year. Indicator scores shifted in both directions, with better evaluations of indicators 3 (public media are nonpartisan) and 6

(transparency and concentration of ownership) and lower scores for indicators 4 (news agencies), 5 (private media produce their own news), and 7 (coverage of minority issues). However, despite a better score, indicator 3 was still the lowest-scoring indicator, lagging behind the objective score by more than a point. In contrast, despite its small decline in score, indicator 5 retained its status as the leading indicator, with a score more than half a point higher.

The majority of panelists agreed that in terms of objectivity and bias, there should be a distinction among print, broadcast, and online media. While print media are vastly polarized and often serve as a mouthpiece for either pro-government or pro-opposition forces, broadcast media are controlled by the government to a considerable degree. "The oppositional media do not offer multiple viewpoints, either; they do not offer varied opinions and express only the opposition's views," Paskevichyan said. In response, Baghdasaryan added that other media do offer varied viewpoints. The situation has improved with the distribution of a variety of newspapers to the regions. "I travel to the regions a lot, and I always check the kiosks," Paskevichyan said. "I can now see that a wide spectrum of newspapers is represented in multiple copies." Pap Hayrapetyan, editor-in-chief of *Sevan* newspaper, disagreed, however, saying there is still limited distribution in many villages.

Though online media are not restricted and many different perspectives are expressed, they are also subject to biases, said Gayane Abrahamyan. "Often these [online] media

MULTIPLE NEWS SOURCES PROVIDE CITIZENS WITH RELIABLE, OBJECTIVE NEWS.

PLURALITY OF NEWS SOURCES INDICATORS:

- > Plurality of public and private news sources (e.g., print, broadcast, internet, mobile) exists and offer multiple viewpoints.
- > Citizens' access to domestic or international media is not restricted by law, economics, or other means.
- > State or public media reflect the views of the political spectrum, are non-partisan, and serve the public interest.
- > Independent news agencies gather and distribute news for media outlets.
- > Private media produce their own news.
- > Transparency of media ownership allows consumers to judge the 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.
- > The media provide news coverage and information about local, national, and international issues.

[and resources] are again serving the interests of either the government or the opposition in a disguised manner, and it is difficult to find objective and balanced news," she said. In addition, for ordinary citizens, especially in the regions, Internet access is still limited in terms of both quality and price.

Despite somewhat limited Internet access, social networking tools have been used several times in 2010 to effect serious change and combat crimes. Marina Mkhitarian, program manager for media at the Eurasia Partnership Foundation, said, "There are blogs in Armenia that enjoy much bigger audiences than some print newspapers." Among these are Samvel Martirosyan's kornelij.livejournal.com, Tigran Kocharyan's pigh.tv, and Radio Van's radiovan.am.

All types of media—domestic or international and print, broadcast, or online—are available without restriction by law. One impediment is weak and expensive Internet connections. The regions remain in a worse position, both in terms of Internet access and access to a variety of media sources. Most villages and smaller towns, depending on their geography, have the choice of a local channel, the Public Television station, one to three private national domestic channels, and one or two Russian channels via free terrestrial broadcast. The country's second and third cities, Vanadzor and Gyumri, have a little more access with two and three local channels, respectively.

Panelists agreed that the public media do not reflect the views of the political spectrum, are partisan, and often do not serve the public interest. Further, they agreed that public media are not independent of the state or ruling party. Coverage is somewhat balanced outside of election periods, but during the campaign season it can take unpredictable swings.

Public media do not fill the gap left by commercial broadcasters. "Often, it's quite the contrary: the private TV companies do what the public TV is obliged to do," Yerkanyan said. "For example, they promote folk music or historical documentary films, which in fact can be profitable, too." In contrast, the public station airs four low-quality soap operas, running almost back-to-back and taking up almost all of prime time, leaving room for only the 9 p.m. news.

There are many news agencies: ARKA, Armenpress, MediaMax, and others. However, the panelists said there has been a shift and today media outlets seldom pay for information. "In my opinion, the online media and similar resources are gradually ousting the traditional news agencies," Yerkanyan said. In addition, most of the media outlets that have news sections produce and rely on their own news production. Following this trend, the agencies

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have gradually switched to free dissemination to local media and survive for the time being through the sale of exclusive interviews, analytical pieces, and outsourcing contracts with international agencies. This is not true for photo agencies and in particular international agencies, which provide specialized, niche, or video news products. As an example, broadcast outlets still buy video footage from Reuters, AP, and others. Print outlets still purchase photographs from Photolure and other photo news agencies.

Most of the broadcast outlets with news programs produce their own news and information programming. However, according to the panelists, in general news programming produced by the private broadcast media does not differ significantly from that produced by Public TV.

In terms of media ownership, in many cases the officially registered owners are nominal directors and not the real owners or decision makers. The panelists were split on whether the general public is aware of who the media owners are. "At the very least, they know who's on whose side," Martirosyan said, a statement with which all of the panelists agreed. Paskevichyan said there should be a distinction between broadcast and print: "If in the case of TV it is mostly clear who the owners are, it is surely not so in case of print media. Whose is, for instance, *Hraparak*? Whose is *Hayots Ashkharh*?"

Minority-language media do exist and are legal: Russian, Ukrainian, and Kurdish minorities print their newspapers, and the Public Radio has programs in Russian, Georgian, Kurdish, Yezidi, and Assyrian. Topics like gender, religion, ethnicity, sexual orientation, or other minority issues are very limited in coverage in the mainstream media. Rather, these issues are more widely covered online.

The local news is mostly covered by local media. "This [covering local news] is our advantage, our competitive edge," explained Haykaz Simikyan, owner of *Vanadzoryan Khchankar* newspaper and SIM printing house. "The conventional belief

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that local news from the regions is not interesting is a myth," Yerkanyan said. "It all depends on how you package it." Public TV also periodically covers local issues. National issues and major international developments are mainly covered by national and Yerevan-based media and less so by local outlets. Connecting diaspora communities, Shant TV has regular live national and international linkups with Gyumri (Armenia's second-largest city), Los Angeles, and Beirut.

OBJECTIVE 4: BUSINESS MANAGEMENT

Armenia Objective Score: 1.85

This objective scored slightly lower than the previous year, due in part to a noticeable drop in indicator 5 (government distortion of the media market). Offsetting some of this loss was a modest increase in indicator 2 (multiple sources of revenue). All indicators scored within a half-point of the objective score. Most panelists agreed that with a few exceptions, the media in Armenia are not efficient or well-managed businesses. They also agreed that there are almost no newspapers that operate as for-profit businesses and that the lion's share of advertising is in the broadcast sector, particularly television.

Few media outlets operate as efficient and self-sustaining enterprises. The bulk of those that are self-sustaining are in the broadcast sector because advertisers concentrate their budgets on television and, to a lesser degree, radio. "Notwithstanding the overall sad picture, it should be noted that it is possible to make media self-sustainable through literate and professional management, and there are sufficient examples of this," Yerkanyan said. Baghdasaryan noted that most media outlets are not profitable. "Based on their official [financial] statements, they are functioning at a loss," he said.

Simikyan said regional media barely stay viable. "In general, the media in regions can only [hope to] survive," he said.

"The situation is a bit different in, for example, Gyumri and Vanadzor, where the economy is more vibrant. I can say that the newspaper I own is profitable. I also have a printing house, but I don't mix the two businesses and the newspaper pays the printing house and is still profitable. I don't interfere with the editorial content. I read the newspaper as a consumer, when it's already issued." Few outlets hire trained professionals to manage marketing and, to a lesser degree, human resources. However, most do keep a professional accountant. Bloggers are not yet earning substantial revenue through commercial activities, primarily because there is not access to sophisticated-enough Armenian ranking tools that would support reasonable pricing structures.

Broadcast outlets earn revenue from multiple clients. This, however, does not guarantee absolute independence from advertisers' indirect influence on content or editorial policy. Public media have an adequate and guaranteed source of revenue, but this also subjects them to government and political interference. Among other sources of revenue for Armenian media are investments by founders, shareholders, founders' businesses (aside from advertising), grants (which are primarily available for regional media), and outsourcing services.

The advertising market primarily focuses on radio and television. The biggest advertisers are from the banking, insurance, telecommunications, and automobile industries, and they mostly place their broadcast advertising based on market principles. Political influences also drive these processes. However, politics has had less of an influence after the establishment of the TAM (Television Audience Measurement) system, which meets internationally accepted

MEDIA ARE WELL-MANAGED ENTERPRISES, ALLOWING EDITORIAL INDEPENDENCE.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets operate as efficient and self-sustaining enterprises.
- > 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.
- > Government subsidies and advertising are distributed fairly, governed by law, and neither subvert editorial independence nor distort the market.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor the product to the needs and interests of the audience.
- > Broadcast ratings, circulation figures, and internet statistics are reliably and independently produced.

standards for ratings. Media outlets used to set the rates based on the TAM data, but even this system suffered after the financial crisis, when prices significantly decreased. Public-media advertising is not restricted and does not differ in minutes per hour from the commercial channels; in fact, it often exceeds that at commercial stations. Commercial media have a hard time competing against public broadcasters, who can afford to offer lower advertising rates.

Aside from commercial advertising, crawling lines, infomercials, and SMS aggregation are all used as revenue sources. Holiday greetings, congratulatory messages, and similar advertising are used by regional broadcast media.

Advertising agencies work mainly with television and less with radio, primarily because there are no rating data available for radio. To a much lesser extent, the agencies also work with print or online periodicals. The advertising market is not well developed outside of the capital, again because there is a lack of local ratings data.

Media outlets mainly rely on their own sales resources and market themselves directly to advertisers; however, they also work with advertising agencies, since in some cases these agencies provide exclusive deals that are otherwise unavailable. In terms of creativity and artistic value, very few advertisements are produced professionally. However, in terms of effectiveness, some professionalism has been achieved. "Radio advertising requires a lot of creativity, while TV advertising requires a lot of money. Today, the advertisers are not ready to spend a lot of money on [producing] advertising," Arevshatyan said.

The panelists agreed that advertising is the prevailing source of income for the broadcast sector, and therefore managers must use more and more advertisements to compete with each other and the public media. This results in advertising's consuming a large segment of broadcast programming time, often far exceeding the legally allowed length during primetime, which is 10 minutes per hour. For example, one advertising block can reach up to 15 to 17 minutes. The print sector is contrary to broadcast in that the main revenue source is retail sales and subscriptions, while advertising constitutes a tiny portion of total revenue. Here, too, there are exceptions. For example, Simikyan has gathered around half his revenue from advertising.

The government does provide subsidies for private print media, but they are not enough to distort the market. "The general subsidy amount remains more or less the same, but the number of subsidized outlets increases every year, making the individual subsidy amounts less and less," Amiryanyan explained. "For example, my newspaper used to get AMD 800,000 (\$2,200) years ago; now it gets only 400,000

(\$1,100)." Government advertising is primarily channeled into public media.

There are companies that provide professional, detailed research services, but these services are not affordable for most outlets. Consequently, individual outlets mostly conduct their own research through focus groups, surveys (both ad-hoc and more formal), and call-in shows. Also, they still tend to trust their own research more than that produced by another company. Gradually, some editors and journalists are starting to tailor their products to the requirements of the market. One vivid example is Radio Van: the broadcaster tests topics through its blog. If it raises enough public interest, then the topic is addressed in programming.

At present, two internationally acclaimed companies, AGB Nielsen and JfK, produce television ratings. Only paying outlets have access to this data. There are no reliable data for circulation figures. The data that exist are reported by the newspapers themselves, which, according to panelists, are often exaggerated. As for online media, there are no sophisticated statistics or ranking providers; only circle.am offers this service but does not provide in-depth analytical data. The majority of advertisers cannot differentiate among unique visits or total hits, hosts, and page views.

Broadcast ratings are accepted by some outlets and not by others. However, most advertisers, particularly international ones, base their decisions solely on ratings data. "We tend to shift our blame, our faults onto others when [the ratings data] don't favor us," Simikyan said.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Armenia Objective Score: 2.05

Scores in this objective were mixed, but overall the objective score showed noteworthy improvement. Newspaper distribution has improved, particularly print distribution in regional centers and towns; reflecting this, indicator 7 received much better scores. Likewise, indicator 6 (access to media equipment and printing facilities) improved to the point where it exceeded the objective score by nearly three-quarters of a point. There are still no trade associations that represent the interests of media owners and managers; thus, indicator 1 scored the lowest of all the indicators under this objective, lagging behind the objective score by a point.

All of the panelists agreed that to date, there are no serious organizations or associations that represent media owners and managers. "The culture of such coordinated work is not yet shaped, and this is the reason why the media field is so vulnerable," Baghdasaryan said. Although the All-Armenian

"We have felt [the consequences of] that on ourselves," Baghdasaryan said. "Quite recently we had to pay \$800, a very significant amount for a newspaper, to lawyers. Now when you need something like [legal expertise] no one supports you, because as I understood they don't have current grants or that legal counseling is not envisaged in those grants."

Mass Media Association was formed in 2008 to unite media organizations and protect members' rights, the organization has slowly disappeared from view.

Professional associations that work on behalf of journalists exist. However, as most panelists agreed, these are not of a stable character, as they often depend on grants from international organizations. Their activities include training, legal advice, and lobbying efforts.

While there are numerous NGOs that work in cooperation with the media sector to support freedom of speech and media independence, the panelists disagreed as to how effective and consistent this work is. Further, the panelists questioned how heavily reliant the organizations are on grant funds. For example, legal support to journalists or media

SUPPORTING INSTITUTIONS FUNCTION IN THE PROFESSIONAL INTERESTS OF INDEPENDENT MEDIA.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of media owners and managers and provide member services.
- > Professional associations work to protect journalists' rights and promote quality journalism.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs exist providing substantial practical experience.
- > Short-term training and in-service training institutions and programs allow journalists to upgrade skills or acquire new skills.
- > Sources of media equipment, newsprint, and printing facilities are apolitical, not monopolized, and not restricted.
- > Channels of media distribution (e.g., kiosks, transmitters, cable, internet, mobile) are apolitical, not monopolized, and not restricted.
- > Information and communication technology infrastructure sufficiently meets the needs of media and citizens.

outlets is available only when the NGOs have grants that allow them to engage in specific legal assistance. Otherwise, there is no legal assistance available, and the media have to defend themselves, if they can afford it. "We have felt [the consequences of] that on ourselves," Baghdasaryan said. "Quite recently we had to pay \$800, a very significant amount for a newspaper, to lawyers. Now when you need something like [legal expertise] no one supports you, because as I understood they don't have current grants or that legal counseling is not envisaged in those grants."

The panelists said trainings conducted by NGOs remain invaluable. "IREX and Internews, through their [USAID-funded] projects, were very useful and developed the media field, supporting independent media at a time when it was so necessary," Arevshatyan said. "It was thanks to IREX's media project that I actually started developing my newspaper's reporting through the various trainings, and I wouldn't have been able to afford it myself. Now I send my reporters to trainings as much as possible, whenever there's such an opportunity," Simikyan added. As for local NGOs, they mostly survive through subgrants from international NGOs.

Journalist education remains weak. Over the years, panelists have consistently agreed that programs at private and public institutions are of considerably low quality. There are many degree programs in private institutions, but most of these are of very low quality. The ones in public institutions lack practical training and do not produce high-quality graduates who are prepared to enter the industry. "A fourth-year journalism student at Yerevan State University cannot set up a blog or edit video content," Abrahamyan said. "There are neither specialists nor financial resources. Despite the claims of the faculty that they have specialists, in reality they don't. They still have various specialists left from the Soviet era, and they teach useless disciplines." Institutions usually do not have access to the latest media technologies. Consequently, media outlets have great difficulty absorbing journalism graduates for these reasons. There are exceptions, though: "I constantly have interns from the Caucasus Institute [formerly the Caucasus Media Institute], and out of six interns I usually hire two of those after the end of the internship," Arevshatyan said.

Short-term training opportunities exist but are primarily provided by international organizations and are limited to only a few media professionals. Depending on the length and intensity of the trainings, it is often very difficult for media managers to support staff efforts to participate in professional development opportunities, because small staff sizes maintained by these outlets make coverage for absentees more difficult. "These [short-term trainings] always

yield results, provided that the [trainers] are of high quality," Baghdasaryan said.

There are no evident or direct restrictions on importing or purchasing the materials journalists and media outlets need to produce their work. "This is already a stage that we've overcome," Baghdasaryan said. "However, it still contains some risk in that it might be applied at a future point," Paskevichyan added.

Today, there are enough printing firms that can support decent-quality printing. Most are private, and media critical of the government are able to print their publications and distribute to their readers. Unlike in past years, neither government, nor political parties, nor business interests have pressured national or local media using printing or distribution.

Most broadcasters own their transmitters. However, they do not own the towers, with the exception of some regional stations. The Internet is the least restricted medium in Armenia. Paskevichyan said, however, "This is not due to the government's loyalty but the limited control options." Online media and bloggers are free to choose software and platform options, none of which are not controlled by the state. The allocation of domain names or IP addresses is not a source of pressure for new online media, with the exception, as some panelists noted, of the high price for the national (.am) domain, which costs around \$33. Martirosyan, though, contended that national domains tend to be expensive. He said a reasonable alternative is the .info domain, which you can buy for as low as one dollar.

The country's ICT infrastructure does not meet the needs of the media industry in terms of news dissemination. While media outlets can provide themselves with fast Internet of medium quality, for mass end-users connectivity is still a problem despite the fact that there are many Internet providers in the capital. There are far fewer in the regions, however. Beyond the country's three main telecommunications providers, there are no large ISPs that can provide an acceptable level of consistent-quality Internet for the wider public. Furthermore, speeds are low and inconsistent, but the prices are still quite high. For example, for \$30, a user would receive 8 GB of cumulative uploading and downloading at speeds of up to 3 mbps, which rarely reaches this rate and certainly never during peak hours. This limits the use of streaming video for large audiences. "The market is growing so fast that they [ISPs] are not able to catch up," Martirosyan said. The use of mobile phones for news consumption is minimal and is mostly used by more sophisticated segments of the population, like those in the IT industry, bloggers, and businesspeople.

List of Panel Participants

Shushanik Arevshatyan, director and owner, Radio Van, Yerevan

Anna Satyan, deputy editor-in-chief, *Novoye Vremya*, Yerevan

Gayane Abrahamyan, reporter, Eurasianet.org, Yerevan

Marina Mkhitarian, program manager, Eurasia Partnership Foundation, Yerevan

Tigran Paskevichyan, freelance journalist, Yerevan

Samvel Martirosyan, blogger, kornelij.livejournal.com, Yerevan

Arevhat Amiryan, editor-in-chief, *Vorotan*, Sisian

Davit Yeranossyan, director, Zangak TV, Martouni

Pap Hayrapetyan, editor-in-chief, Sevan Newspaper, Sevan

Haykaz Simikyan, owner, Sim Publishing House and *Vanadzoryan*, Vanadzor

Artyom Yerkanyan, journalist, PanArmenian.net and Shant TV, Yerevan

Edik Baghdasaryan, journalist; president of the Armenian Association of Investigative Journalists, Yerevan

Moderator and Author

Artashes Parsadanyan, independent media consultant, Yerevan

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