

MEDIA SUSTAINABILITY INDEX

2008

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



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Printer: Kirby Lithographic Company, Inc.

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Acknowledgement: This publication was made possible through support provided by the United States Agency for International Development (USAID) under Cooperative Agreement No. DGS-A-00-99-00015-00.

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ISSN 1546-0878

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The discussions and panelist scores did not reveal any major changes over the last year, with the exception of Objective 5, supporting institutions. Developments in that objective caused scores to increase from 1.16 last year to 2.23 this year, exceeding the previous high of 1.94 obtained in 2004 and becoming the highest scoring objective.



ARMENIA

The parliamentary elections in May 2007 and the presidential elections in February 2008 were among the central issues facing the Armenian media in 2007. Armenia's Central Electoral Commission records showed that a total of 1.3 million out of the 2.3 million officially registered voters participated in the parliamentary election. A total of 38,002 of those ballots were invalidated and removed from the count. The political parties elected to parliament were, in order of vote count, the Republican Party of Armenia, Prosperous Armenia, Armenian Revolutionary Federation Dashnaksutyun, Rule of Law, and Heritage. Nearly 20 other political forces did not make it into parliament.

Economically, Armenia's GDP continued to grow, up 12.1 percent over the January-July 2007 period compared to the same period in 2006, according to preliminary data from the Armenian government's National Statistical Service. Despite this and other promising economic measures, the US dollar continued its steady depreciation pattern, dropping from AMD 360 for \$1 in January 2007 to AMD 300 in December. It should be noted that the dram has appreciated against the dollar at a rate nearly double that of the euro.

Another topic in the headlines was leading Russian mobile operator Mobile TeleSystems' (MTS) purchase of an 80 percent stake in Armenian mobile operator K-Telecom, which operates under the VivaCell brand, for €310 million. The deal also gave MTS the option of purchasing the remaining 20 percent of K-Telecom shares after 2010. MTS will make a "technical loan" of €140 million to K-Telecom to refinance existing debt and fund future investment, and will pay an initial €50 million from 2008 to 2012. K-Telecom's only competitor in the Armenian mobile market is VimpelCom-owned Armentel, which had 471,000 active mobile subscribers at the end of the first half of 2006. Armentel also has 610,300 fixed-line subscribers.

An important development in the media sector was Haymamul, Armenia's largest press distribution agency, selling the majority of its assets (including 200 kiosks across Armenia) to a local business owner. Newspaper reports claimed that the takeover will effectively place the company at the disposal of Mikael Minasian, the increasingly influential son-in-law and senior adviser to Prime Minister Serzh Sarkisian, a presidential hopeful.

The discussions and panelist scores did not reveal any major changes over the last year, with the exception of Objective 5, supporting institutions. Developments in that objective caused scores to increase from 1.16 last year to 2.23 this year, exceeding the previous high of 1.94 obtained in 2004 and becoming the highest scoring objective. The rest of the objectives did not gain or lose more than one-tenth of a point. As in the past, Objective 4, business management, was the laggard, with a score of 1.34.

ARMENIA AT A GLANCE

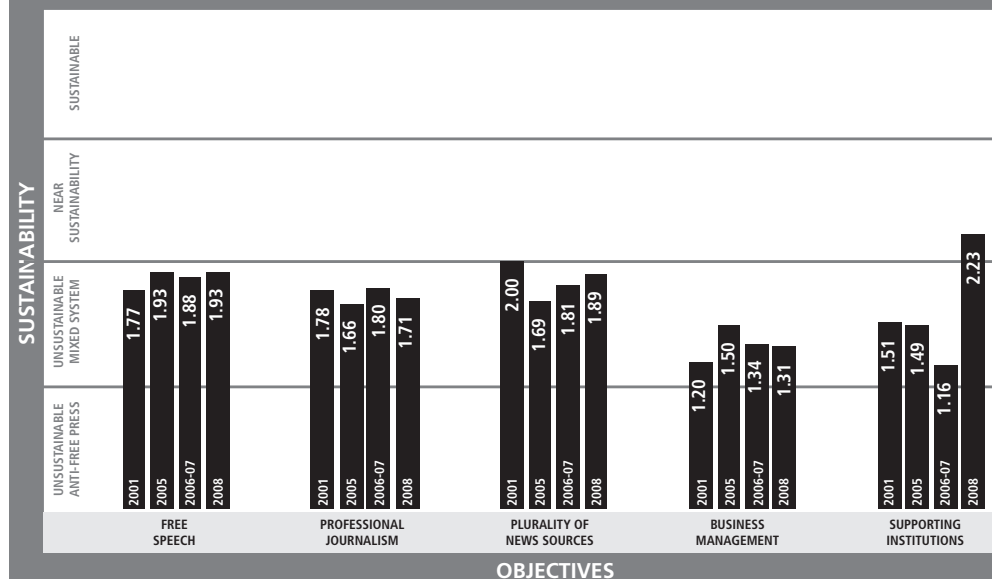
GENERAL

- > **Population:** 2,971,650 (July 2007 est., *CIA World Factbook*)
- > **Capital city:** Yerevan
- > **Ethnic groups (% of population):** Armenian 97.9%, Yezidi (Kurd) 1.3%, Russian 0.5%, other 0.3% (2001 census, *CIA World Factbook*)
- > **Religions (% of population):** Armenian Apostolic 94.7%, other Christian 4%, Yezidi 1.3% (*CIA World Factbook*)
- > **Languages (% of population):** Armenian 97.7%, Yezidi 1%, Russian 0.9%, other 0.4% (2001 census, *CIA World Factbook*)
- > **GNI (2006-Atlas):** \$5.799 billion (World Bank Development Indicators, 2007)
- > **GNI per capita (2006-PPP):** \$5,890 (World Bank Development Indicators, 2007)
- > **Literacy rate:** 99.4% (male 99.7%, female 99.2%) (2001 census, *CIA World Factbook*)
- > **President or top authority:** President Robert Kocharian (since March 30, 1998)

MEDIA-SPECIFIC

- > **Number of active print outlets, radio stations, television stations:** Print 30; Radio 21; Television stations: 18 (3 local, others relaying from Russia) (National Statistical Service of the Republic of Armenia)
- > **Newspaper circulation statistics:** The maximum circulation cited is 9,000 copies and the average real circulation for most popular newspapers is 5,000-6,000. (National Statistical Service of the Republic of Armenia)
- > **Broadcast ratings:** top three: H1, Shant TV, Armenia TV (AGB Nielsen)
- > **News agencies:** Armenpress, Noyan Tapan, Arka, Regnum, Arminfo, Mediamax, Photolur, New Image and Spyur
- > **Annual advertising revenue in media sector:** \$45 million (International Monetary Fund)
- > **Internet usage:** 172,800 (2006 est., *CIA World Factbook*)

MEDIA SUSTAINABILITY INDEX: ARMENIA



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: 1.93

The discussions showed no substantive changes from the previous years: legal norms protecting free speech exist, and they do correspond to international standards. However, they are not enforced uniformly in practice. Selective prosecution remains a problem, libel is still a criminal offense (articles 235 and 236 of the RA Criminal Code), and all of the panelists still expressed their discontent with the National Commission on Television and Radio (NCTR) connected with licensing of broadcast media.

Indicator scores in this objective varied widely. Panelists felt secure in media access to international news sources and free entry to the journalism profession, and therefore Indicators 8 and 9 scored well over a point higher than the objective average. Indicator 3, market access and tax structure also scored well. However, Indicators 2 and 4, broadcast licensing and crimes against journalists, scored very poorly. Indicator 5, preferential treatment for state media, scored slightly better, but still about a point less than the average.

The panelists agreed that laws and regulations are not enforced often against media outlets, in order to have leverage should the need arise to subdue a particular outlet. "The NCTR violates its own regulations by not pursuing the regional outlets that show unlicensed films and other content," said Karen Arshakyan, president of Fortuna TV in Stepanavan. In addition, elections advertising violations remain unchallenged. These violations revolved around starting the campaign early, before the official legal start, by showing paid-for debates or programs favoring a candidate.

According to constitutional changes passed in 2005, half of NCTR's board members are appointed by the National Assembly (NA), while the others are selected by the president. As current board members resign or retire, the NA will choose replacements; by 2011 it is expected that the balance of four and four (for a total of eight board members) will have been reached. However, at the end of 2007, the first vacant position to be chosen by NA appointment had yet to be filled and the NA had not even held a hearing on the matter. "Perhaps the NA hasn't been told yet whom to appoint," said Avetik Ishkhanyan, editor-in-chief of *Ditord* magazine and chair of the Armenian Helsinki Committee. "Theoretically, this should provide half-independence. However, even so, nothing is so straightforward here either," meaning that the parliament's majority is also pro-government.

Most of the panelists agreed that violations against freedom of speech do cause public outcry; however, typically the

energy fades in a matter of few days. All of the panelists agreed that it is perhaps due to the fact that the people feel that they cannot change anything in a place as controlled as Armenia.

"I think 80 percent of the population protests in such cases, but they do not show it because they are sure that nothing will be changed and that their outrage will have no results," said Ishkhanyan. "Also, the people value freedom of speech, but they aren't ready to struggle or sacrifice anything for it."

"They don't value [freedom of speech] to a degree where they would struggle for it, and five years ago, the number of people who would struggle for it was more than today," added Tigran Harutyunyan, president of Noyan Tapan (a holding company with a news agency, advertising agency, printing and publishing house, and newspaper).

Legal protection for media is covered in Armenian law, but in reality it is not enforced uniformly. The panelists agreed that recent court cases were brought in order to enforce Article 164 of the Republic of Armenia Criminal Code, which provides for punishment for hindering the lawful professional activities of reporters. In these cases, according to the panelists, although the law was enforced and good precedent was set, the outcome of the court hearings and the verdicts—small penalties—showed that enforcement of the law would provide no real deterrent to hindering journalists.

"These cases had the opposite effect and will actually encourage further violations. The judicial system doesn't

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 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 offended parties 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.

The panelists agreed that laws and regulations are not enforced often against media outlets, in order to have leverage should the need arise to subdue a particular outlet. "The NCTR violates its own regulations by not pursuing the regional outlets that show unlicensed films and other content," said Karen Arshakyan.

protect journalists. I think that it would be better if those cases weren't taken to the court at all; at least the impression that journalists are protected would remain," said Harutyunyan.

The panelists agreed that the market entry and taxation for media are more or less comparable to other industries. The print sector enjoys a tax break (distribution is VAT exempt), but according to Anna Satyan, a reporter from *Novoye Vremya* newspaper, the exemption "is not a big relief, since we still need to pay VAT on production and other associated costs that actually encourage expanded print runs. If the whole chain were VAT exempt, that would be different."

All of the panelists agreed that 2007 saw relatively little violence against journalists, but they also cautioned that media repression might still be a possibility in the race to the February 2008 presidential elections. Panel discussion took place before the elections were held, and indeed the fears of panelists were well placed. These events will be included in the 2009 edition of the MSI.

"In my opinion, photojournalists' condition is worse than journalists," said Anahit Hayrapetyan, a photojournalist from the Yerevan-based *ArmeniaNow* online publication. "When people see the photo/video camera, they start getting nervous. I do not feel protected myself as a photojournalist. That is probably why most of the other journalists have chosen to be neutral, i.e. to make photos/videos in neutral places; speak about things that do not lead to any problems; and the like," she concluded.

"It's not only the case with photo/video camera, but also with a pen and paper, when people start getting nervous," added Satyan.

Armenia has no specific regulations that specifically favor public media over private in securing access to information. However, the overall dynamic between public and private media has not changed from previous years. In reality, Armenia's public television does get some preferential

treatment, given that it receives ever-increasing funding from the state budget—the funding rose from a reported \$5 million in 2006 to \$16 million in 2007. Advertising by certain private businesses is non-transparently funneled into public television.

Additionally, public television is regulated by the Council on Public Radio and Television (CPRT), while the private broadcast media are regulated by NCTR. The impact on, and benefit to, public television is threefold. First, public television requires no license. Second, it is exempt from legal provisions applied to private television that limit advertising to 10 minutes per hour. Finally, unlike the NCTR process described above, the president appoints all CPRT board members. This situation gives a competitive edge to public television and keeps it under political control.

Under Armenian law, libel remains a criminal offense. The panelists agreed that no one has ever been prosecuted for libel, but they cautioned that the law might be enforced at any time, if the government decides that the level of self-censorship among the media is insufficient. Reporters and media outlets are fully aware that these provisions could be used against them.

According to the panelists, the law regulating access to public information (Law on Freedom of Information Access) is a good law, but the situation is a bit different with its enforcement. Sometimes obstacles arise that require journalists to take a case to court. Increasingly, courts have upheld the law in favor of journalists, and panelists reported that in fact, the mere threat of taking an official to court has been successful in shaking loose needed information.

The panelists agreed that media outlets have unrestricted access to international information.

The government does not control entry into journalism schools in any way. However, formal accreditation with the government is still required for journalists, and attendance at certain events (National Assembly sessions, for example) requires accreditation that can be withheld. Panelists said that this rarely, if ever, prevents a journalist from covering an event, but that it could in theory. Harutyunyan highlighted a new restriction for newspapers: only papers with a circulation of 2000 or higher are allowed to send journalists to cover matters in the Public Prosecutor's office.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Armenia Objective Score: 1.71

Little change has been made in the area of professional journalism. Only two indicators stood out as being noticeably

higher or lower than the average: Indicator 3, self-censorship, was well below the average; while Indicator 7, modern equipment and facilities, was quite a bit higher than the objective average.

While certain limitations on fair, objective, and well-sourced reporting exist, the limitations depend on the event, i.e., whether it is political, social, or pertaining to other spheres. Some events may not be covered at all, particularly those held by the political opposition. Threats have been made against certain media outlets if they cover certain “unfavorable” political events. Many issues are ignored, such as those related to sexual minorities. The television stations and print media, with rare exceptions, give single-angled coverage, without presenting any opposing views on the issue.

The panelists agreed that the media does not provide objective and balanced information; rather, coverage tends to be polarized in support of either the government or the political opposition. Coverage also depends on for whom a reporter is working.

Reporters often do not consult a variety of relevant sources and often do not verify or fact-check the information they present. “There are cases when the information is published as soon as it is received from a source,” said Ishkhanyan. Media outlets’ financial position impacts the quality of news produced. Technical experts are consulted on stories as needed, but ethical reporting is sometimes sacrificed because a media outlet does not have sufficient resources to allow its journalists to check information from several sources. Higher quality reporting requires fewer news stories within a given time per reporter. Deadline rushes leave reporters little opportunity to verify information by consulting various

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sources. “If journalists are paid more, they will work better and will double-check information,” said Arshakyan.

In 2007, some media outlets came together to form a committee on ethical norms. However, as with previous efforts, this committee is not widely accepted and has limited enforcement mechanisms at its command—the committee can take actions only in regard to its members. While Armenia has no universally accepted code of ethics, many individual media outlets have such codes. In some cases, these are official and available in written form. In other cases, they are more or less verbal guidelines.

Journalists receive payments in exchange for certain types of coverage, and they usually share the compensation with the editor, much like a salesperson getting a commission from an advertising deal. “We also have to bear in mind that some journalists are on good terms with certain political or government figures, and treat them mildly in exchange for information they get from them on a regular basis. I would also consider this as taking bribes,” Harutyunyan said.

As in previous MSI studies, journalists, editors, and owners continued the practice of self-censorship, which pervades all levels. Additionally, journalists generally shy away from coverage of key events and issues that are taboo. These issues include security issues of local and international concern; the Nagorno-Karabakh issue; and the dealings by business oligarchs, particularly if a media outlet is a beneficiary of advertising from one of that oligarch’s companies.

The panelists agreed that the pay level for journalists and other media professionals is not sufficiently high to discourage corruption. Some television reporters receive salaries lower than those of print reporters, which is contrary to usual expectations, and panelists said that print reporters’ salaries are too low in proportion to the amount of work they do. The difference between public and private media pay levels is not striking. In fact, again contrary to what might be expected of the well-funded public media, private sector wages are actually slightly higher on average. However, there is generally a difference between print and broadcast media salaries in favor of the broadcast. As mentioned

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).

“There are many newspapers that cannot afford to hire a photojournalist and therefore they use the content of Photolur agency. Newspapers prefer more or less low-quality photos with lower prices than hiring a photojournalist,” said Hayrapetyan.

previously, journalists do sell favorable articles to politicians and businesspeople (or refrain from coverage of certain issues or people) to augment their income as well as that of their managers or media outlet.

To some extent, entertainment programs do eclipse news and information programming. Panelists said that they feel that this is a growing trend, and that people have started losing interest in information programs and news in general. However, in the regions, the picture is slightly different: “Local news takes actually a lot more space than entertaining programs,” said Ashot Khandanyan, president of Kyavar TV. “People watch regional channels to get local news, rather than for some entertaining programs,” concurred Arshakyan. However, Khandanyan noted that entertainment programming sells more advertising than the news. In the absence of an in-depth study to support these observations, panelists noted, a comparative examination of the television-programming guide from seven years ago with one from today is all that is needed.

Technical equipment and facilities differ greatly from outlet to outlet and from Yerevan, the capital, to the regions. For example, Armenia TV and Armenian public television, as well as Yerkir Media TV stations, are well equipped. However, in the regions, they use what they have (from grants, scarce resources, obsolete equipment), and the whole news production chain (gathering, producing and distribution) still needs aid. The quality of journalism, however, is not directly impacted by scarce resources: good journalism sometimes comes out of impoverished regional outlets, and well-equipped newsrooms do not always produce quality news.

High-quality printing presses are available in Yerevan but not in the regions.

The panelists’ optimism continued to rise in terms of niche reporting, and they agreed that it exists today, although it needs to be developed even further both in terms of quality and quantity. The panelists agreed that for quality investigative journalism to exist in Armenia, enthusiastic and committed journalists are needed, given that there is not much money

in this field. The most critical element to positively impact investigative reporting would be media outlets becoming more willing to air and publish investigative content.

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Armenia Objective Score: 1.89

Panelists said that little has changed regarding plurality of news sources, and the scores in this objective showed only a slight increase. In particular, panelists said that they still feel as though state media do not reflect the whole political spectrum, and they gave a score more than a point lower than the overall average to Indicator 3. On the other hand, they appreciated the work of private, independent news agencies and returned a score roughly a point higher than the average for Indicator 4.

The panelists agreed that although Yerevan residents have multiple sources of either local or international information, the same is not true about villages and smaller towns. Newspapers are generally affordable, and people buy newspapers when there is certain tension on the political or social stages. Otherwise, people have little interest in buying newspapers. The situation in the regional centers is different, panelists said; newspapers will sell out if the information is important. In general, television is the main source of news. The Internet is becoming increasingly popular as a source of news during important events such as elections.

In small towns, typically one person buys a newspaper that gets passed around, so everyone can read it. Although

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.

newspapers prices are not high, Anahit Hayrapetyan noted, "To have a more or less objective picture, people have to buy four to five newspapers at once." Therefore, it might become a bit expensive for a regional resident to spend 500 to 600 drams [around \$2] on a daily basis. Outside of cities and small towns, panelists reported that print media is rare.

Television is a vibrant medium in Armenia. There are dozens of stations, both local and national. Yerevan is home to 12 private stations, four of which also have national coverage. There are also two public television channels with national coverage. A public local station exists in Gyumri. About 25 other stations operate locally outside of Yerevan, some of them affiliated with small networks based in Yerevan.

"There are enough news sources in Yerevan for people to be able to compare. Yet, for example, in Garni, people can watch only Armenian Public Television, and thus have no idea what else is going on in the country," said Mary Harutyunyan, marketing director for Hrazdan TV, Radio Hay Hrazdan, and *Hrazdan Newspaper*.

The creation of the Hay radio network was reported in last year's MSI study. It has grown to its target of 20 affiliate stations. Each station broadcasts the same content, but some local stations also have their own local programming but in a format compatible with Hay's sound. Each affiliate carries network ads and their own local ads.

Regarding Internet access, the situation is more or less favorable in Yerevan, while access in the regions remains poor. Text-message news alerts are non-existent in the country, and while blogs and news sources exist on the Internet, they are not widely used by the population in Armenia because of the poor quality of Internet access.

There are seldom cases in which the government directly restricts citizens' access to media. Except for Russian newspapers, foreign newspapers are not sold widely and can typically be found only in select places where the Diaspora and the expatriate community meet. Otherwise, there are no formal restrictions. "The only case [of government interference] I remember was the case with NTV," said Satyan.¹

Public media do not reflect the views of the political spectrum, are partisan, and do not serve the public interest. The exception was the parliamentary pre-election campaign period. However, most observers believed that this was a result of temporary factors: election laws that required equal coverage during the election period; and the international attention and

¹ The Russian NTV channel was taken off the air ostensibly for technical reasons in 2003 prior to the presidential elections; it was then turned on again before being shut down altogether. After remaining unused for months, the frequency formerly used by NTV is currently broadcasting the Russian channel, Kultura.

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monitoring of Armenia's media sector in general, and public media in particular, during the election period.

News agencies seem to be the only sphere in which media institutions are not so dependent on a particular power. However, as noted by Harutyunyan, "News agencies are on the verge of extinction as a kind of media outlet. Many newspapers have started finding the information they need [on their own]. As a result...the functions of news agencies becomes weaker."

Armenia has news agencies that specialize in certain type of news, e.g. economic news, international news, photo news reporting, etc., and the prices are affordable.

"There are many newspapers that cannot afford to hire a photojournalist and therefore they use the content of Photolur agency. Newspapers prefer more or less low-quality photos with lower prices than hiring a photojournalist," said Hayrapetyan.

Media outlets use the services of international agencies if necessary. However, the subscription to such agencies is quite expensive, so they resort to barter or they re-air original satellite broadcasts.

Independent print and broadcast media produce their own news stories and programming. "We, as a regional outlet, produce the local part of news program but take the national news from national television channels," said Mary Harutyunyan.

The panelists have always found it hard to tell whether the transparency of media ownership allows consumers to judge the objectivity of news, since by the very nature of their profession, media professionals know who the real owners are. However, most of the time, to a regular consumer, ownership is unclear; thus, they cannot judge the objectivity of news. "There are no particular laws that govern the disclosure of media ownership. But on the other hand, there is freedom of information," said Ishkhanyan.

Market research is used to formulate strategic plans, enhance ad revenue, and tailor the product to the needs and interests of the audience; however, the level of research varies from media outlet to media outlet.

For example, according to the Law on Radio and Television, one entity cannot own more than one television channel; by the same token, a political party or a religious institution cannot own a television channel. However, it is generally accepted that Armenia TV, Arm News (the local affiliate of Euronews), the station broadcasting CNN locally, and TV5 all belong to the same people, although the individual channels have been registered under different formal names. Hayrenik TV and AR TV belong to one person but are registered under different names; Yerkir Media TV belongs to the Armenian Revolutionary Federation party; and ALM belongs to Tigran Karapetyan, who is the leader of the People's party. The panelists stated that the owners greatly interfere with media management and editorial content.

As for foreign investment, with the exception of one example (Armenia TV, whose co-owner is Diaspora Armenian), there is no other significant foreign investment in media in Armenia. "In terms of the technical quality, foreign investment definitely has good influence," said Satyan. However, other panelists did not agree, stating that foreign investment, which is not market-driven but more like grants, creates an unhealthy competitive atmosphere.

There is a certain resistance to include a variety of social issues in the media, and there are issues that media tend to shy away from covering.² "The main pressure comes from the government. Both business circles and editorial management depend on the government," said Ishkhanyan.

Minority-language media are allowed by law, but their number is limited. The Greek, Georgian, and Kurdish communities in Armenia are known to publish periodicals, and there are a few publications in Russian produced in Armenia. Normally, such newspapers are not sold but distributed to the members of a certain community. Broad social interests are not represented in mainstream media outlets. The media are very weak from that standpoint.

² For example, the Armenian Copper Program, with approval from Armenia's Ministry of Nature Protection, plans to clear-cut more than 1,500 acres of Teghut's forest in order to establish an open pit strip mining operation for copper and molybdenum ore.

OBJECTIVE 4: BUSINESS MANAGEMENT

Armenia Objective Score: 1.31

All indicators scored relatively close to the overall objective average, with one exception. Panelists gave a score more than a point higher to Indicator 5, government subsidy of private media. The two indicators finishing worst, although not far behind the average, were indicators 6 and 7, market research and measurement of audience and circulation.

"I don't know any newspaper in Armenia that would be self-sustainable," said Ishkhanyan. The majority of the panelists agreed with this statement, making a possible exception for television listings magazines. On the other hand, most of the television companies, especially in the capital, are well-managed businesses today. This is due mostly to the introduction of internationally accepted ratings research in 2005. Prior to 2005, the advertising market was around \$4 million, and since the introduction of diary panels and subsequent peoplemeter technology by AGB Nielsen in 2006, Armenia's advertising market increased to an estimated \$45 million.

Printing houses are now not subsidized by the state, and most of them operate as profit-making businesses. Printing is often obstructive to the work of regional media, as there are printing facilities only in Yerevan, Gyumri, and Vanadzor. Distribution networks are private but function ineffectively.

Media outlets have various sources of financing. Subsidies are only for print, particularly regional, and comprise a very small portion of the total revenues. "In our

INDEPENDENT MEDIA ARE WELL-MANAGED BUSINESSES, ALLOWING EDITORIAL INDEPENDENCE.

BUSINESS MANAGEMENT INDICATORS:

- > 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.

newspaper, advertising constitutes more a proportion of the total revenue than subscriptions,” said Satyan of *Novoye Vremya* newspaper in Yerevan. “We do not use advertising agencies unless they are interested in us,” said Karen Arshakyan, summing up relations between media outlets and such agencies.

Quality broadcast advertising is not well developed in Armenia. “If we analyze the situation around us, every large company has chosen or founded an advertising agency that manages its advertising budget,” said Harutyunyan. All panelists agreed that the volume of ads has been increasing and they take a great portion of broadcast programming time. However, Armenian law limits advertising to no more than 10 minutes per hour and advertising breaks should be at least 20 minutes apart.

For print media, ad revenue as a percentage of total revenue is not in line with accepted international standards. Advertisers are reluctant to place ads with low-circulation newspapers. Furthermore, many newspapers receive political patronage and do not make major efforts to increase circulation or increase advertising sales. In the television industry, however, advertising is often the most important source of revenue, and the proportion with other sources is in line with international standards.

Market research is used to formulate strategic plans, enhance ad revenue, and tailor the product to the needs and interests of the audience; however, the level of research varies from media outlet to media outlet. Market research for regional television and radio outlets is abundant and includes individual focus groups for selected regional outlets. The research has greatly helped the management of those outlets to formulate strategic plans, enhance ad revenue, and tailor the product to the needs and interests of the audience. Print research is also underway.

AGB Nielsen, one of the world’s leaders in television audience measurement, is measuring Yerevan’s television audience through high-technology peplemeters. “Both television companies and advertisers/advertising agencies buy the ratings provided by AGB Nielsen,” said Harutyunyan. The ratings data are commercially sold only to a limited number of clients, e.g. ad agencies, advertisers, and Yerevan television outlets. Targeted regional broadcast research is conducted every six months for regional radio and television stations, and is publicly available. With regard to newspaper circulation, no audit bureau of circulation exists to certify circulation numbers, and many publishers make claims that few believe.

“It’s not that easy to become a member of a professional association, but they [potential members] surely don’t line up to join those, either,” said Aram Mkrtychyan.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Armenia Objective Score: 2.23

This objective received a significant increase compared to previous years. Indicator 1, trade associations, was still the lowest scoring indicator at about three-quarters of a point lower than the average, but it received a much higher score than in previous years, simply because a trade association has been founded. Other indicators improved as well, and the highest score went to Indicator 5, short-term training opportunities.

Previously in Armenia, no trade association existed, but this year’s panel discovered that an association of mass media, the All-Armenian Mass Media Association, has formed. Its publicized goal is to unite media organizations and protect members’ rights. Because the association is new, said Harutyunyan, panelists “can’t highly rate its work so far... the [media] field is so separated, divided, disconnected, that just to bring them together is a serious challenge and is quite difficult.”

The situation with the professional associations has remained static: there are around 15 such associations, but the provision of legal services and assistance is still quite poor. They are engaged mostly in lobbying.

“It’s not that easy to become a member of such an association, but they [potential members] surely don’t line up to join those, either,” said Aram Mkrtychyan, the director of Radio Hay. Hayrapetyan added, “There also exists the Association of Photographers, but it’s more of a joke than association.”

The Yerevan Press Club is an example of an active professional associations, but panelists said that most associations do not do significant work unless they receive a grant. The panelists did agree that these organizations promote journalism to the public in a positive way, to some extent. They do whatever they can, and they try to assist journalists.

Armenia does have NGOs that support free speech and independent media. They are involved in reviewing legislative changes regarding the media. Among the most active

Print distribution is problematic. Companies do not operate efficiently and they often are very slow in remitting funds for sold copies to the publishers.

organizations are the Freedom of Information Act organization, and Asparez in Gyumri. "They regularly 'terrorize' state bodies by taking them to court," said Mkrtychyan.

The situation regarding journalism degree programs has not changed from previous years: Armenia still has no programs offering quality journalism degrees and practical experience. "I'm also a professor at one of the universities, teaching to both bachelor and graduate degree students, and the situation is awful," said Harutyunyan. "I don't remember a single case at our outlet when we would take a newly graduated student from a university, train him for two weeks, three weeks, [or] a month, and he/she could start producing decent, publishable content."

All of the panelists agreed that there is a huge surplus of students, since almost every university, be it a state or private, feels obliged to have a journalism department. "People don't realize how serious it is to be a journalist, and for them, journalism is just something fancy and prestigious," said Satyan.

Short-term training programs allow journalists to upgrade or acquire new skills, are free of charge, and are set up by international media organizations. USAID supports several programs that provide ongoing training opportunities for practicing media professionals in the editorial, advertising,

marketing, programming, and business management fields. The British Council also provides training opportunities for practicing journalists.

As for management's attitude towards letting staff take part in those trainings, Satyan said, "It is very hard to afford to send a reporter to an all-day training, and several days in a row, since every reporter counts at our outlet."

Printing facilities and sources of newsprint are in private hands. However, this does not mitigate pressure being brought to bear on media. "As a person who has been working in this sphere, I can say that in recent years, there have been indirect—and sometimes even direct—pressure attempts," said Harutyunyan, "Under the guise of inspection, they come and check out what we print, and ask, 'You guys aren't printing this or that, are you?'"

However, the other panelists agreed that anyone who wishes to print something can print it.

Print distribution is problematic. Companies do not operate efficiently and they often are very slow in remitting funds for sold copies to the publishers. The leading and largest distribution agency was recently sold from one private owner to another, who is said to be closer to the government. Panelists were somewhat anxious that this might translate into a source of pressure on critical media in the future. For now, distribution and kiosks have not been politically discriminatory in their operations.

Transmitter towers belong to the state, although access to them is not denied to critical broadcasters.

The state does not control access to the Internet, and 2007 saw a positive step: According to a Commission for Public Services of Armenia decision, ArmenTel's monopoly on transfer of Internet data and international services for voice transmission was abolished on October 1.

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 in private hands, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

List of Panel Participants

Mary Harutyunyan, marketing director, Hrazdan TV, Radio Hay Hrazdan and *Hrazdan* Newspaper, Hrazdan

Karen Arshakyan, president and chief editor, Fortuna TV, Stepanavan

Tigran Harutyunyan, president, *Noyan Tapan* (News Agency, Ad Agency, Printing and Publishing House, Newspaper), Yerevan

Anna Satyan, reporter, *Novoye Vremya* Newspaper, Yerevan

Aram Mkrtchyan, director, Radio Hay, Yerevan

Arevhat Amiryan, editor-in-chief, *Vorotan* Newspaper, Sisian
Ashot Khandanyan, president, Kyavar TV, Kyavar

Anahit Hayrapetyan, photojournalist, *ArmeniaNow*, Yerevan

Avetik Ishkhanyan, editor-in-chief, *Ditord* Magazine,
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