

ACCORDING TO MARK POMAR, PRESIDENT OF IREX: "AS THE DRAMATIC EVENTS IN GEORGIA AND UKRAINE HAVE SHOWN, THERE IS A STRONG CORRELATION BETWEEN FREE MEDIA AND DEMOCRATIC GOVERNMENT. THE MSI IS A UNIQUE TOOL THAT ANALYZES THE STATE OF INDEPENDENT MEDIA AND, IN THE PROCESS, DEVELOPS IMPORTANT INDICATORS OF POLITICAL CHANGE."



I am pleased to introduce the Media Sustainability Index (MSI) 2004. For the fourth consecutive year, the MSI provides in-depth analysis of the conditions for independent media in 20 countries across Europe and Eurasia. Since it was first conceived in 2000, in cooperation with the United States Agency for International Development (USAID), the MSI has evolved into an important benchmark study to assess how media structures change over time and across borders.

We are pleased that so many media professionals, aid experts, policymakers, and journalists have found the MSI to be a valuable resource. We are particularly proud of the role of media professionals in each of the countries assessed. They provide the study with the inside knowledge and insight that outside evaluators often cannot fully capture. Their presence also serves notice to repressive governments that independent media have a continuing voice.

IREX would like to thank all those who contributed to the publication of the MSI 2004. Participants, moderators, and observers for each country, listed after each chapter, provided the primary observations and analysis for this project. At IREX, Michael Clarke, Theo Dolan, Andrea Lemieux, Maggie McDonough, Drusilla Menaker, and Mark Whitehouse provided either analytical or editorial support to the project. IREX field staff across the region provided either logistical support or participated in panels as members or moderators. Theo Dolan managed the overall implementation of the project.

At USAID, Peter Graves and numerous field-based staff have provided important assistance, ranging from comments on the content of the study to assistance with panels, serving in some cases as members or observers. All are essential supporters of independent media and advocates for the MSI as an analytical tool for development professionals.

We hope you will find this report useful, and we welcome any feedback.

Sincerely,



Mark G. Pomar

President, IREX

AS THE MSI 2004 WENT TO PRESS, KYRGYZSTAN REMAINED IN CHAOS FOLLOWING A REVOLUTION THAT COULD YIELD EVEN MORE UNPREDICTABLE RESULTS IN THE MEDIA SECTOR. THE EVENTS IN KYRGYZSTAN COULD RESULT IN OPPORTUNITIES FOR MOVEMENT FORWARD UNLESS THE NEW GUARD OF POLITICIANS TURNS OUT TO HAVE THE SAME APPROACHES, INCLUDING TOWARD MEDIA INDEPENDENCE, AS THE OLD GUARD.



The Media Sustainability Index (MSI) 2004 provides a qualitative and quantitative analysis of media development in 20 countries over a four-year span from 2001 through 2004. Some trends, both negative and positive, mark the media environments in countries in Europe and Eurasia consistently over time, while other patterns are more spontaneous. For example, politicized media coverage and self-censorship serve as persistent obstacles to development in almost all of the countries reviewed. By contrast, recent revolutions in two countries sparked improvements in their respective media sectors. While the evolutionary trends evident in the MSI 2004 are significant for their consistency across multiple countries, the revolutionary trends could prove to be just as formative, if they maintain their staying power.

Positive Trends

The Revolution Effect

In Georgia in 2003 and Ukraine in 2004, revolutions have been partly shaped by active media sectors just as media have been altered by revolution. Following the Rose Revolution in Georgia, far-reaching changes unfolded during 2004. According to the 2004 MSI scores, Georgia's media moved forward in all categories—except supporting institutions, which remained fairly constant. Passage of a law guaranteeing freedom of speech, the legislative approval of a new tax code exempting print media from almost all taxes, declining crimes against journalists, and more public access to a variety of media all contributed to advancing the media system. Furthermore, foreign direct investment in the media increased, largely without interference from political influence.

Despite these improvements, however, the continuing evolution of the Georgian media sector is not guaranteed over the longer term. In fact, media seemed to allow the new government a grace period from objective coverage following the revolution. As many media owners had supported the politicians ascending to office, self-censorship began to increase. If progress in Georgia's media continues, it will be marked by the effective implementation of legal reforms and further progress in business management, the two most significant scoring increases from 2003 to 2004.

Prior to the elections on October 31, 2004, in Ukraine, journalists were consistently pressured by the government, and there was little professionalism in news coverage. Broadcast media abided by *temniki*, the unofficial but strict guidelines imposed on news reporting. But after the second round of voting, major changes occurred. Journalists reacted against the political pressure and cast aside the *temniki*. The mostly negative coverage of presidential candidate and eventual winner Viktor Yushchenko became suddenly more balanced and awakened eastern Ukraine to another political perspective. Regional news outlets were key conduits in providing objective coverage as the Orange Revolution took place.

In Ukraine, the euphoria that followed the Orange Revolution resulted in a jump in MSI scores despite poor performance during the rest of the year. Furthermore, the favor of the traditional ownership of national media has often followed the political power, meaning that media might simply switch loyalty to the Yushchenko regime without improving the professionalism of their reporting. Clearly, a longer-term view is necessary to gauge whether there is enduring progress in the regional media. But for now there is no discounting the evidenced improvement in professionalism and business development, trends that bear watching in 2005 and beyond.

As the MSI 2004 went to press, Kyrgyzstan remained in chaos following a revolution that could yield even more unpredictable results in the media sector. With much of Central Asia mired in a weak and repressed media environment, the events in Kyrgyzstan could result in opportunities for movement forward unless the new guard of politicians—many of whom served under former President Akayev—turns out to have the same approaches, including toward media independence, as the old guard.

Media Plurality

An evolutionary trend experienced in most of the 20 countries covered by the MSI is the increasing availability of information sources. The ubiquity of media sources is consistent in the more developed countries of Southeast Europe as well as those in Central Asia. While the plurality of media does not necessarily equate to quality or diversity of coverage or affordability of media, these factors are improving as well. In Albania, for example, media plurality is “one of the undeniable successes of the country.” In Bulgaria, scores indicate consistent improvement in the availability of quality media that has stood the test of time and political shifts. Furthermore, many of the 20 countries (with nearly half demonstrating that the plurality of news sources is sustainable or nearly sustainable for this indicator in 2004) do not overtly restrict access to media, with the main obstacle being the financial limitations of the people, especially in rural regions. As economies in many countries improve and Internet access expands, more affordable and more accessible media likely will be available going forward. However, news and information continue to be scarce in rural regions, particularly in Central Asia and the Caucasus, a serious problem that shows little chance of abating in the near term.

On the other hand, the large number of print media—particularly in countries such as Albania and Montenegro—is not sustainable and should decline

over time as the media market matures. This does not necessarily imply a reversal in democratic trends, as fewer but stronger commercially viable and therefore more independent outlets can provide citizens with information of greater breadth and depth. Currently in Serbia, for example, the high number of media outlets tends to damage the objectivity and reliability of sources because many sensationalize to boost readership or viewership.

Business Management

Another positive, yet slowly emerging trend is seen in advances in aspects of business management. In many countries addressed by the MSI, improving advertising markets have meant more revenues for media outlets. In Ukraine, ad sales were up in 2004 due to a booming economy. In Georgia, ad income exceeded that of sales and subscription revenue. In Moldova, ad revenues increased in 2004 despite low foreign direct investment and television competition from Romania. In Bulgaria, ads provided a sound source of revenue in 2004. Serbia was marked by a dynamic advertising market and ad revenues that appeared to be on an upward cycle, despite higher operating costs. In addition to the gradually improving ad market, many print media benefit from tax breaks, especially from the value-added tax (VAT).

While increasing revenue from advertising does not guarantee a sustainable and independent media, it certainly provides an important underpinning for progress against other challenges. The MSI data show an increase or relative consistency in the competency of business management from 2001 to 2004. However, some media in Central Asia have not yet started to benefit from development of the advertising market. In those countries, advertising contracts are too often used as political tools, and cronyism frequently dictates where ad money is directed.

Negative Trends

Media Law Implementation

One of the most pervasive negative trends facing media in the countries reviewed is the weak judicial sector and grievous shortcomings in effectively implementing legislation designed, at least in theory, to protect free speech and regulate media fairly and transparently. While many countries have good laws on the books, most MSI panels reacted strongly to the failure to put them into practice. In fact, the average score for this specific category is 1.94, indicating the

unsustainable implementation of media laws in 2004. According to one panelist in Azerbaijan, “The law and its implementation are united. If the existence of the law was presented separately, it could be scored as a 3.5 (out of 4). But the implementation brings the score equal to 0.” Problems in implementing free-speech legislation were noted in one form or another by all countries except Croatia.

Another aspect is the court system’s failure to adjudicate media-related cases fairly. MSI panelists from many countries mentioned that judges and lawyers are poorly trained and often either politically motivated or corrupt. In cases such as Russia, courts are used as political tools to pressure media, particularly in the run-up to elections. In Montenegro and Kazakhstan, among other countries, libel still is included in the criminal code, and civil suits are often used purely to punish journalists and media outlets. In several countries, the legal burden of proof falls to the defendant, as in Moldova and Albania. These factors, combined with a public that is generally apathetic about violations of free-speech rights and a journalism community that is unaware of its rights, suggest this trend could continue downward in the coming years.

Self-Censorship

Poor legal implementation is closely linked to another negative trend, ubiquitous self-censorship. Self-censorship takes place because journalists are afraid of losing their jobs with no labor contracts in place, as in Albania and Central Asia. Self-censorship also flourishes because journalists fear legal persecution through the underdeveloped court systems. There are more subtle forms of self-censorship as well. For example, even with the improvements in Georgia following the revolution, journalists are loath to criticize the new government during a post revolution grace period.

Political and business pressure on media routinely lead to self-censorship. This is evidenced in Ukraine, where coverage shifted from an overwhelmingly negative view of Yushchenko to glowing support of him after the revolution. In Romania, one panelist said simply, “We all practice self-censorship.” In Moldova, self-censorship is widespread in both public and private media. In countries such as Albania and Georgia, the trend occurs differently: Crimes against journalists are declining but are replaced by more active self-censorship. The Albanian MSI review notes, “Journalists are simply tired of pressure and threats and have decided to avoid investigating dangerous topics.” Belarus and Central Asian countries such as Kazakhstan all have more virulent forms of self-censorship brought on by political pressure. Across all countries in 2004,

the average score for the indicator dealing with self-censorship was a shockingly low 1.43. This is not to say that media are always the victims of political and business elites. In fact, outlets can be complicit in promoting one interest or another due to their own links to political and business groups.

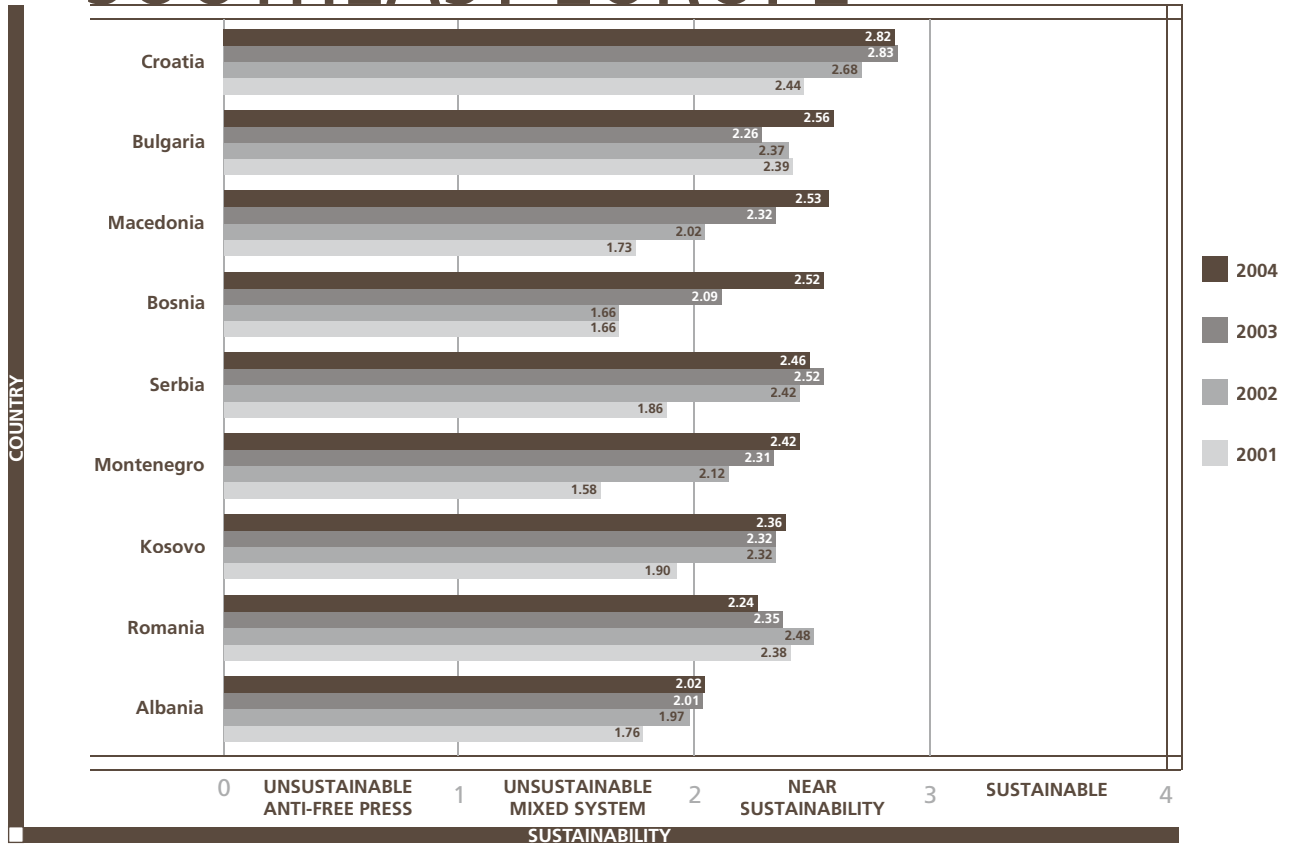
Education

A more subtle, yet still significant, media-development trend is the consistent dearth of sound university journalism education. Faculties with outdated curricula and poor resources are failing to prepare new generations of journalism professionals committed to media independence. Panelists in almost all countries reviewed by the MSI, with the exception of Croatia, reported that journalism students received very little practical training or exposure to modern techniques and equipment. The average score for this indicator in all countries in 2004—1.85—reflects these deficiencies. Furthermore, students who sought a better education outside of their home countries either did not return or came back to take more lucrative jobs in other industries. The poor educational standards throughout the 20 MSI countries portend a continuing struggle to develop professional journalism over the long term. This trend has negative implications beyond the media sector. Young people graduating from journalism faculties without a profound commitment to independent media or proper professional skills will not be fully able to help in establishing the media as a healthy contributor to the economy, or as a counterbalance to the political sector.

With four years of data collected, the MSI now charts significant advances in the media systems of multiple countries, including Montenegro and Macedonia, where there has been significant progress, as well as those such as Belarus and Uzbekistan, where the ruling regimes (sometimes in combination with economic factors) have made even small amounts of progress impossible. The evidence over time makes clear that media systems can make headway on all the facets assessed by the MSI panels and that in some cases this development is significant enough to withstand political change. In the years to come, the MSI will show whether these advances become firmly entrenched in more countries and if change, evolutionary or revolutionary, will bring citizens in more countries the information they need and deserve.

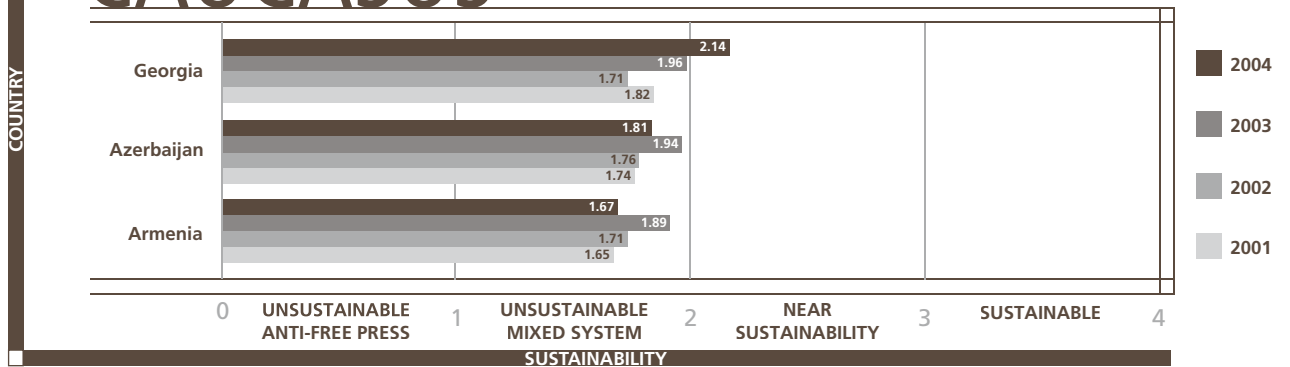
AVERAGE OBJECTIVE SCORES

SOUTHEAST EUROPE



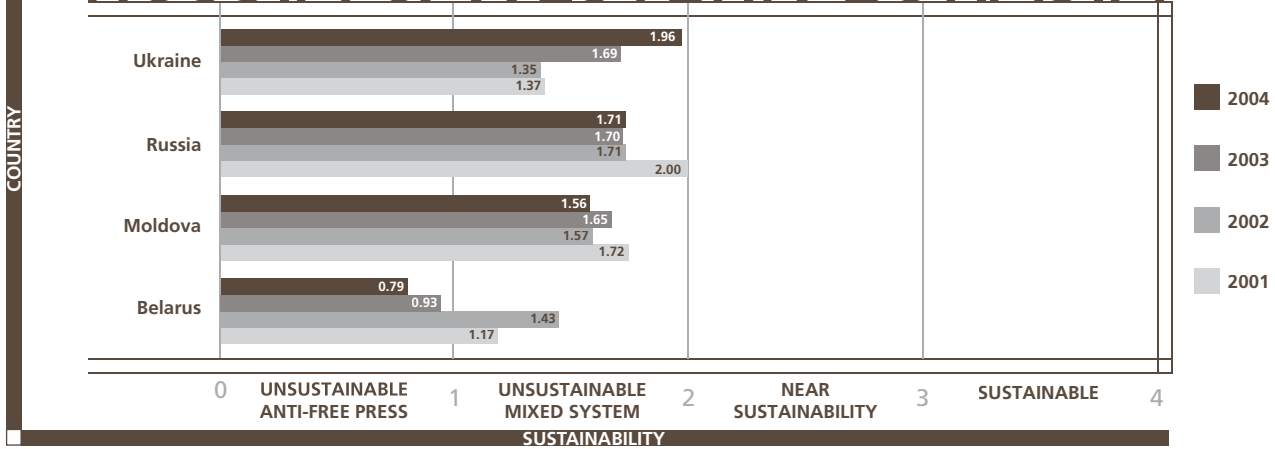
AVERAGE OBJECTIVE SCORES

CAUCASUS



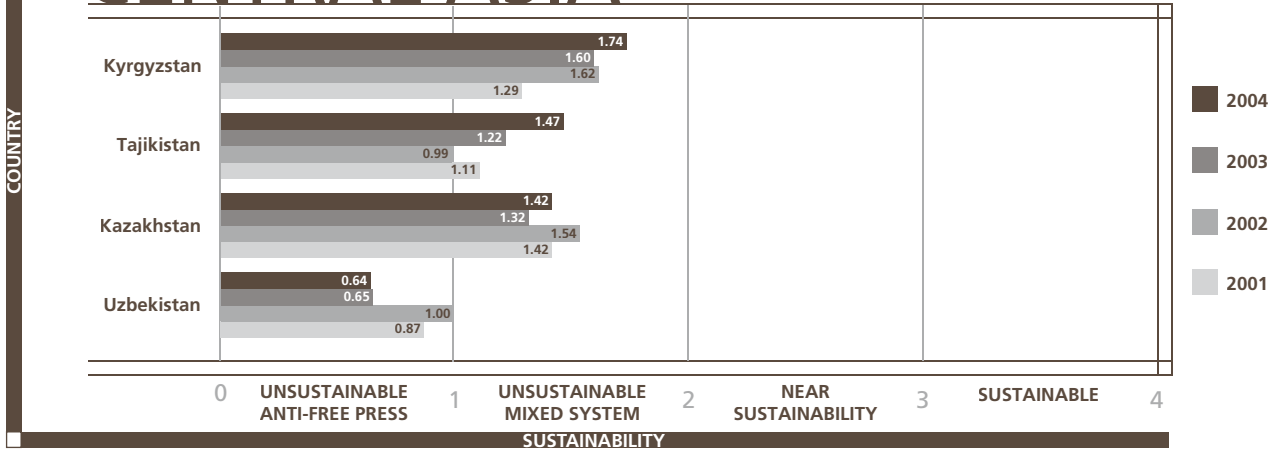
AVERAGE OBJECTIVE SCORES

RUSSIA & WESTERN EURASIA

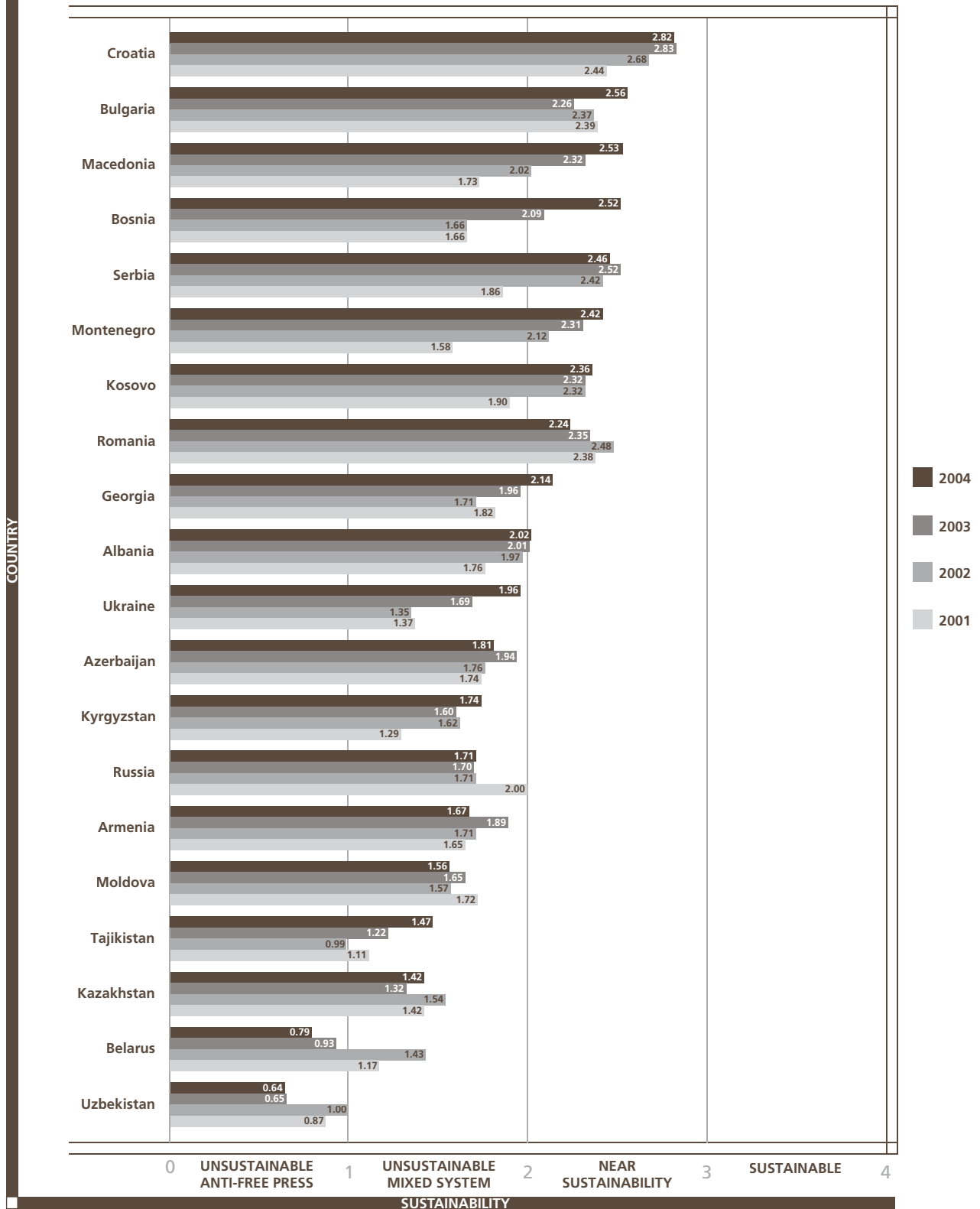


AVERAGE OBJECTIVE SCORES

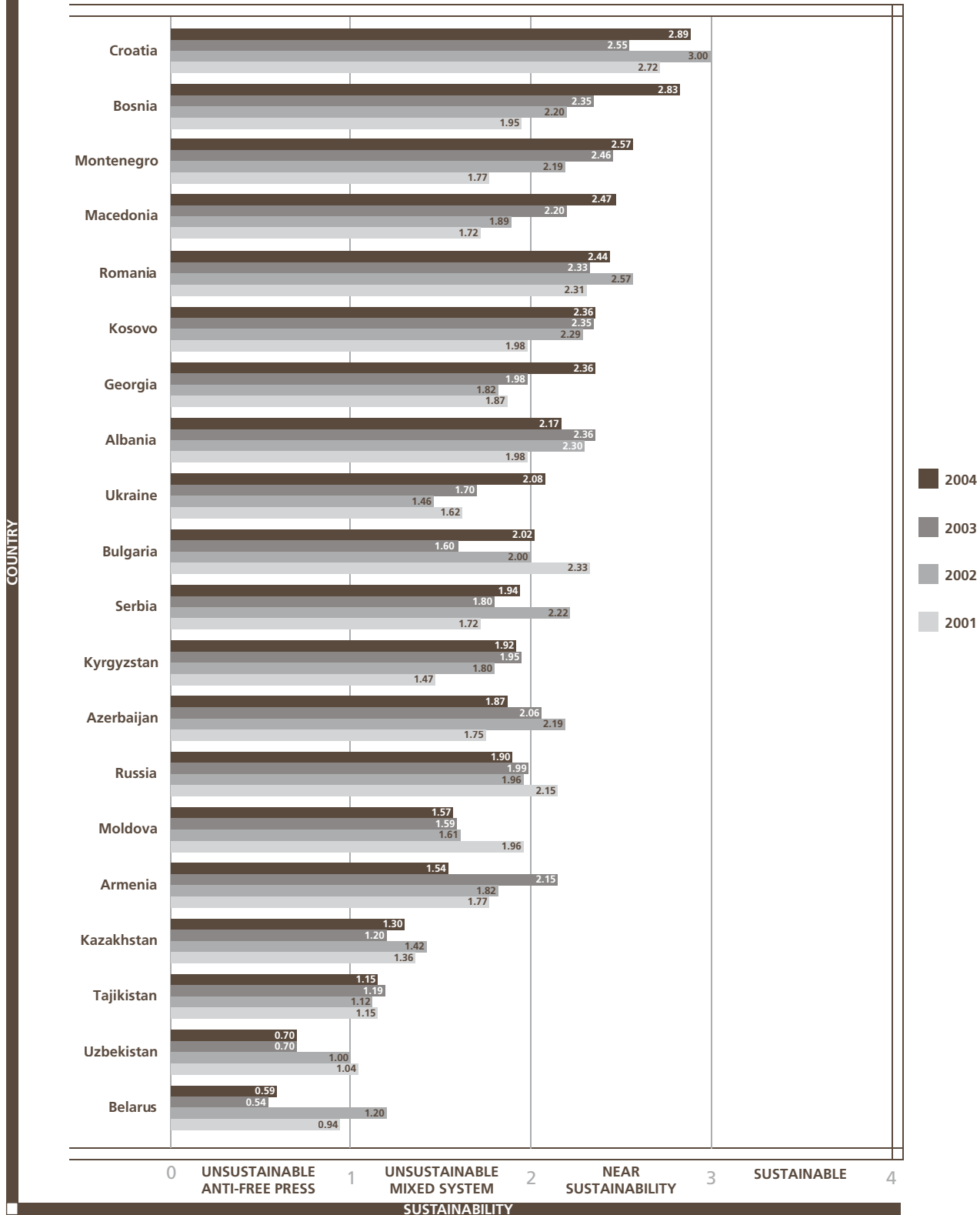
CENTRAL ASIA



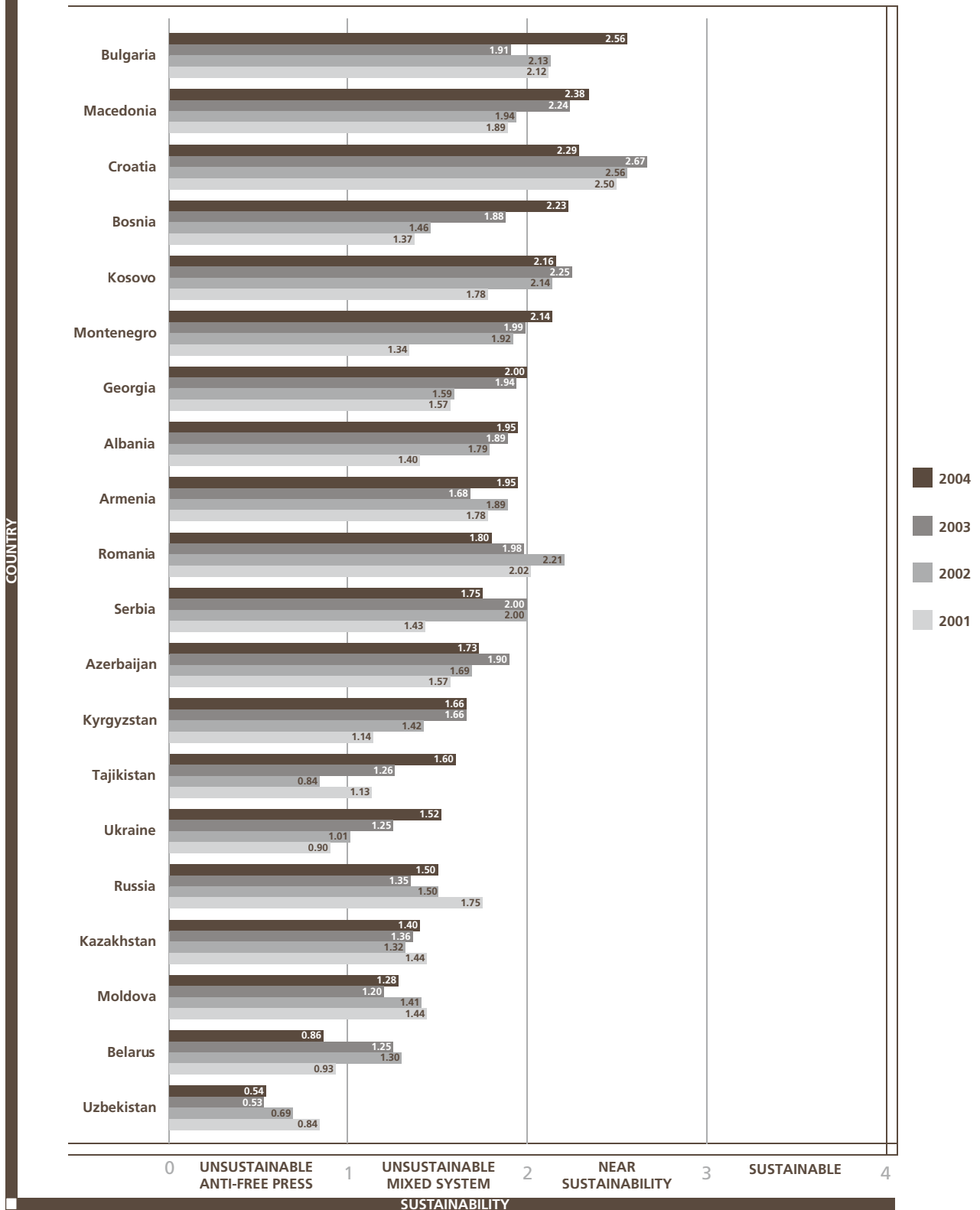
AVERAGE SCORING FOR ALL OBJECTIVES



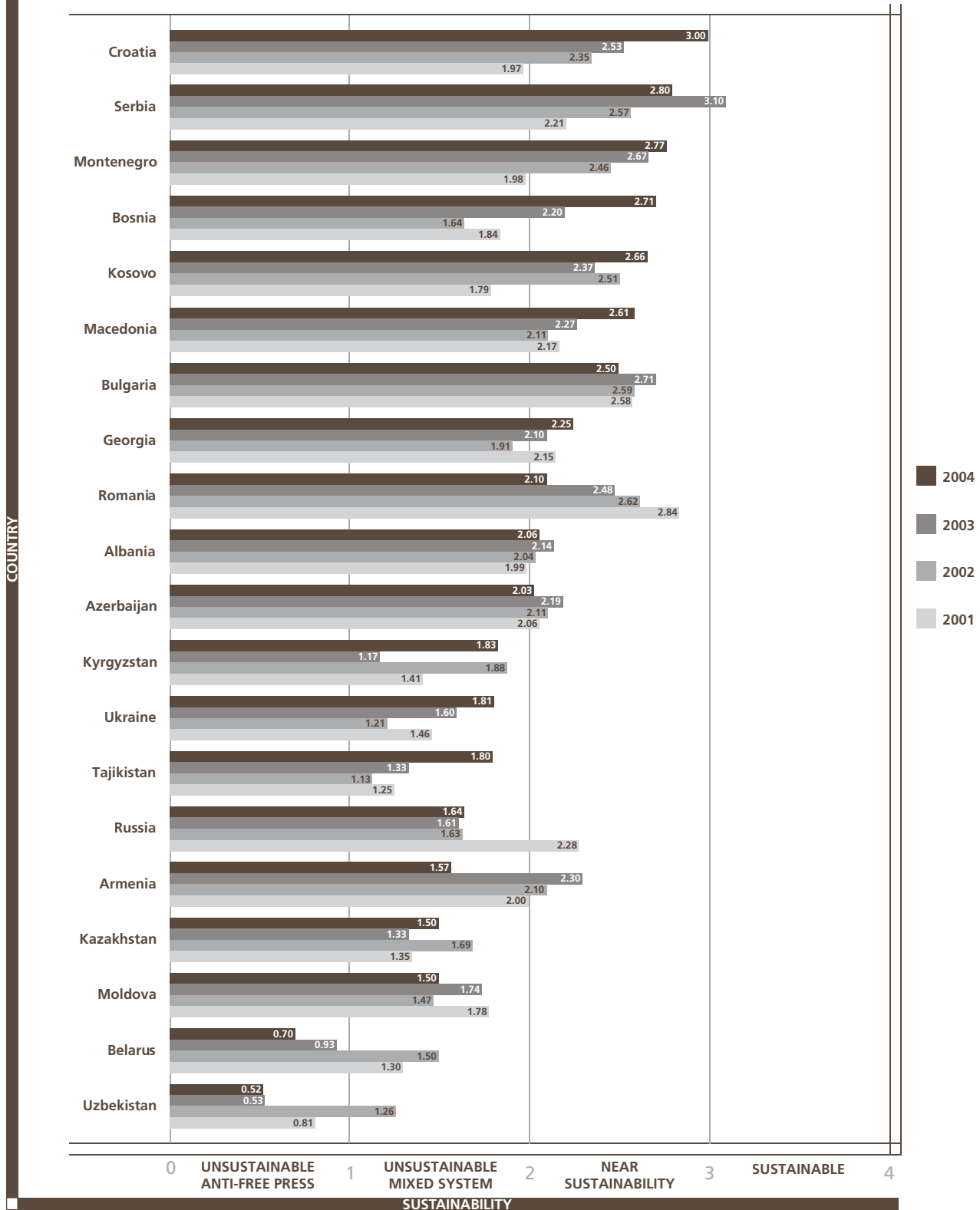
OBJECTIVE 1: FREE SPEECH



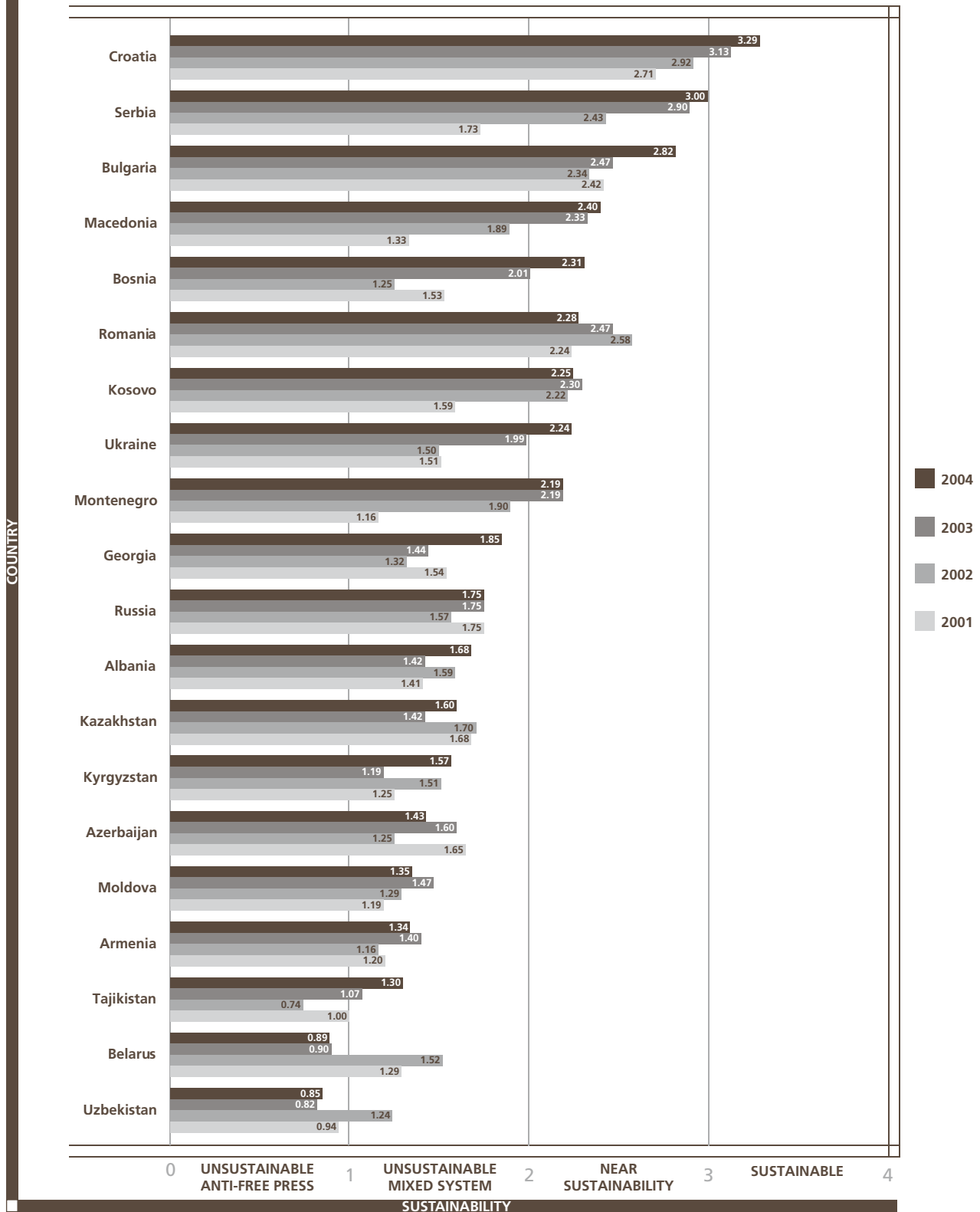
OBJECTIVE 2: PROFESSIONAL JOURNALISM



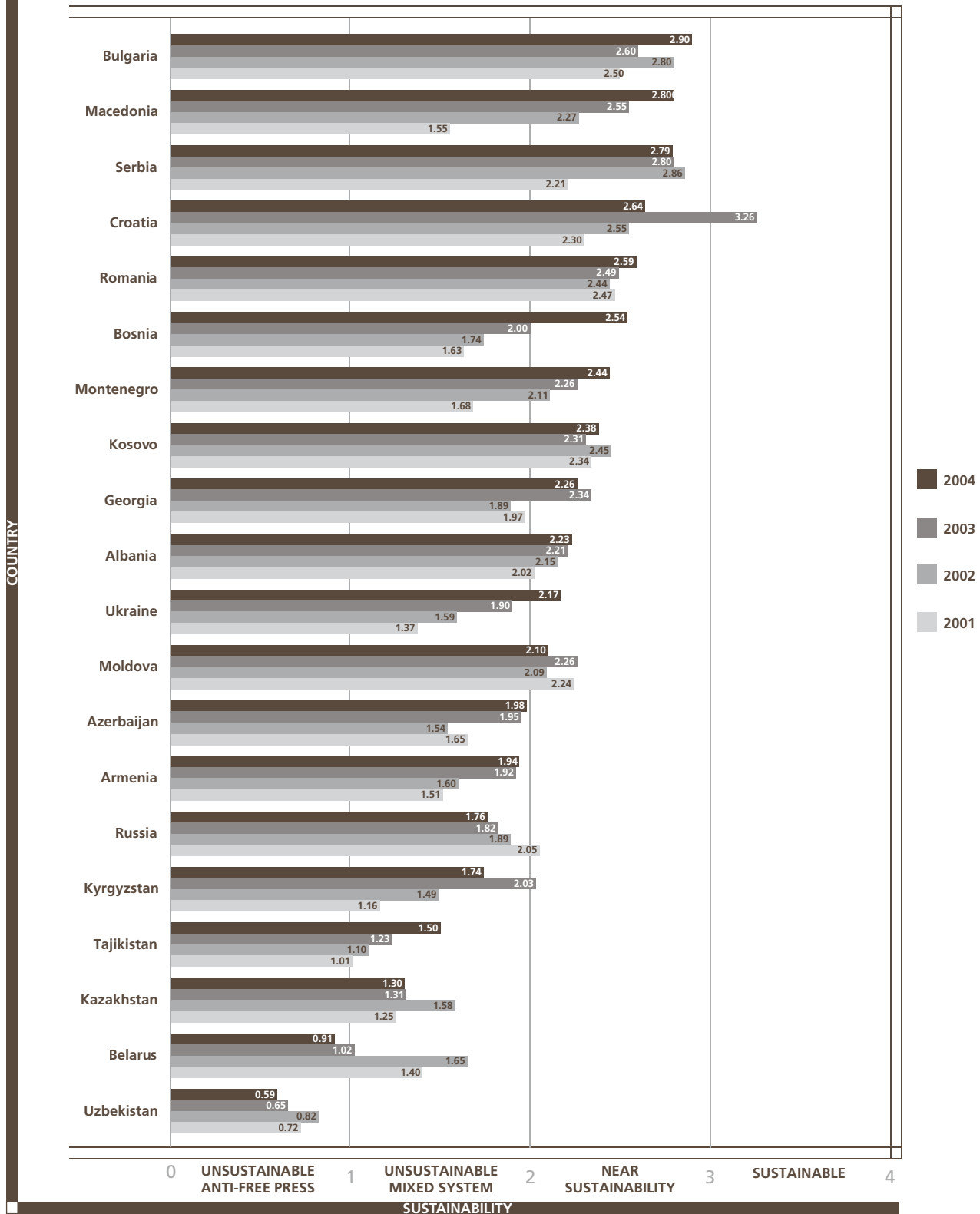
OBJECTIVE 3: PLURALITY OF NEWS SOURCES



OBJECTIVE 4: BUSINESS MANAGEMENT



OBJECTIVE 5: SUPPORTING INSTITUTIONS



THE EVIDENCE OVER TIME MAKES CLEAR THAT MEDIA SYSTEMS CAN MAKE HEADWAY ON ALL THE FACETS ASSESSED BY THE MSI PANELS AND THAT IN SOME CASES THIS DEVELOPMENT IS SIGNIFICANT ENOUGH TO WITHSTAND POLITICAL CHANGE.



IREX prepared the Media Sustainability Index (MSI) in cooperation with the United States Agency for International Development (USAID) as a tool to assess the development of independent media systems over time and across countries. IREX staff, USAID, and other media-development professionals contributed to the development of this assessment tool.

The MSI assesses five “objectives” in shaping a successful media system:

1. Legal and social norms protect and promote free speech and access to public information.
2. Journalism meets professional standards of quality.
3. Multiple news sources provide citizens with reliable and objective news.
4. Independent media are well-managed businesses, allowing editorial independence.
5. Supporting institutions function in the professional interests of independent media.

These objectives were judged to be the most important aspects of a sustainable and professional independent media system and served as the criteria against which countries were rated. A score was attained for each objective by rating seven to nine indicators, which determine how well a country meets that objective. The objectives, indicators, and scoring system are presented below.

The scoring was done in two parts. First, a panel of experts was assembled in each country, drawn from representatives of local media, nongovernmental organizations (NGOs), professional associations, international donors, and media-development implementers. Each country’s panel had a slightly different composition, but in most cases, the same panelists from last year’s MSI were invited to return for the 2004 study in order to maintain consistency.

Each panel was provided with the objectives and indicators and an explanation of the scoring system. Panelists were asked to review the information individually. The panelists then assembled to discuss the objectives and indicators, and to devise combined scores and analyses. The panel moderator, in most cases a host-country media or NGO representative, prepared a written analysis of the discussion, which was subsequently edited by IREX representatives.

IREX in-country staff and Washington, DC, media staff also reviewed the objectives and indicators, and scored the countries independently of the MSI panel. The panel scores and IREX scores were then combined to obtain the final score presented in this publication. This method allowed the MSI scores to reflect both local media insiders’ views and the views of international media-development professionals.

I. Objectives and Indicators

OBJECTIVE 1: FREE SPEECH

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

FREE-SPEECH INDICATORS:

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

OBJECTIVE 2: PROFESSIONAL JOURNALISM

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).

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

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.

OBJECTIVE 4: BUSINESS MANAGEMENT

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.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Supporting institutions function in the professional interests of independent media.

SUPPORTING INSTITUTIONS INDICATORS:

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

II. Scoring System

A. Indicator Scoring

Each indicator is scored using the following system:

0 = Country does not meet the indicator; government or social forces may actively oppose its implementation.

1 = Country minimally meets aspects of the indicator; forces may not actively oppose its implementation, but business environment may not support it and government or profession do not fully and actively support change.

2 = Country has begun to meet many aspects of the indicator, but progress may be too recent to judge or still dependent on current government or political forces.

3 = Country meets most aspects of the indicator; implementation of the indicator has occurred over several years and/or through changes in government, indicating likely sustainability.

4 = Country meets the aspects of the indicator; implementation has remained intact over multiple changes in government, economic fluctuations, changes in public opinion, and/or changing social conventions.

B. Objective and Overall Scoring

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

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.