

MEDIA

SUSTAINABILITY

INDEX

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“THE GOVERNMENT IS NOT WILLING TO CONDUCT AN EFFECTIVE INVESTIGATION THAT WOULD REMOVE ALL PUBLIC DOUBT WITH REGARD TO THE CRIMES COMMITTED AGAINST JOURNALISTS,” SAID EVGENII ZHOVTIS.



By the end of 2004, Kazakhstan had turned the corner on difficult economic reforms. The gross domestic product (GDP) increased to nearly \$2,000 per capita, the population's overall well-being steadily improved, and the foundation for a market economy was created.

But although Kazakhstan has the image of a country with a future based on oil and gas resources, it lost some of its investment appeal during 2004 as scandals¹ shook the country. There were splits in the political and business elites, controversies arose between the people and the state, and the lack of transparent procedures for small and medium investors limited their opportunities in the emerging economy.

The ruling forces remained mired in a Soviet-era mentality, governing by directive and concentrating presidential powers. At the same time, new political groups emerged with their own economic and political interests but without generating a more broadly representative government.² The September 2004 parliament elections exacerbated the situation, as the opposition won only one seat despite indications that it had gained popular strength since the previous elections.

During the 2004 Media Sustainability Index (MSI) panel, International Bureau on Human Rights in Kazakhstan director Evgenii Zhovtis described ordinary citizens as unhappy with the lack of reforms at local levels that affect their lives on a daily basis. Little has been done to control corruption, create transparent government structures, or limit the power of the elite in the decision-making process. The panelists noted that despite economic progress, political reform was yet to come.

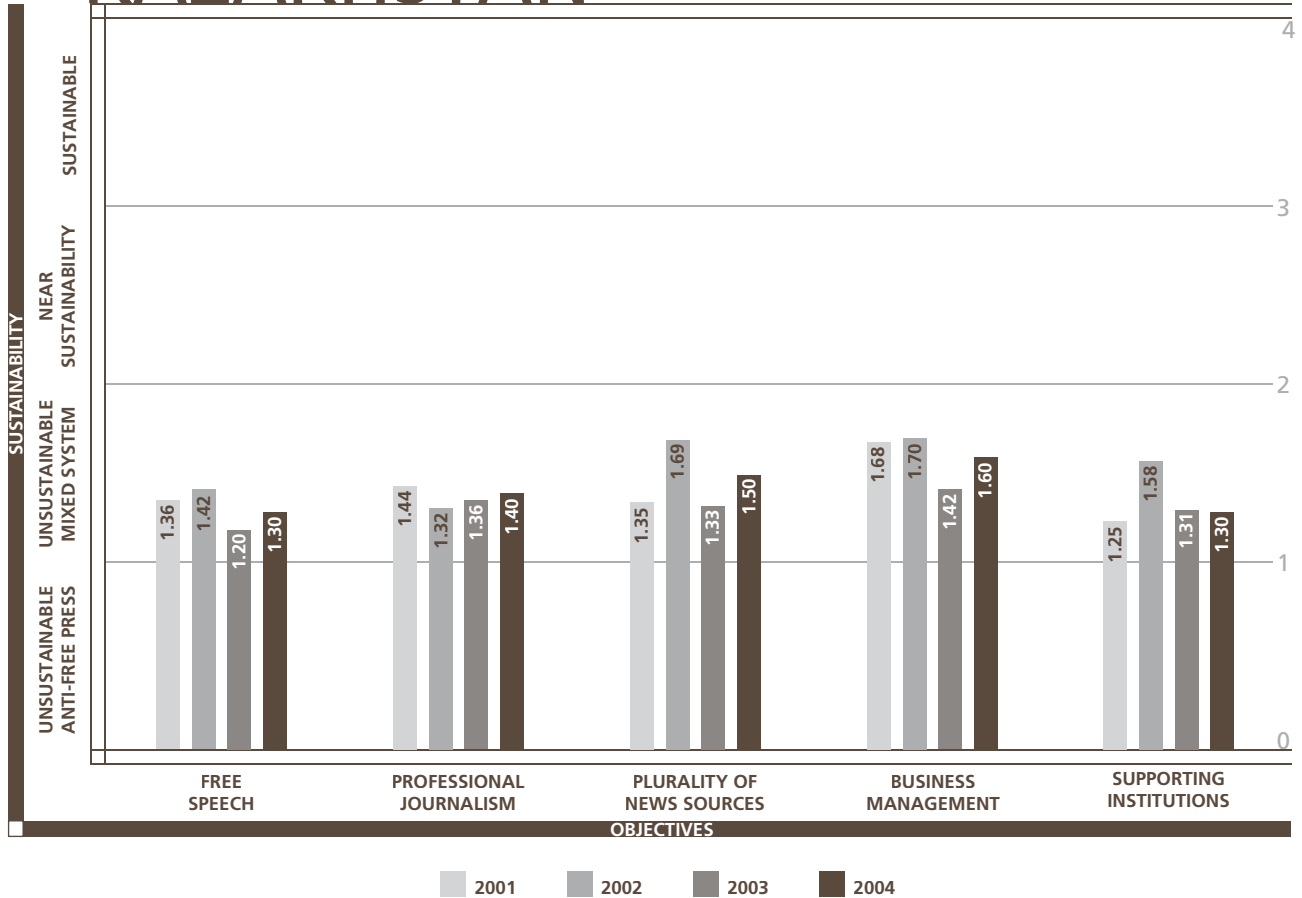
Kazakhstan's political situation directly impacts independent media development. This can be seen in the clear division of Kazakhstani media into pro-government and opposition media, with little or no objective middle ground. The president's daughter, Dariga Nazarbayeva, directs major media holdings, as well as the Congress of Journalists. The authorities

¹The Court of New York is currently trying a case, which was called "Kazakhgate," charging top officials of Kazakhstan with accepting bribes from foreign companies.

²Kazakhstan currently has 12 political parties. Political-activity development is restricted by means of a threshold requiring a party to have at least 50,000 members. In Russia, the threshold is 10,000, although the population is 10 times higher.

MEDIA SUSTAINABILITY INDEX

KAZAKHSTAN



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.

consider broadcast media as propaganda tools, and government officials appoint the managers and create decision-making procedures at the outlets they control based on this perspective. MSI panelists said this gives the government considerable means to limit opposition voices, direct advertising to state media, and limit the growth of nonstate media. As a result, media take sides when controversy arises, and fairness and objectivity become secondary goals.

Media development in Kazakhstan did not progress significantly during 2004. Overall, the MSI panel ranked all objectives as registering only slight increases from 2003, except for the status of supporting institutions for the independent media, which declined marginally. The Constitution and the Law on Media that protect free speech represent typical immediate-post-Soviet legislation built on restrictions and media control for the sake of state interests. The criminalization of libel in the criminal code is striking evidence of how far Kazakhstan has yet to go. Kazakhstan has not officially adopted an ethics code for media. The distribution of news and information is not uniform in terms of quality and geographic reach. Self-censorship is a significant problem and is one of the main factors precluding media from covering key issues. And the media outlets are extremely short of well-trained professional journalists.

OBJECTIVE 1: FREE SPEECH

Kazakhstan Objective Score: 1.30 / 4.00

Kazakhstan has no law on free speech, and the existing Law on Media is more restrictive than protective, having been designed essentially to regulate state media activity. The law also contains no clear mechanism for monitoring the implementation of media legislation. Access to information is limited, and the government creates significant obstacles. The authorities completely regulate the licensing process. Crimes against journalists are not infrequent, but the culprits are rarely found, let alone prosecuted. Equal rights for state and independent media are guaranteed by the Law on Media. In practice, however, government agencies provide state media outlets an unfair advantage by offering them more information. But there are no restrictions on media outlets accessing international news through the Internet or any other sources, and entry into the journalism profession is not restricted.

As there are no mechanisms for guaranteeing free speech, most MSI panelists agreed that the Kazakhstani Constitution and the Law on Media proclaim this right rather than protect it. In addition, the criminal code,

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.

the administrative code, and the civil code actually restrict the freedom of speech. Criminalization of libel is one such restriction. MSI panelist Tamara Kaleeva, president of the Fund for Free Speech Protection Edil Soz, noted: "Overall legal norms stipulating freedom of speech loosely correspond to international standards. But the registration of media outlets is complicated. There are consequences for the involuntary infliction of moral damages and for reprinting material from other sources. Article 155 of the criminal code includes punishment for hindering

"This year the authorities tried to pass a new Law on Media that would considerably restrict free speech. The public as well as most of the media outlets were silent. Only a few organizations and some newspapers fought against the law," said Galina Dyrkina.

the professional work of a journalist, but it has never been applied." The courts' ability to protect the media is restricted by their dependence on the political will of the authorities.

There are various forms of pressure on independent media, particularly those outlets critical of the government. Among them are lawsuits, tax audits,

"Overall legal norms stipulating freedom of speech loosely correspond to international standards. But the registration of media outlets is complicated. There are consequences for the involuntary infliction of moral damages and for reprinting material from other sources. Article 155 of the criminal code includes punishment for hindering the professional work of a journalist, but it has never been applied," noted Tamara Kaleeva.

overzealous inspections by the Office of the Public Prosecutor, and the refusal of officials to provide public information, an increasingly common trend in 2004. One example is the repeated efforts of a Majilis deputy, Serik Abdrahmanov, chairman of the Committee on International Affairs and Security, to sue an Internet-based newspaper for comments posted to the website by an unknown writer. Another

example from 2004 was the forged edition of the independent *Asandi Times* newspaper, which included articles directly opposing the newspaper. When the editorial staff made a public statement alleging that the administration of President Nursultan Nazarbayev might be connected with the fake issue, the president immediately sued the newspaper, claiming damage to the government's reputation.

In such cases, civil society is largely apathetic and does not actively protect free speech. Galina Dyrkina, d Iris Luarasi eputy chief editor of *Respublica*, said: "This year the authorities tried to pass a new Law on Media that would considerably restrict free speech. The public as well as most of the media outlets were silent. Only a few organizations and some newspapers fought against the law." In the end, it was not passed, but due primarily to the efforts of the international nongovernmental organizations (NGOs).

Licensing of broadcast media is the responsibility of the Ministry of Information and Communication, which is regulated by the state. The chairman is appointed by the top ranks of government, and the commission is viewed as consisting mainly of ineffective bureaucrats. Hundreds of applications have been waiting years for consideration, and frequencies have been distributed only to a few companies. Chimkent TV and radio station Ak-tiubinsk Radio Rifma have been unable to obtain expanded licenses, apparently due to political bias. MSI panelist Baljan Baisembekova, director for regional development of 31st Channel TV/Radio Company, said: "31st Channel has applied for a tender to expand broadcasting across regions of Kazakhstan, but the station has not been approved for participation since the channel is considered supportive of the Kazakhstani opposition. The tender was won by Rahat TV, a company whose technical capacity is much weaker." Several frequencies also were distributed to As TV, a private company affiliated with Timur Kulibaev, vice president of the national KazMunaiGas company and the husband of President Nazarbayev's younger daughter.

Independent media are not taxed more than other industries. Moreover, media receive tax preferences, including exemption from the value-added tax (VAT), although that expires at the end of 2005. The authorities nonetheless find ways to pressure nonstate outlets through taxation. For example, due to pressure from the Tax Committee, the chief editor of *SolDat* newspaper, Ermurat Bapi, was convicted of business-related charges and received a sentence that included a five-year ban on publishing as a journalist. The editor said he believed the case was a response to his articles on the high-level Kazakhgate corruption case. Four criminal cases were brought against Irina Petrusheva, chief editor of *Respublica*, for alleged tax evasion. Conversely, there were cases in which the editors became victims of their own carelessness. Rosani Ismailova, a publisher, said "media outlets are not professional in this business and often cannot afford an accountant who will prepare their taxes. Or they simply do not want to pay it."

Crimes against journalists and media outlets are committed regularly in Kazakhstan.³ In a number of cases these crimes can be linked to the journalists' political activity, and, as a rule, the offenders

³ Based on data from the Fund for Free Speech Protection Edil Soz, the following cases took place in Kazakhstan during 10 months in 2004: one arrest of media owner V. Meehailov from Aktobe, 12 attacks on media workers, the burning of the editorial office Yuiznyi express in Taras. No culprit was found or punished. Additionally, 18 criminal charges and about 100 civil court prosecutions, not to mention administrative penalties, were registered.

go unpunished. Evgenii Zhovtis, director of the International Bureau on Human Rights in Kazakhstan, said, “The government is not willing to conduct an effective investigation that would remove all public doubt with regard to the crimes committed against journalists.” In June 2004, Ashat Sharipjanov, a journalist for an Internet-based newspaper, was killed. Aigul Omarova, a reporter for the Web-based newspaper *Navigator*, said the “police and all bureaucrats characterize this case as a traffic accident even though experts said that the injuries were not typical for a traffic accident. After that, a criminal case was initiated.”

The criminal code of Kazakhstan contains six articles related to libel. The civil code includes articles on honor and dignity, and compensation for moral damages. In the criminal courts, one is innocent until proven guilty. In the civil courts, one must justify his actions and is guilty until proven innocent. Judges generally side with the state bureaucrats who sue media outlets. Dyrkina from *Respublica* said that in 2004, “the President’s administration sued *Asandi Times*, claiming to protect the reputation of the president, and won the case. The Court ordered the newspaper to pay a very large sum for inflicting moral damages.” A rare exception is the case involving journalist Gennadi Benditskii, who was charged with libel after a corruption investigation. The state lost the case, and panelists said the journalist was saved from criminal prosecution due to public outcry and intervention by the president himself.

Access to public information is not equally available for all media. According to the Law on Mass Media, the state agency must provide information to all media regardless of ownership. The law states that state and independent media outlets enjoy equal rights. In practice, according to the MSI panelists, this provision is consistently violated. For example, most state agencies invite only journalists from state media outlets to news conferences. Press releases are also selectively distributed, with priority given to those loyal to the government. Aigul Omarova, a reporter for the Internet-based newspaper *Navigator*, said: “A selective approach is also applied by the Ministry of Foreign Affairs, the Ministry of Interior Affairs, the Supreme Court, the Office of the Public Prosecutor, the president’s administration, local governments, and large national companies—Kazmunaigas and Temirjol, among others—which are more or less loyal to the government. Recently journalists from *Respublica* and *Navigator* were barred from attending the Congress of Financiers despite their accreditations for the event!” Certain types of information are equally unavailable for the state and independent media, especially budget-

related data. Kazakhstani journalists generally do not challenge such restrictions.

Access to international news is generally open, despite some restrictions. Most outlets in the oblasts and in urban areas use the Internet as their main source of international news. However, there are unofficial filters. And from time to time, the websites—including www.kub.kz, www.eurasia.org.ru, www.freeas.org, and www.navi.kz—that carry international reporting on opposition groups are blocked by the primary Internet provider, Kazakhtelecom. Kazakhstani media have the right to retransmit foreign television and radio channels, but the share of such transmissions should not exceed 20 percent of the total broadcast volume. The outlet that rebroadcasts or reprints foreign media information is responsible for the content of the retransmitted program, including reprints from other newspapers or websites. In other words, referencing the original source does not exempt the outlet from liability. “Therefore, in a psychological sense, authorities restrict access to international news and news sources,” said Evgenii Zhovtis, director of the International Bureau for Human Rights.

Biased treatment of foreign channels also exists. For example, Russian state channel ORT entered the Kazakhstani market, while another Russian channel, NTV, was unable to do so. Many residents of the capital, Almaty, subscribe to cable television, but the sole cable company is owned by the president’s daughter, Dariga Nazarbayeva. MSI panelists said this relationship clearly affects the content of cable programming.

Entry into the journalism profession is free. The state imposes no licensing requirements and exercises no control over who can study at journalism schools or where entry-level journalists can be hired.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Kazakhstan Objective Score: 1.40 / 4.00

Extreme polarization of public opinion, fueled by politicians or oligarchs, adversely affected Kazakhstani media in 2004. This polarization damaged the quality of media programming because many outlets are not objective and represent only one point of view. Kazakhstan lacks a widely accepted media ethics code. Self-censorship is widespread and prevents media from covering key issues. Living in a society in which corruption flourishes at all levels, journalists can also be complicit. Regional media are in extreme need of improved technical facilities, and the lack of quality niche reporting and programming significantly hinder

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).

media development.

The overwhelming majority of private media outlets in Kazakhstan are supported by oligarchs, many of them friends and relatives of ranking government officials. Such outlets are forced to conform to the interests of their owners, and this precludes objectivity and thorough verification of sources. Both state and nonstate media often cover only one side of an issue. Tamara Kaleeva, president of the Fund for Free Speech Protection Edil Soz, said, "Recently, by the founders' request, *Express K* newspaper published material discrediting Kazkommersbank. During the trial, Igor

Shahnovich, the former editor of this newspaper, gave a detailed description of the entire campaign of pressure conducted by the founders. When the founder says that specific material

"...When the founder says that specific material must appear in the newspaper, the verification of information is out of the question," explained Tamara Kaleeva.

must appear in the newspaper, the verification of information is out of the question." In the Kazakhstani media, information is seldom verified, investigative reporting is rarely undertaken, and a balanced range

of points of view seldom is offered. Instead, reporting favors the government, the opposition, or powerful financiers.

One can easily determine who owns an outlet simply by viewing the content produced. MSI panelists said the 31st Channel, a private outlet organized in 1993 by graduating university students but since 2001 under the control of Bulat Utemuratov, secretary of the Security Council, presents varied perspectives. The panelists called it the most "objective" channel, but that rates as a marginal achievement based on the abysmal media climate.

Ethical standards have been established formally but are repeatedly violated to satisfy owners' interests. Journalists routinely conceal advertising revenue, accept bribes, and exchange goods and services for positive press. Evgenii Zhovtis believes that "ethical standards are replaced by the need to serve the government or the employer." Ethical guidelines were posted without consultation with journalists on the website of the Congress of Journalists, which is chaired by the president's daughter, Dariga Nazarbayeva, Zhovtis said, "but this site did not have public access, and the guidelines were not approved by a broad range of journalists. This represents an absolute failure to regulate journalists' work and to determine any ethical norms of journalists' conduct."

Self-censorship is a complex problem in Kazakhstan. Self-censorship occurs at all levels, as media outlets try to avoid drawing attention from the government, from business interests, and from individuals who might file suit against the "slandorous" media outlets. Self-censorship flourishes not only because journalists fear legal prosecution, but also because they fear losing their jobs or even physical harm.

No serious obstacles exist in covering key events or issues, but there are many taboo issues for journalists. These include the president and his family, ethnic problems, migration, security and bilateral relations, security service operations, terrorism, and political activism. In this case, journalists practice self-censorship not only when they cover a topic, but also when they do not choose a topic. Galina Dyrkina, deputy chief editor of *Respublica*, said the state newspaper, *Kazakhstanskaya Pravda*, "was given strict limits on what to publish in regard to opposition parties."

Not all key events and issues find their place in Kazakhstani media. "For example, all legal proceedings in the Court of New York involving high-ranking Kazakhstani officials, commonly referred to as 'Kazakhgate,' are covered by only a few print media outlets. Broadcast media give no information on it," said Dyrkina.

Corruption exists in Kazakhstan in all spheres of life, including media. Panelists noted that there are journalists who write made-to-order articles and some who have produced made-to-order television programs. It is widely known who works for whom. Some journalists earn quite high wages, but many do not; salaries range from \$50 to \$1,500 per month. Generally, the salaries of print media reporters are higher than those for broadcast. There is no striking difference in the salaries of independent and state media professionals, but there is disparity in the salaries of Kazakh-language print media and the higher wages for journalists at Russian-language outlets. The exodus of journalists to other businesses subsided in 2004.

The ratio of entertainment programs to news programs is similar across Kazakhstani broadcast media. Not all television outlets broadcast news on a daily basis, and even the state channels broadcast a disproportionate amount of entertainment programming. There are a few channels that try to balance news and entertainment programming, but they are fading. Evgenii Zhovtis, director of the International Bureau on Human Rights, said, "In the early to mid-1990s, there were many public-interest and analytical programs on television. Outlets aired a lot of live interviews and debates that raised social and political issues. But in the last few years, they have disappeared."

Broadcast companies' technical capabilities hinder the quality and regularity of news-related programs. In the larger cities, the technology is quite modern, but there is a drastic deterioration in the regional capitals. Regional broadcast media have limited funds, and the shortage of technical facilities and equipment is felt most in the production and distribution of news. It is even possible to buy newspapers printed on the old offset equipment of the 1960s.

Quality niche reporting and programming remain a significant problem in Kazakhstan. Aigul Omarova, a reporter for the Internet-based *Navigator*, said "the primary problem lies in the university training. Journalists are not trained in specialized reporting. The second reason is that the staff are often too small to allow journalists the time and resources to produce specialized reports."

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Kazakhstan Objective Score: 1.50 / 4.00

Multiple factors limit access to multiple media sources offering varied viewpoints: the low purchasing power of the population, the ability of the authorities to hinder newspaper distribution through the state-run KazBasmosoz kiosk system, the efforts by the government to take control of television transmitter capacity, and the monopoly on Internet access held by Kazakhtelecom.

"This limited coverage of events leads to the deception of the people and deforms public opinion," said Tamara Kaleeva.

Neither state nor independent media reflect the full spectrum of political attitudes in the country, with most covering only government-approved issues. Most media are owned by economic and political factions reluctant to disclose their interests, and this damages public trust in the media.

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.

Among the main outlets are the state newspaper, *Kazakhstanskaya Pravda*, which is published from Astana; the Habar company, headed by the president's daughter, which includes Habar TV and the Habar information agency; TV KTK, TV NTK, and the newspaper *Karavan*, which are affiliated with Habar; and the private TV Channel 31 and newspapers *Express K* and *Vremya* in Almaty.

“State and private pro-government editions are preoccupied solely in disseminating government propaganda in all versions. They cover any situation only from the perspective of the government, and do not allow opposing points of view. Only if authorities change the rules of the game will the media serve the public interest,” explained Tulegen Askarov.

As is true throughout Central Asia, availability of various sources of information depends on geography. Urban areas have more open access to the Internet, and local and foreign media sources. Internet-based media are emerging, and *Navigator* is the first of the Web-based newspapers registered in the Ministry of Information. In the

regional centers, however, access is more limited. Many villages exist in a virtual information vacuum, as they have access only to state television channels. Because of the poor distribution infrastructure⁴ in rural areas, people too often do not receive independent news and cannot afford to use the Internet. Some rural inhabitants have satellite dishes, but foreign media outlets do not usually provide much information on events inside Kazakhstan.

No political restrictions are imposed on access to foreign media outlets. However, certain websites such as Eurasia, created by the *Respublica* newspaper, are at times unofficially blocked by the primary Internet provider, Kazakhtelecom. Kazakhstan has more than 30 cable systems with an increasing number of subscribers each year, but few people can access cable in rural areas because of the cost.

Kazakhstan is divided between pro-government and opposition media, making it difficult to expect broad-based objectivity. Tulegen Askarov, chief editor of *Epokha*, a private newspaper affiliated with the Ak-

⁴State newspaper distributor MazBasmasoz continues to refuse to distribute some opposition newspapers.

Jol party, noted: “State and private pro-government editions are preoccupied solely in disseminating government propaganda in all versions. They cover any situation only from the perspective of the government, and do not allow opposing points of view. Only if authorities change the rules of the game will the media serve the public interest.”

MSI panelists said that print media, although divided into pro-government and opposition camps, at least cover most of the political spectrum and give consumers a choice. Broadcast media, however, do not provide any range and frequently distribute distorted information about important topics, the panel said. Kazakhstan has broadcast outlets run by the state and private ones controlled by pro-government groups, but no truly independent television or radio stations dedicated to objective, balanced reporting exist. Tamara Kaleeva, president of the Fund for Free Speech Protection Edil Soz, said: “This limited coverage of events leads to the deception of the people and deforms public opinion.”

Almost all television channels produce their own news programs, but because they are so highly influenced by the state or state-aligned ownership, there is little variation among them. In addition to locally produced news programs, television channels broadcast material produced under international donor programs, mainly on social issues. Educational and cultural content is offered through the print media, but television programmers do not see it as profitable.

News agencies such as Kazinform, Interfax, Kazakhstan Today, Havar, and Eurasia often are the only sources of information on official events for independent media. However, these services are very expensive, and not every print edition can afford to subscribe. Moreover, panelists said the quality of the coverage provided by the agencies does not always justify the price because of the poor training of agency journalists, the tendency of most to provide a pro-government slant, and favoritism in how the news is distributed.

Little official information regarding media ownership is available. Panelists said this is true because most owners are either government officials who are not entitled to large property holdings or people from the president's inner circle. Media outlets that offer speculation on ownership often are promptly sued. The president's daughter, Dariga Nazarbayeva, is known to be the owner of the Habar company, however.

Minority-language media exist and are freely available, including publications funded by the state in the Korean, Uighur, and German languages. The renewal of a previously suspended Ukrainian-language edition

is under discussion. However, panelists noted that these publications are limited to benign coverage of the friendship of nations. The real concerns of ethnic minorities, such as Tajiks and Uzbeks living in Kazakhstan, are on the list of taboo subjects. Evgenii Zhovtis, director of the International Bureau on Human Rights, said: "It is considered that any problem is a detriment to stability, and there is a tough self-censorship. These newspapers by no means touch on the problems of access to public services, education, and business markets." A number of other topics also are taboo, including the use of natural resources, human-rights violations, and certain issues regarding health services and education.

OBJECTIVE 4: BUSINESS MANAGEMENT
Kazakhstan Objective Score: 1.60 / 4.00

Most media outlets in Kazakhstan are not well-managed businesses. There are practically no profitable media outlets, and those doing the best rarely do more than manage to cover production costs. For most independent media, unofficial political pressure on advertising agencies and large advertisers limits revenues. At smaller media outlets, work with advertisers is inconsistent. Media outlets that contradict the official story or criticize the authorities do not receive state subsidies in the form of paid articles

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.

covering official events, newsprint, and equipment. Few media companies conduct market research or know how to use the data, and there is speculation that the research is not always accurate. Circulation figures are usually accurate because of tax regulations.

MSI panelists said most media outlets do not operate as efficient businesses because the owners do not want them to, preferring to use the outlets as tools for achieving their own economic and political goals. Cited as an example was *Express K*, where the owners have sufficient revenue from other business operations and do not see any need to profit from the newspaper.

“Small research companies in the regions provide different data. Thus, different newspapers claim that they are the leading publication based on the results of research conducted by different companies. One can speculate that these ratings depend on how much the editors have paid to see their editions at the top of the ratings,” explained Baljan Beisembekova.

Overall, the commercial advertising sector is small, and its structures are not well developed. The advertising agencies that do exist are largely controlled by business groups loyal to the authorities, who generally direct advertising to media outlets controlled by these groups and those owned by the government, said Tulegen Askarov, chief editor of *Epokha*. Advertisers are afraid of cooperating with independent media; thus, outlets such as *Respublica* have few ads and little ad revenue. Also, Russian-language media is the preferred vehicle for advertising, making the situation even more difficult for the Kazakh-language media.

Striking out as independent severely limits the chances that media outlets can be sustainable. With what advertising exists virtually closed off, they are forced to focus on revenues from circulation and grants or sponsorships. Galina Dyrkina, deputy chief editor of *Respublica*, noted: "If media outlets and media owners express their dissent, their businesses can hardly be efficient and profitable. The authorities have many instruments to restrain their businesses." The case of Mukhtar Abliazov, the former Energy Minister and owner of several television companies,

was offered as an example. "While he was in the ruling elite, his companies were flourishing, and they were receiving a lot of ads," Dyrkina said. "When Mukhtar joined the opposition (in 2002), his businesses collapsed within an hour, and no other marketing strategies could help him."

Some print outlets initiate subscription campaigns, but the revenue is unstable. The postal service remains responsible for distributing print publications by mail,

but it's very slow to return subscription profits.

"If media outlets and media owners express their dissent, their businesses can hardly be efficient and profitable. The authorities have many instruments to restrain their businesses," said Galina Dyrkina.

The state does not provide official support to media. However, the government subsidizes media outlets through a system of state contracts

for providing coverage, newsprint, and equipment. News outlets bid to provide coverage of government activities, and those outlets controlled by authorities win. Panelists noted that almost all regional media strive to obtain these subsidies, but in exchange must glorify the authorities.

Market research is used primarily by the larger, more financially stable print and broadcast outlets. A few regional media also use research, but most cannot afford it. All panelists agreed that the quality of market research in Kazakhstan is questionable at best. Baljan Beisembekova, director for regional development of 31st Channel TV/Radio Company, explained, "Small research companies in the regions provide different data. Thus, different newspapers claim that they are the leading publication based on the results of research conducted by different companies. One can speculate that these ratings depend on how much the editors have paid to see their editions at the top of the ratings."

Another business management issue facing Kazakhstani media is the dependency of outlets on the country's political situation. The state dictates its own rules for media development and often scorns the use of market research. As noted by Evgenii Zhovtis, director of the International Bureau on Human Rights, "In this country, market research does not have an impact on the market. One can research anything, but political influence and government resources can restructure this market. Research does not play any principal role."

Similarly, media ratings are used by the authorities as a tool to influence public opinion. According to Zhovtis, "In Kazakhstan, the ratings of any particular media outlet, broadcast channel, or politician in a public-opinion poll is considered to be a propaganda tool. There are certainly some ratings agencies striving to keep their reputation and maintain some level of objectivity, but such agencies are under vigilant political control. If the issue pertains to politically delicate subjects, I am not sure these ratings will accurately reflect the situation." 31st Channel is one of the few television stations that tracks its ratings on a daily basis by using the services of a professional company and incorporates the results in its business strategy.

While the ratings of television and radio programs are difficult to verify, circulation figures are more reliable. The Ministry of Information conducted intensive inspections of print media in 2002, resulting in penalties for many print outlets that used inflated circulation figures. As a result, many media outlets are afraid to violate the law requiring all print editions to publish accurate circulation information. Galina Dyrkina, deputy chief editor of *Respublica*, said, "We record accurate circulation figures by counting each copy, because we are under severe tax controls. In case these circulation figures are incorrect, we would be liable and be fined."

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Kazakhstan Objective Score: 1.30 / 4.00

Although supporting professional institutions are traditionally rather weak in Kazakhstan, the country does have associations that protect the interests of employers or business owners. There are also active trade associations that look out for the rights of their members. However, unlike in other industries, these organizations are not well developed in the media sector.

The lack of media solidarity and a general absence of leadership could be one explanation. Journalists also are not united and lack a common platform to advocate for their rights. Tamara Kaleeva, president of the Fund for Free Speech Protection Edil Soz, said, "The only people on staff at the Union of Journalists are the chairman, who is concurrently the Chairman of the Public Council on Media Affairs for the president, and the deputy chairman, who performs secretarial duties. In reality, these duties are performed by a pensioner and an historian. The union niche seems to

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.

be occupied, but it is not quite clear what the Union of Journalists can do. Meanwhile, the Congress of Journalists, headed by the president's daughter, Dariga Nazarbayeva, represents no one and does nothing."

Few NGOs work on behalf of the media. Those that do include the Fund for Free Speech Protection Edil Soz, the Kazakhstan International Group on Human Rights and Law Compliance, the Fund for Journalists in Trouble, Internews, and the National Association of Broadcasters, which provides some legal support for television companies. Panelists described this level of support for media as insufficient and said that attempts to protect media rights come into direct conflict with the state-dominated system.

The pro-government, quasi-nongovernmental and quasi-professional associations created by the authorities operate in direct opposition to real NGOs. The state uses these organizations as vehicles for appearing to discuss changes in the law with representatives of the media, but they are otherwise inactive. For example, the Kazakhstan Association of Broadcasters, created to counter the National Association of Broadcasters, does not have a single employee. However, it is listed as a member of a government commissions working on media issues, panelists noted.

The high number of journalism graduates, trained at 18 faculties and institutes, does not compensate for the

shortage of professionally trained journalists. The MSI panel characterized the quality of university journalism education in Kazakhstan as very low, often taught by professors trained in other fields and lacking any hands-on experience for students. Graduates are forced to continue their education on the job or upgrade their skills through professional training programs. Several panel members thought that there were sufficient training opportunities of high enough quality, but most felt there were too few seminars overall and that many did not reflect local needs and issues. Short-term training programs are offered by international organizations, but most target broadcasters. Media managers at urban stations generally are willing to allow their employees to participate, but regional broadcast media and print outlets are less eager, citing severe staff shortages.

The number of printing houses is sufficient,⁵ and they are competitive. The 2003 attempts by the government to pressure private presses have decreased. However, government authorities still seek to keep

all media under control, including private businesses. During September 2004 parliamentary elections, state censors were often present at the private printing houses to observe the production of newspapers. At the same time, state-owned printing houses are selective in providing their services. Galina Dyrkina, deputy chief editor of *Respublica*, said: "In the first instance, they provide their services to state-owned media outlets. They even lower prices for them. As usual, under different pretexts, they refuse to print the opposition press."

Access to media distribution channels is not equal. Opposition newspapers have not been allowed to enter the market through the kiosks supplied by KazBasmasoz. Tulegen Askarov, chief editor of *Epokha*, noted, "Unofficially, there is a list of newspapers prohibited for distribution. Sellers in kiosks always find excuses to refuse the opposition press." Private

"In the first instance, they [private printing houses] provide their services to state-owned media outlets. They even lower prices for them. As usual, under different pretexts, they refuse to print the opposition press," noted Galina Dyrkina.

⁵Two printing houses are state-owned in Kazakhstan. The rest are independent; among them, some are pro-government and some support the opposition.

distributors also experience pressure. Violation of access-to-information rights is evident even in the penitentiary system, where publications not included on an approved list are not accepted. This prohibition occurs despite the official registration of these papers with the Justice Ministry and Information Ministry and a law mandating free access for media outlets to the penitentiary system.

The largest and most profitable distributors of print media are the state-owned KazBasmasoz and the privately owned Argumenti & Facti. However, in rural areas, print editions are mainly distributed by private distributors because KazBasmasoz and Argumenti &

Facti do not have broad coverage.

As for the broadcast media, attempts to take control of television transmitters and place them on specially designed state-owned towers continued in 2004. Baljan Beisembekova,

According to Baljan Beisembekova, "There was an example in Karaganda (in northern Kazakhstan) where the authorities attempted to dismantle a private transmitting tower and return it to municipal property."

director for regional development of 31st Channel TV/Radio Company, said: "There was an example in Karaganda (in northern Kazakhstan) where the authorities attempted to dismantle a private transmitting tower and return it to municipal property." Internet access, according to the panelists, is also controlled by Kazakhtelecom, a monopoly.

Panel Participants

Galina Dyrkina, deputy chief editor, *Respublica*

Tamara Kleeva, president, Fund for Free Speech Protection Edil Soz

Baljan Beisembekova, director for regional development, 31st Channel TV/Radio Company

Aigul Omarova, reporter, *Navigator* Internet newspaper

Rozani Ismailova, expert in publishing business

Evgenii Zhovtis, director, International Bureau on Human Rights in Kazakhstan

Tulegen Askarov, chief editor, *Epokha* newspaper

Moderator

Elena Buldakova, Bishkek, Kyrgyzstan

Observers

Maria Stefurak, media-development expert, US Agency for International Development (USAID)

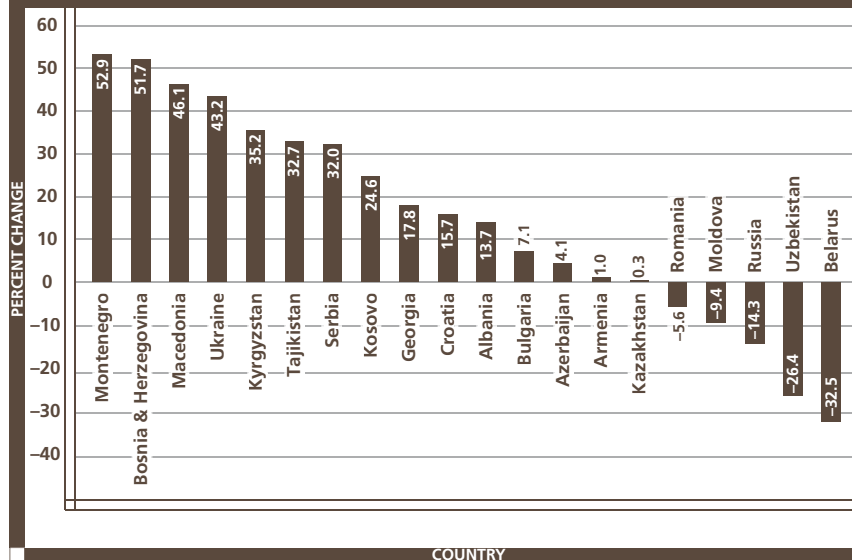
Stanley Currier, regional manager of educational programs, IREX

KAZAKHSTAN AT A GLANCE

GENERAL (data from *CIA World Factbook*)

- **Population:** 15,143,704 (est. July 2004)
- **Capital city:** Astana
- **Ethnic groups (% of population):** Kazakhs 53.4%, Russians 30%, Ukrainians 3.7%, Uzbeks 2.5%, Germans 2.4%
- **Religions (% of population):** Muslim 47%, Russian Orthodox 44%, Protestant 2%, other 7%
- **Languages (% of population):** Kazakh (Qazaq, state language) 64.4%, Russian (official, used in everyday business) 95% (est. 2001)
- **GDP:** US\$105.5 billion (est. 2003)
- **GDP/GNI per capita:** \$6,300 (est. 2003)
- **Literacy rate (% of population):** 98.4%
- **President or top authority:** President Nursultan Nazarbayev
- **Next scheduled elections:** Presidential 2006

MSI AVERAGE SCORES—PERCENT CHANGE 2001–2004



MEDIA-SPECIFIC

- **Newspaper circulation statistics (total circulation and largest paper):** *Vremia*: 169,975 copies; *Caravan*: 225,000 copies; *Express K*: 97,175 copies; *Megapolis*: 72,000 copies
- **Broadcast ratings (top three ranked stations):** The most popular radio stations are NS, Radio-31, and Autoradio. Russkoe Radio and Kazakh Radio follow closely behind.

- **Number of print outlets, radio stations, television stations:** As of June 1, 2004, 5,495 media outlets were registered, but only 2,022 of them are active. Of this amount, 514 are state-owned and 1508 are private. There are 130 television companies and 40 radio stations.
- **Annual advertising revenue in media sector:** NA
- **Number of Internet users:** 250,000 (2002) *CIA World Factbook*
- **Names of news agencies:** NA

MEDIA SUSTAINABILITY INDEX: KAZAKHSTAN

