

## **Footprint of Financial Crisis in the Media**

KYRGYZSTAN country report

Compiled by Promotank HQA

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## Economy

The population of the Kyrgyz Republic is over 5 million and comprises more than 80 ethnic groups, including ethnic Kyrgyz (about 65 per cent), ethnic Uzbeks (about 14 per cent) and ethnic Russians (about 10 per cent). The working population makes up 60 per cent of the total.

The Kyrgyz economy is closely linked to those of Russia, China and Kazakhstan, so the experience of the financial crisis in those countries has an impact on the economic and social situation in Kyrgyzstan. The overall effect of the crisis on Kyrgyzstan, however, has turned out to be less harsh than on Russia, Kazakhstan or Ukraine, mainly thanks to the weak ties of the Kyrgyz banking system to the major financial markets of the world. In the first eight months of 2009 GDP growth was positive - at 3.8 per cent it was the second best in the CIS, after Azerbaijan with 5 per cent.

The main consequences of the crisis for Kyrgyzstan are decreases in:

- remittances from abroad (Russia, Kazakhstan and elsewhere)
- re-export levels (mainly of goods from China going on to Russia, Kazakhstan and Uzbekistan)
- export-oriented production.

The crisis has also had an impact on the media in Kyrgyzstan, though some of their problems predate it.

## The media sector

As of 30 April 2009 there were 1,331 media outlets registered at the Ministry of Justice of the Kyrgyz Republic, comprising 654 newspapers, 286 magazines, 92 bulletins, 134 advertising and special publications, 56 appendices and 109 TV and radio stations.

For several years the breadth, depth and overall quality of media coverage of current affairs have been steadily declining. The reasons are political pressure, flaws in the education system and training, low rates of pay in the media sector and the resulting outflow of qualified professionals, and a paucity of professional editors-in-chief.

The financial crisis has adversely affected advertising revenues, adding to existing pressures. TV and radio stations have seen a fall of 15-20 per cent, while for certain regional stations it has been as much as 30 per cent. The majority of the advertising revenue of TV and radio stations comes from cellular operators. The early part of 2009 saw mobile operators cutting their marketing budgets, and the resultant loss of income caused broadcasters to trim their relatively expensive information programmes. There are no exact data but the overall quality and quantity of such programmes

certainly fell. Less investigative reporting is being done because of the cost of travel, equipment and gathering information.

Election campaigns, public governance, legislative changes and anti-crisis policies are being covered, but there is poor analysis and virtually no investigative effort. The media commonly just “copy and paste” press releases from governmental press services without adding any statistics, explanations or serious arguments to help the public understand the story.

### **Editorial independence**

Editorial independence has been dramatically affected by political pressure. Some years ago journalists could write about such issues as the irregular supply of gas and electric power or corruption, freedom of speech and human rights. Today, journalists who attempt to address such sensitive social, economic or political topics get an instant and severe backlash. Because of the growing intimidation of journalists, in 2009 Kyrgyzstan was ranked 125<sup>th</sup> in the Press Freedom Index<sup>1</sup>, 13 places lower than in 2008. During 2009, more than ten assaults against journalists were reported and in December one, Gennady Pavlyuk, was killed in Almaty, Kazakhstan. Moreover, being outspoken may lead to court action against a media organisation and its closure. More and more journalists and editors are therefore practising self-censorship.

For these reasons, citizens, and particularly young and middle-class voters, are not being given enough information to make educated decisions. Major newspapers (*Vecherniy Bishkek*, *Slovo Kyrgyzstana*, *Kyrgyz Tuusu*), TV (the National Television and Radio Company [NTRC], EITR, Channel 5) and radio stations are pro-government and do not reflect the full economic and social situation to citizens. News websites such as *AKIpress* and *24.kg* used to try conveying good-quality information and analysis, but now they too operate self-censorship; moreover, over a year ago they closed their comments section through which users had been able to conduct debate.

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<sup>1</sup> The Press Freedom Index is an annual ranking of countries compiled and published by Reporters Without Borders based on the media watchdog’s assessment of press freedom records.

## Conclusions

The effect of the financial crisis on the Kyrgyz economy has been small, compared to that on some neighbouring economies, but in the media sector it has led to a drop in advertising revenues. The public is denied balanced information on which to make decisions, primarily because of political pressure, shortcomings in the professional training of editors and journalists and poor rewards.

## ANNEX: TABLES

**Table 1. Main economic indicators**

	2006	2007	2008	2009
Population, total (December 31), thousands	5189,8	5224,3	5276,1	5,360
Working population, thousands	3059,8	3089,7	3131,2	3173
GDP per head (USD)	495	613	805	835
GDP growth (%)	3.1	8.5	7.6	3.2
Unemployment, (%)	3.5	3.3	2.9	2.7
Average wage (USD)	74	90	122	136
Internet users (per 100 people)	12.31	14.03	15.7	16.8
Broadband availability (%)	0.054	0.056	0.095	0.16
Mobile telephone subscribers (per 100 people)	23.89	40.56	62.69	75

**Table 2. Main indicators of the media sector**

	2006	2007	2008	2009
No. dailies	n.a.	2	2	1
No. regional newspapers	n.a.	73	73	73
No. weeklies	n.a.	138	150	155
No. state-funded broadsheets	3	3	3	3
No. state-funded regional newspapers	n.a.	70	70	70
No. public TV channels	n.a.	1	1	1
No. public radio channels	n.a.	4	4	4
No. commercial TV stations	n.a.	27	26	25
No. commercial radio stations	n.a.	24	24	24
No. news websites (unattached to the traditional media)	7	10	10	11
Advertising revenue in media	n.a.	n.a.	n.a.	n.a.

Sources: National Statistics Committee of the Kyrgyz Republic, National Bank of the Kyrgyz Republic, Agency of Culture of the Kyrgyz Republic, WDI, Index Mundi, Nation Master, CIA World Factbook,

*Promotank HQA (projections based on trends or data collected during the field studies and desk researches)*

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*Promotank HQA LLC was created on the basis of the Business Clinic of the American University of Central Asia. The team of Promotank is a flexible group of dynamic professionals with a wide range of contacts throughout Kyrgyzstan and Kazakhstan.*

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