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**The American University in Cairo**

**School of Global Affairs and Public Policy**

**INTRODUCING PUBLIC SERVICE MEDIA PRINCIPLES  
TO THE STATE-OWNED NEWSPAPERS:  
THE CASE STUDY OF AL-AHRAM**

**A Thesis Submitted to the**

**Public Policy and Administration Department**

**in partial fulfillment of the requirements for the degree of  
Master of Public Policy**

**By**

**Salma A. Hussein**

**Fall14**

The American University in Cairo  
School of Global Affairs and Public Policy  
Department of Public Policy and Administration

INTRODUCING PUBLIC SERVICE MEDIA PRINCIPLES

TO THE STATE-OWNED NEWSPAPERS:

THE CASE STUDY OF AL-AHRAM

Salma Hussein

Supervised by Professor Khaled Zakaria Amin

ABSTRACT

Egypt has a large number of state-owned newspapers that are considered as the mouthpieces of the political power. In order to remove the state control over the content provided by these newspapers it is recommended that these newspapers undertake bold reforms. The thesis suggests their transformation to public service newspapers. It explores if Al-Ahram can be transformed into one that is practicing editorial and financial independence in addition to good governance. In order to respond to this question it compares the current situation of Al-Ahram to a suggested ideal set up, by undertaking a gap analysis. Then a SWOT analysis is taken to assess difficulties that would hinder such transformation. In order to respond to the question, the thesis uses qualitative research techniques. The thesis finds that four years after the January revolution, Al-Ahram is few steps nearer to a be a Public Service newspaper. It is back to be the most read newspaper across the country. The wage inequality decreased and accountability of top management improved. The study explores how these reforms were realized. It also explores why Al-Ahram is still seen as “the mouthpiece” of the regime. The thesis is contributing to the literature by describing post-revolution patterns of state-control over national newspapers. How the State still enjoys the loyalty of state owned

newspapers, despite the disappearance of a number of formal structures of control that existed prior to 2011. At the end, the thesis finds that there is an opportunity to consolidate reforms of the internal governance and the financial situation. Yet, there is a lack of ownership among different stakeholders regarding an editorial reform that guarantees pluralism and diversity and respond to citizens' needs and voice them to officials.

*Key Words:*

*Print media, Newspapers, Al-Ahram, Accountability, Governance, Public Service Media, Democratic Transition, Egypt.*

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## **List of Abbreviations (in alphabetical order)**

BBC	British Broadcasting Corporation
GA	General Assembly
H CJ	High Council of Journalism
LE	Egyptian Pound
NZTV	New Zealand Television
PSB	Public Service Broadcaster
PSM	Public Service Media
SABC	South Africa Broadcasting Corporation
UNESCO	United Nations for Education, Science and Culture Organization
WB	World Bank, or the International Bank for Reconstruction and Development

## Introduction

Revolutions and political transitions to democracy often open windows of opportunities to reform the state-controlled media. This reform should aim to change the image of mouthpiece of the political power into free independent media. According to the international experience, such reform often took one of two forms: privatization or transformation into public service media (Smith, 2012, Steenfadt, 2011).

In Egypt, there are signals of interest in this topic. For instance, the two most recent versions of the constitution (2012 and 2014) included articles to grant the state newspaper independence from state intervention, by creating an independent body that would be responsible for reforming and governing the national press, as a step to offer this press a certain degree of independence.

In addition, many conferences discussing such reforms were held after the January 25 revolution. Among these conferences: the conference on “Egyptian Radio and Television (ERTV) reform and Public Service Media”, co-organized by the BBC and ERTV, in 2011, “Media Reforms in Egypt: Visions and Recommendations, organized by Arab Forum of Alternatives, in 2011. And “Reforming state-owned newspapers”, organized in 2015 by the British University in Egypt.

However, the academic debate on how to reform the state owned media in Egypt is still highly underserved, as I will discuss thoroughly in the literature review. Egypt is a country seen as in need of protection to freedom of expression and media freedom (Amnesty, 2013; Article 19, 2013 and Freedom House, 2103). So, there is a need to consider such reforms, given that the state



owns the biggest share in the media market and also given the relative decline of their readership and viewership (Abdulla, 2013).

## **The Research Problem**

A UNESCO's report on Egypt (2011) underlines that there is a consensus on keeping the Egyptian Radio and Television Union and some of the "national press" the official name of the state owned-newspapers in the hands of the government. The 2014's constitution affirmed this consensus by stating that the "National press institutions are state-owned". Many arguments support this position: They are too big to be sold and they are not too dependent financially on the state, as will be discussed in the literature review. But this would be under the condition of reforming them.

Yet, the question regarding "which kind of reform should the national press undergo" remains highly unexplored. Accordingly, this research aims to contribute to fill this gap by discussing one of the policy options to reform the Egyptian state-owned press.

A recent book estimates the combined debts of the national newspapers at \$3.5 billion (Sakr, 2013, P. 49). They employ a workforce of some 70,000 (Sakr, 2013). The largest three press institutions are Al-Ahram, Al-Akhbar and Al-Gomhoreya, they possess each a number of publications, print houses, an advertising company and some real-estate assets. The publications are cumulating losses, but the revenues drawn from side activities –mainly advertisement- cover (or don't in the case of Al Gomhoreya) the expenditures of

the institution (Sami, 2014). The other five institutions are in a worse financial situation.

Over the last four years, the national press institutions saw, each, at least three different CEOs (The Egyptian Radio and Television Union, ERTU, had two presidents and five ministers of media). Al-Ahram for instance saw six chairmen in less than 4 years.

The hasty change of top management in these institutions gave way to a number of shy attempts to improve the outcome of these state-owned outlets. Yet, they mostly had come to incomplete or failed reforms.

On a positive note, the United Nations Educational, Scientific and Cultural Organization (UNESCO) argues that there is a chance that Egypt could undergo such transformation of the newspapers and the broadcasters alike into Public Service Media (UNESCO, 2011 and Mendel, 2013). The constitution of 2014 excludes the privatization of the Egyptian print media and allows for the creation of an independent governing body. Yet it only links the Public Service Media principles to the state radio and television.

Many media experts acknowledge the need for the separation between ownership of the State and the state control (Farag, 2015, Sakr 2013, Mendel, 2013, Abdel Aziz, 2011). However, the questions of how, at what cost and how deep the reforms should be were not tackled in a scientific manner. While this thesis is about transformation of the media from government mouthpieces to Public Service Media, it limits its scope to the print media.

### **The research question**

**The thesis investigates to which extent the state-owned newspapers in Egypt are prepared to apply the principles of Public Service Media, to get rid of the state control, with Al-Ahram as a case study.**

In other words, the study aims to conduct a gap analysis between Al-Ahram as a state controlled newspaper and a model of public service media as defined by a set of principles to measure the difference.

And this to answer the following questions:

How far are the national newspapers financially dependent on the government?

How far can they ensure transparent and accountable budgets and management structures?

How are editorial decisions taken? What are the mechanisms to ensure they are independent and objective?

How effective is the current supervision body –if any- in terms of content's monitoring?

And finally what are the difficulties that might face Al-Ahram should the foundation decides to transform into a public service newspaper?

## Chapter One: Conceptual Framework and Methodology

This part tracks the different definitions of the Public Service Broadcasting and how the notion developed over the years, till it became Public Service Media. Then it will underline the distinction between State-owned Media and Public Service Media. In the end, there will be a detailed discussion of the four principles selected to define a public service newspaper. The discussion shows why these principles are important, and how countries adopt different models of implementation of each principle.

### Definitions of Public Service Broadcasting

The literature shows that it is difficult to define the Public Service Broadcasting. “*I know it when I see it*”, said a US judge to elude a definite answer back in 1964 (Hallvard, 2008). Public service broadcasting (PSB) as a concept is now more than 80 years old (Coppens and Saeys, 2006).

The last decade of the 20th century added to the scene new countries that installed their Public broadcasters, in reaction to the fall of the Berlin Wall and waves of democratization in Africa. Then later, the notion was introduced in many Asian countries, where culture respects the role of state (World Bank, 2011, Smith, 2012).

Coppens and Saeys (2006, P. 262) define the Public Service Broadcasting as “*The concept of a broadcasting system offering a wide and diverse range of programs for both large and small target groups, as a public and universal service, and publicly financed*”.

According to Hallvard (2011, P. 3), Born and Prosser studied in 2001 European PSBs and distilled common criteria into three central principles, “*of which the latter two are derived from the first: (a) enhancing, developing and serving social, political and cultural citizenship; (b) universality; and (c) quality of services and output* (Born and Prosser 2001, P. 671).” The notion of the public service broadcasting, PSB: has developed along the years and brought in practice a variety of models (UNESCO, 2011).

UNESCO Media Development Indicators (2008) defines the Public Service

Broadcasting as:

PSB is broadcasting made, financed and controlled by the public, for the public. It is neither commercial nor state-owned. It is free from political interference and pressure from commercial forces. Through PSB, citizens are informed, educated and also entertained. When guaranteed with pluralism, programming diversity, editorial independence, appropriate funding, accountability and transparency, public service broadcasting can serve as a cornerstone of democracy (UNESCO, 2008, P.10).

Another definition appears in “An Asia-Pacific Approach to Public Service Broadcasting”, edited by Jose-Maria Carlos (2009) defines it as follows:

PSB: Is for all citizens, reflects diversity, offers quality content, practices editorial independence, should be financially independent, demands creative and professional human resources, adheres to strong accountability practices, cultivates strategic partnerships and collaboration (Smith, 2012, P.1).

### **From Public Service Broadcasting to Public Service Media**

The term Public Service Media is the latest version of Public Service Broadcasting. It was coined to encompass the technological developments occurred in media systems (Hallvard, 2011). It refers to the same principles mentioned above, and adding also news and programs offered online. Hallvard argued that the Internet journalism created a new challenge for the PSB as it widens the public sphere and also it may distort the one-way message broadcasted by this cultural and political tool. Bardoel and d'Haenens (2008) referred to the convergence phenomena in the media, creating challenges to the modern media systems.

Nevertheless, it is worth noting that a large number of PSBs include now Internet services to their institutions, because of its merits. As it opens more opportunities for exchange of opinions with the citizens and it is an effective two-way of communication, which is seen more compatible with the public service broadcasting than the “one-way” message. For all these merits, the UNESCO added an extra indicator on how developed the digital journalism content provided by the public broadcasters (Mendel, 2011).

While the two terms refer to broadcasters, few developing countries and countries in transition still own newspapers, and aim at reforming them by introducing public service media principles.

### **The Main Requisites Of Public Service Media**

The thesis will use the definition of the UNESCO (2008). Mendel (2011) used the same definition to set criteria of comparison between different legal and regulatory systems governing public service broadcasters in eight different countries around the world.

The appropriateness of this choice is confirmed by looking at the Asia-Pacific Institute for Broadcast Development, which considers newspapers among the public service media and have set very similar principles (Asia-Pacific Institute, 2009, Smith, 2012).

In order to measure how ready is Al-Ahram to become a public service newspaper, the thesis translate the four common principles, defining PSBs and considered to be indispensable to establish media that reflects independence, diversity and pluralism. These elements were commonly mentioned in the UNESCO's literature on the subject and the World Bank guide for independent media (Kalathil, 2011). These principles are: the public service mandate, the governing structure, the financing and the editorial independence. The implementation of each of these principles differs from country to country. The questionnaire in Appendix 1 explains in details how each principle is described in a number of sub-indicators.

#### **1- The Public Service Mandate**

The public service mandate is a charter that enables a public service medium (print or broadcast) to be independent from the executive authority, and ensures that the content offered by this medium is of high quality and respects the pluralism and diversity of the society. It can be an internal charter (like in the Case of Australia and Canada). Or, it can be issued by law (in the case of France and Japan) (UNESCO, 2011).

Ghana has state-owned publications (The Ghanaian Times, the Daily Graphic), in addition to the state-owned Ghana Broadcasting Corporation (GBC) (Owusu, 2011). In 1993, during the democratic transition, Ghana created a public service mandate charter and the Ghana's National Media Commission (NMC), which is monitoring the adherence of all state-owned media to this charter, especially to make sure that the state has no control over these PSM (Owusu, 2011). The public Service Mandate is a prerequisite to independent journalism, yet it is not sufficient to ensure such value (Owusu, 2011).

In the United Kingdom, there are a number of rules in the BBC charter to ensure that the Public Service Mandate is guaranteed, for instance: “*Article 3(a) of the Charter establishes the general public service obligation to provide sound and television broadcasting programs of information, education, and entertainment as public services* (UNESCO, 2005, P.39).” According the same article, the BBC is obliged to conclude public meetings and conferences in order to examine the feedback of the citizens. They should consult the public before changing any program or service they provide. Article 12 and 16 also sets regional councils to ensure that the Corporation provides highest quality of programs and “*highest value for money*”, and that the public is satisfied with the coverage on local issues. (UNESCO, 2005, P.40)

In South Africa, the 1999 act was issued to regulate the public service broadcasters (TV and Radios). It ensures that the programs are provided in all languages, minorities are represented, reflecting diversity and unity of the nation, in addition to fair coverage of elections. The mandate includes also that content should inform, educate and entertain the public.

SABC (the public broadcaster) is also obliged to maintain libraries and archives of materials relevant to its objectives, to publish books, magazines and the like, to host concerts and other performances, to collect news and information, to establish and subscribe to news agencies, to carry out research on new technologies, and to nurture South African talent and train people in production skills (UNESCO, 2011, P. 61).

## **2- The Governance Structure**

The governing structure should guarantee both the freedom of expression and the independence of the Public Service Media from the interference of the state. It can be divided into the regulatory framework and the internal governance (UNESCO, 2011).

The regulatory framework is about the constitutional provisions, the law regulating the national press, the institutions that monitors and run the national press, in addition to the auditing institution. The internal governance deals with the structure of the General Assembly (GA) of the newspaper, and the method by which the Chairman and the board members running the institution are chosen.

There are many models to run a public service broadcaster or newspaper. They are either chosen by:

- Parliament, like in Egypt prior to the revolution, when the upper chamber of Parliament (Shura Council) appointed the chairman and the editor-in-chief of state controlled newspapers.
- An executive official, like in Australia (the governor), Japan (the prime minister).
- Or both, as in France where Parliament, Government and three regulatory bodies oversee the Public Service Broadcasters (UNESCO, 2011).
- An independent regulatory body (South Africa, Ghana). Egyptian journalists are lobbying to have the same advantage.

## **3- The Financing**

The UNESCO recommends that governments should contribute to financing the PSM. In the European Union for instance, media is the third largest recipient of governments' subsidies after agriculture and transportation (Jöesaar, 2011). Yet there are different schemes of financing that ensure direct finance to the PSM, like license fees or taxes.



In developed countries, there are increasing concerns that public funding is not enough to sustain the high quality of content. In Australia, such fears were raised. In France, as well, the government has the power to determine the level of grants allocated each year to the public broadcasters (Smith, 2012).

Yet, in undemocratic countries fears are that government funding comes with conditions of submission. The World Bank underlines three types of government financing: Subsidies, subscription and advertising (Kalathil, 2011). So, according to Smith (2012), the PSM have to look for sustainable means of financing, in order to be able to fulfill its mandate at the highest level.

#### **4- The Editorial Independence**

The three elements elaborated above may all influence the editorial independence of a public service newspaper. Yet, they are not enough to ensure that the editorial independence. That is why PSM have extra tools to ensure that they are immune against any government interference in the content provided.

For instance, a supervisory board is selected to oversee the coverage of big issues and major events, and evaluate that the content obeys to the standards defined in the public service mandate. Its remarks are regularly published in reports.

In addition, a survey or a board of viewers/readers also evaluates regularly the content and issues another report. (Australia, UK, Japan). At the end, an ombudsman system is set to settle complaints from sources that are featured in the news stories.

#### **The State-Controlled Publications**

This study adopts a wide definition of the term, not only the newspapers and magazines founded or nationalized by the state since the 1960s, but rather the companies that run them, called in Egypt “the National press institutions”, regulated by the articles 55 and 56 in the law

of the Supreme Council of the press. There are seven state-owned institutions, in addition to the Egyptian Radio and Television Union and the Middle East News Agency (which are both out of the scope of this study, and need further research on their reforms). These institutions are: *Al-Ahram*, *Al-Akhbar*, *Dar El-Tahrir*, *Rose Al-Youssef*, *Dar Al-Hilal*, *Dar El-Ma'aref* and *Al-Qawmeya for Distribution*. Most of these press institutions are indebted to the government and in a continuous drain of resources because of their ill positions in a rather highly competitive market.

The UNESCO draws a clear line between State-controlled broadcasters and Public Service Broadcasters:

It is clear that in a global broadcasting landscape caught between the state-controlled model, where ruling political elites dominate broadcasting to strengthen their grasp on political power, and the commercial systems, which pay heed only to the logic of profit and advertising revenues, the only way to protect and to promote the public interest is through the enhancement of public service broadcasting (PSB) (UNESCO, 2011, P).

The UNESCO's definition is the most appropriate for the purpose of this thesis. It will be used in the broadest sense, in order to include newspapers and e-publications. I will refer to the notion by Public Service Media.

There is a multitude of models of PSB, in both democratic countries and countries in transition to democracy. From a finance point of view, we can find different models:

In Finland, UK and Germany governments adopt a license-fee funding to public service media (Nielsen and Linnebank, 2011). Japan's model is financed almost entirely by receivers' fees (Mendel, 2011, P 49).

From a legal perspective developing countries undertook different paths in order to establish their Public Service Broadcasters. Newspapers were rarely included in this process. Ghana for instance is a country that has succeeded to establish a free press, according to the

Freedom House, after implementing a number of transformations towards Public Service Media (Owusu, 2011). The adoption of a code of ethics is one important step.

South Africa's public broadcaster underwent a lot of changes in the post-apartheid era in order to become the first broadcaster in the country (Nicolas, 2003, Fackson, 2007).

Poland is also a country where a state owned broadcaster was transformed into a public service broadcaster (or rather broadcasters). In December 1992, the Polish parliament adopted the Broadcasting Act of 1992 (Mendel, 2011).

This dissolved the old Polish Radio and Television and, instead, created 19 new public service broadcasters, Polish Television (Telewizja Polska), Polish Radio (Polskie Radio) and 17 regional radio services, each as a separate company. The property, both real and moveable, of the old Polish Radio and Television was transferred to the new companies, and even employees were transferred (Mendel, 2011).

### **The State Control**

In this study the state control is defined by formal and informal structures of control. "Formal" means the laws and regulations that permit the government interference of editorial and to management high positions. And "informal" refers to indirect influence on reporters and on editors to make them publish or not publish certain news or facts, in contradiction to professional measures.

Finally, the definition of Democratic transition is borrowed from Schedler (1998), in (Jebril et al., 2013). They include in their study many other scholar definitions, some relating to the level of development and other factors. But this one is the most relevant to the current transition in Egypt: "*Democratic transition presents a hybrid regime where institutions of the old regimes coexist with those of the new state, and authoritarians and democrats often share power* (P. 8)"; whereas democratic consolidation refers to the challenges of making new democracies secure.

## The Methodology

Since the thesis is studying Al-Ahram in a period of political transition, the time frame of this study will be 2011 till the end of 2014. A qualitative analysis is more suitable to respond to the research question: First, because this time frame is too short to make time series analysis. Second, because there have been many factors changing that can't be neither ignored nor included while dealing with a one variable research question.

At last, Dealing with a case study like Al-Ahram, qualitative research allows for a kind of “institutional ethnography” (Babbie, 2007), where the research starts with individual everyday experiences and practices (the micro-level) and the process allow the researcher to unfold “the institutional power relations that structure and govern those experiences (the macrolevel) (Babby, 2007, P. 300).”

So, in order to respond to the research question, the study will use two qualitative methods, namely: in-depth interviews and a case study.

### First: The Case Study: Al-Ahram

Al-Ahram could serve like a good entry point for state-owned media reform for several reasons:

First, Al-Ahram, albeit better positioned, shares similarities with all other state-owned institutions, because it publishes a number of non-profitable publications. If their problems are reformed, this would provide a tangible example for the majority of the state-owned smaller publications cumulating losses. So, by demonstrating a successful transformation, it could stimulate the other organizations to follow the same path (including the much bigger and largely more followed Egyptian Radio and Television Union, ERTU).

Second, Al-Ahram institution is the largest of all state-owned print institutions. It relies on its daily flagship, holding the same name. It remains the most widely read in the country (UNESCO 2011, Sakr 2013, Omar, 2014, Al-Naggar, 2014), closely ahead of its sister

institution, Al-Akhbar and way preceding its private competitor, Al-Masry Al-Youm (Sami, 2014, Al-Naggar, 2014). It also has 2 million followers on FB and one million on Twitter (Sami, 2014). So, the strong brand name, along with financial independence from the government, would suggest an easier adoption of a PSB model.

Third, given the limited number of readers compared to the radio and TV audience, transforming the print media to Public Service Media model may provide to the non-supportive parties/ stakeholders (security apparatus and conservative officials) of the media reform a balloon test.

## **Second: In-Depth Interviews**

In order to assess the gap between actual practices in Al-Ahram and the ideal set up of a public service media as suggested by the UNESCO guidelines, I will use semi-structured (or semi-standardized) interviews. This sort of interview involves a pre-prepared list of questions (Berg & Lune, 2012, Babby, 2007), as the questionnaire in Appendix 1 shows. As discussed thoroughly in the conceptual framework, the indicators chosen to assess Al-Ahram are: The Public Service Media mandate, funding, governing structures and editorial independence.

The semi-standardized interviews allow the researcher to re-arrange questions, answer informants' questions, elaborate on certain answers. And, in addition to these pre-meditated questions, he may ask other unplanned questions. This sort of interviews, with open-ended questions permits the subject to recall his/her experience, to give examples... In brief as Berg says: "the men's perceptions were often more fully elaborated after being asked a scheduled probe (P. 113)."

Then, in the second round of data collection I will use non-structured interviews with open-ended questions. Since the SWOT analysis is undertaken by interviewing media experts,

it is more suitable for the purpose of the research to let the informants lead the conversation, as advised by Berg (2012).

## **Sampling**

Nonprobability sample is more suitable for the purpose of this study, because there is “*a research situation in which one cannot select the kinds of probability samples used in large-scale surveys*” (Berg & Lune, 2012).

A purposive sample serves the design of this thesis, since it is about a limited society (Al-Ahram), where there are certain knowledgeable informants. This sampling technique ensures that certain types of “*persons displaying certain attributes are included in the study*” (Berg. & Lune, 2012).

The first sample includes 10 informants: journalists, editors and editors-in-chiefs, members of the general assembly (both nominated and elected), administrative staff and top management of Al-Ahram. They are of different age brackets and both genders are represented. They represent also different publications. Informants of Al-Ahram daily are more represented in the sample, because the newspaper hires 1000 journalist, the double of all the other publications.

The second sample adds to the 10 informants of Al-Ahram another purposive sample of five journalists and media experts inside and outside Al-Ahram. The sample includes journalists of different political affiliations and some members of the committee of 50 responsible for drafting the new laws regulating the national press and amending the freedom of press legislations.

## **Data Collection**

The process involves two rounds of data collection, both in 2014. First, data is gathered via 10 semi-structured in-depth interviews. The process included a questionnaire that helps to

compare the status of Al-Ahram to the ideal set up (the main indicators of Public Service Media), identifying the flaws of the state-owned newspaper, in absence of reform. The questionnaire designed for this purpose is in Annex 1.

Then, in order to analyze the findings of the gap analysis, the study undertakes non-structured interviews, with open-ended questions, in order to draw a SWOT analysis, suggesting reforms of the state-owned publications. This SWOT analysis is based on the 10 previous informants, in addition to the second round of interviews with the five media experts. But first, the thesis discusses the literature on both Al-Ahram and the Public Service Media.

## Chapter Two: Literature Review

Should the state play any role in media? A short answer would be yes, assumes this thesis. However, going through the body of literature on the subject, it was not easy to settle on this shore. There are three distinct trends in the literature regarding the relevance of the public media.

In the 20<sup>th</sup> century till the 1980, the literature more or less welcomed state broadcasters. Then, the state intervention in the media sailed on a high sea of objection starting the 1980s and through the beginning of the 21<sup>st</sup> century (Tracey, 1998, Comrie & Fountaine 2005, Jacka 2003). The last era, starting in the 21<sup>st</sup> century inclined towards the co-existence of all sorts of ownerships, in the media sector. This section will start by surfing the literature on state control over the press in Egypt. It then explores the arguments against the public service media, and why they are regaining support and will discuss why the privatization option is not accepted in Egypt and finally

The state intervention in media has two paddles: Regulation and ownership of media outlets (Cheah, 2012). They were both highly criticized (Ostrem 2011) for more than two decades. This study deals thoroughly with the second instrument of intervention: The state ownership. And it questions its relevance in Egypt, especially in the case of print media.

The literature review will start by discussing the literature on Egypt's state-owned media, then will follow a discussion on the three distinct international eras regarding the public service media: pro, against and lately pro again.

### State Controlled Media In Egypt

Egypt is a country where the press is dubbed “not free” by the Freedom House index for the two past years. It has a dominance of state-owned media (Abdulla, 2013). Yet, There are very few academic writings on media reform. On the search engine of Bibliotheca Alexandrina,



conducted with the help of the library assistant on the 20<sup>th</sup> of September, no theses or dissertations were found using the keyword in Arabic of “Public Service Broadcasting”, nor the keywords “BBC”, “Maspero”, “Egyptian Television”, “Media privatization”, “press privatization”, “Media reform” or “Media restructuring”.

As for the print media, many scholarly writings tackled issues like the impact on public opinion of national press versus partisan press. There are a number of theses and dissertations measuring in different aspects, how the national press is the mouthpiece of the regime.

El-Hamdouni (2008) undertook a comparative study on the content provided by Al-Ahram And Al-Wafd, with a focus on public sector corruption coverage.

Adib (2003) studied the image of State-owned newspapers compared to the image of partisan newspapers, according to a sample of opinion leaders in Cairo and Al-Menya. She measured their credibility, identifying and analyzing the relationship between state-owned newspapers and the political power.

A PHD essay studied the “Political Propaganda in the national media discourse in the period 1990-2003” (El-Hawari, 2011), where the author analyzed this discourse from a linguistic approach, during the two wars on Iraq, 1990 and 2003. She found that state press (Al-Ahram and Al-Gomhoreya, as case studies) used many linguistic ruses to build a certain public opinion in favor of the Egyptian official position regarding the wars.

A thesis tracked bias and framing in state-owned newspapers, as compared to partisan and private media in the first 9 months of Mohamed Morsi’s presidency (Kamel, 2013). This bias towards government positions and sources was mainly attributed to ownership patterns. This thesis nevertheless did not explain the mechanism by which ownership affects editorial policies nor the pattern of interfering in editorial choices.

In brief, there is a consensus on identifying the problems of state owned newspapers. However there is an academic gap in tackling the issue of reforming the national press in a

scientific manner. The literature shows that the PSB model is often brought up when discussing the ERTU, but seldom linked to print media.

After the January revolution, as part of democratizing institutions, reforming state owned media became a mantra. (UNESCO 2011, Mendel 2011, Abdel Aziz et al 2011, Amin 2011). The media sector is quasi diversified, with most of the market share is dominated by the state media institutions (UNESCO, 2011).

Most of the studies tackling reforms are focused on Egyptian Radio and Television Union (ERTU). Concerning print media, apart from some non-scholar papers (Gamal 2011, Abdel Aziz 2011, Shams 2011) there is very little recent body of literature written on “national” media (Mendel 2013). And there is even less on reforming these newspapers. And so far, the transformation from state owned into Public Service Media is mainly linked to the Egyptian Radio and Television Union. There couldn't be found any research on transforming state-owned newspapers into a Public Service Media.

### **The Arguments Against The Public Ownership Of Media**

The BBC, Television France, ARD, CBC, TVNZ... Are they a pointless financial burden on governments and taxpayers in the new media era or are they the insurers of democracy, governance and culture?

Many academics see the government ownership of media outlets as counter democratic (Baker 2002 and Jacka, 2003). Attacking state ownership prevailed in the 1980s and 1990s' body of writings on media systems. This came in parallel with the domination of neo-liberalism arguments, calling for the dominance of the private sector and a minimal state intervention in all economic aspects, and against the state ownership in all sectors (Owen, 2003, S. Yoo, 2003)

Main arguments against the PSB are: “their inherent paternalistic perception” (see Weberling, 2011), and “the market distortion” they cause. In fact, some argue that the government, by subsidizing one player in the market, gives him an artificial advanced position among other (private) players, not based on efficiency (see for example the critical review of EU rationale for the PSB by O’hagan and Jennings (2003).

In addition, Jacka (2003) adds and tests another argument:

Opponents of PSB, from both the “right” (e.g., Rupert Murdoch) and the “left,”

who accuse the PSB of being elitist and thus inherently “antidemocratic.” (P. 3)

Opponents (see Hartley, 1999) challenged the Habermasian democracy implications, rejecting the need of Public Service Broadcaster (Jacka 2003, Goodman 2004 and Cheah 2012). According to Jacka (2003), Hartley argued that PSBs are an antidemocratic manifestation, holding the desire to discipline the tastes of the “popular classes” (PP.186-7). Jacka adopts Hartley’s approach and extends it to argue that PSB does not necessarily lead to democracy. Her findings aim to discredit the Public Service Media. But her main flaw is that she limits herself to a dichotomy (PSB or private sector).

### **A Brief Discussion On The Privatization Of State-Owned Media**

The fall of Berlin wall in 1989 gave the opponents of the PSB model an extra endeavor. Opponents of state ownership of media found in the experience of dismantling -through privatizing and deregulating the media in the ex-soviet bloc countries- an example to promote. The transition into western style democracies gave way to a sweeping wave of privatization of these media in the early 1990s (Coman, 2000, Radovic & Luther 2012).

For print media, one study (Gulyas, 2003), analyzed three countries, Czeck Republic, Hungary and Poland, revealing that among all privatized outlets, only the three main newspapers in these countries withstood against commercialization. But the majority of the

privatized publications knew changes of content towards fashion and women material. This transformation boosted their sales for a while, and then distribution figures witnessed a big drop (Gulyas, 2003).

In Egypt The option of privatizing the state-owned newspaper, “à la East-European” model, is not as appealing in the 21<sup>st</sup> century as it was for Central and Eastern Europe countries, more than 20 years ago. , the privatization of the East European state-owned papers did not lead to a new media paradigm or new media theory (Coman, 2010). It did not contribute efficiently in the process of democratization of the country (Coman, 2010, Jebril, Stetka and Loveless, 2013). These newspapers ended up mostly in the hands of foreign owners (Coman, 2010, P.39), who are driven by commercial interests.

In Egypt, the 2014 constitution stands against the privatization of the national press institutions, underlining that they belong to the “state” (article 212). Abdel Aziz (2011) argues that the national newspapers are too big to sale.

Internationally, as a result of the neoliberal reforms, many Public Broadcasters in Europe underwent downsizing, deregulation and privatization of some channels and partnerships with commercial channels or private producers. Comrie and Fontaine (2004) named the phenomena: the commercialization of the PSBs. They discussed the multiple changes in New Zealand public broadcaster. Australia’s two public broadcasters also knew the same trend (Miragliotta, 2012).

Michael Tracey -in his landmark book “The decline and fall of Public Service Broadcasting” (1998)- added other apocalyptic concerns regarding the fate of the PSBs. In this book, he underwent a number of interviews with PSB leaders. While admitting its role in strengthening democracy in the past, he underlines their struggle to survive amidst a rapidly changing media system, where, strong private rivals, technological developments and lack of audiences pose a survival challenge. Yet, the prophecy of Tracey was not realized.

## **Why Public Service Broadcasters Are Regaining Appeal?**

After 20 years of deregulation and privatization of media, media experts recognized the flaws of the private media. Piero (2009) proved that political corruption undermines media freedom, even if it is protected by law. Maria A., (2008) studied the political economy of media capture in USA to measure how the concentrated media market leads to less diversity of the content.

In addition, with the abundance of commercial channels, the UNESCO describes the situation by an abundance of content in quantity, but the content is quite similar (Banerjee and Seneviratne 2005). The argument for non-profit, non-commercial media outlets regained allure.

It is becoming increasingly evident that in the blind pursuit of profit, commercial broadcasting has often diverted the media from its public interest focus towards pure entertainment. Yet, nowhere have they made public service broadcasting obsolete, and the dual systems often provide the best media ecology (P14).

As a result of this vision, the Public Service Media are still surviving, and their numbers increase across the world (Mendel, 2011). However, this does not mean that they don't face challenges. Miragliotta and Errington (2012) say: "new technology in the form of digitalization has arguably presented the public broadcasting sector with one of its greatest challenges".

Van Zoonen (2004) discussed the resurgence of the Public Service Broadcasters in face of the private broadcasters. He examined the different ways the public broadcasters in Europe are adopting in order to be able to compete with the private channels. Jakubowicz, Gwynne and Berry (2006) in their book based on the experience of the BBC: "Public Service Broadcasting: Anew beginning or the beginning of the end" discussed all the arguments against the PSB, the challenges they face and defended their merits. Yet, they recommend that the PSB in order to be able to survive must undertake deep changes.

## **The Benefits of the Public Service Media**

There are two approaches to discuss the benefits of PSM: first, by showing its merits; second, by showing the flaws of its rival private media outlets.

In fact, the PSM as an idea relies on Habermasian democracy and the notion of “Public Sphere”, focusing on the importance of public opinion to shape politics, the participatory democracy. Habermas defended that governments should listen to citizens. Public Service Media rely on this theory, creating the medium for public deliberation (Fraser, 1990).

The *raison d’être* of Public Service Media is thus to provide information, education and entertainment that would not necessarily generate profits to the broadcaster/publisher, that is to say not appealing for the private sector to supply. The media in this sense is creating and propagating democratic values for all, which isn’t always the case for private media (Steenfadt, 2011, Smith, 2012).

In general terms, there is a growing body of literature considering that PSM should remain to remedy market failures and to offer “social optimal” programs that Private media would not find profitable (see for example Van Dijk, Nahuys and Waagmeester, 2006, Piero, 2009). Actually, one study, “the rise and fall and rise again of PSB, (Miragliotta, 2012), tracks the re-emergence of this argument few years ago, with the example of Australia’s Public service broadcasters.

Goodman (2004) describes the role of PSB as follows: “*Media policy aims to correct what I call narrow market failures. These are failures of media markets to deliver content that small audience segments desire*”. She calls this correction a retroactive agenda of media policy. In addition to this role, Goodman adds another role of a “proactive agenda”, inviting public service media to exist even in well-functioning markets. She suggests that the Public media not only plays a role of “market corrector” but also they are “market supplement (P.1414).”

This proactive thrust responds to broad failures of the market to deliver media content that audiences might not currently desire, but that promotes democratic discourse and social solidarity. (P. 1404)

In the digitalization era, this role becomes more of relevance. Goodman finds through a model she developed that the allocation of subsidies to PSB is useful and beneficial, in order to address less attentive audience tending to follow in a scattered manner only what goes along with their pre-set ideas.

Antithetically, comes the recognition of the importance of a PSB, when private media largely prevails. The US draws a good example of a country with limited influential PSB and where only five media conglomerates control the majority of news and information offered to US citizens (Corneo, 2006). This situation has dragged a lot of academic interest. Many scholars found a bad impact on opinion diversification, and democracy by large (Unlike the EU where the PSBs are the third largest receiver of public money in Europe, after Agriculture and transportation (Jöesaar, 2011).

For example, Corneo (2006) examined in a model of an unregulated media monopoly what he called *Media capture in a democracy: The role of wealth concentration*. He concludes: “*captured media can distort collective decisions, causing harm to democracy*”. The model presented in this paper shows that inequality of incomes can distort the objectivity of news content. Media owners become part of a small elite with concentrated wealth. These owners may have political interests and can allocate money to manipulate the public’s opinion, raising the probability of corruption in the media.

Captured media induce an efficiency loss if the wealth of the median voter is close to average wealth or if the information transmitted by the media has a sufficiently large private value. While captured media do not necessarily diminish social welfare, conditions under which they increase it are restrictive (P. 48).

Furthermore, the UNESCO (2011) explains the flaw of the absence of a PSB, in a media scene where state controlled co-exist with private media: “*While state-owned media outlets depend on a handful of high officials for their survival, private firms depend on advertisers*”. According the same Unesco’s guide, Baker (2002) and Steinem (1990), media content may be influenced directly by the particular demands of large corporate advertisers or indirectly by the general notion that media content must create a “buying mood” among consumers. Herman & Chomsky argued, in 2002, that media firms design content to be predictable while avoiding controversial materials that may disturb or distract the audience (UNESCO, 2011, P 215).

### **Public Service Media In Democratic Transitions**

The objectives of PSM are most relevant in countries in transition to democracy. For it enhances “*Democratic discourse and social solidarity*”, stresses Goodman (2004). Daniel (2004) argues that PSB play a role in reinforcing citizens’ trust in governments.

For others, they contribute in “nation building and diversity”. One of the most prominent examples in the literature is the South African model described in “Broadcasting the rainbow” by Barnett in 1999 (Mendel, 2011).

In addition to enhancing democratic values, there is a growing body of literature suggesting that the PSBs play a positive role in fighting corruption. In recent years, the World Bank has published a number of publications and books on reforming Public Sector Media, describing them as key players in fighting corruption and strengthening governance and accountability (see Nourris, 2010, Shanthi, 2011, Odugbemi and Lee (eds.) 2011). The UNESCO (2001, 2005), who undertook in the beginning of the 21<sup>st</sup> century the mandate to promote the Public Service Broadcasters values, also published another set of publications and books about the rise of PSBs, the rationale, the models and the impact on democracy.

Through PSB, citizens are informed, educated and also entertained. When guaranteed with pluralism, programming diversity, editorial independence,



appropriate funding, accountability and transparency, public service broadcasting can serve as a cornerstone of democracy (UNESCO 2009).

The same organization declared its commitment to “*promoting PSBs, Public Service Broadcasting as an indispensable tool of sustainable development. The argument is not to negate the private media sector, but the co-existence of both*” (UNESCO, 2010).

The 21<sup>st</sup> century did not end the theoretical and empirical debates about the rationale of the Public Service Media (Jebril, Stetka and Loveless, 2013). It just opened the door for the co-existence between private broadcasters and public ones, or what is currently known as dual media systems.

To sum up, over the years the Public Service Broadcasting has regularly come in for a great deal of criticism, but they are still surviving and widely followed by the citizens. For instance, public broadcasters are the most followed in EU countries or at least a “close runner-up” (Hallvard, 2008). The latest trend is accepting the public media amid a universe of a concentrated private media.

Although the relation between media and democratization is not settled academically, one sure thing is of a consensus: Creating an independent media would help foster this process. “*Interest in the relationship between democracy and media pluralism increased in the late 1990s during the political upheavals in Communist countries.*” (Woods, 2007, P.215). However, there is a growing body of evidence indicating that the CEE countries democratization did not deliver a theoretical change in journalism theories, due to widely different results in these countries PSB models. (For more discussions on different arguments see Comen, 2000, Leeson and Coyne , 2007, Steenfadt, 2011 and Jebril, Stetka and Loveless, 2013).

As Steenfadt describes (2011) a well-defined *raison d’etre* of public media does not necessarily guarantee the success of transformation. (P.3). She observed several public broadcasters in ex-

soviet countries of Central Europe and argues that for many reasons they failed to create independent media institutions.

Twenty years after the regime changes, the current trend in media politics can even be described as a “counter-reformation” rather than a progressive transition. Today, many public media organizations in that region seem further away from stable and sound operations than ever. (P. 8)

There is no crosscutting evidence relating media to democratization (Jebril, Stetka and Loveless, 2013, P. 6, 7). For them, it is unclear whether the media lead or follow the transformation into democracy.

In the Egyptian case, there are a number of studies illustrating that digital and private media contributed to voicing calls for democracy before 2011 (Abdulla, 2013, Sakr 2013, Amin 2009). Yet, the path that will be taken by Egypt remains highly ambiguous, given political uncertainties.

Moreover, Jebril, Stetka and Loveless (2013) underline that there are mixed and inconsistent evidence regarding how media contribute to institutional changes during the process, “*particularly with respect to enforcing political accountability*” (P.6). So, they argue that studying how democracy and media are related in transition times is a “*theory-generating rather than theory-testing exercise*” (P.7). Because there has not been enough studies exploring how does the media contribute to transition to democracy.

It is often difficult to separate what is being claimed about the impact of media on the institution building process from broader assessments of their democratic qualities or contribution to democratization in general (P. 6-7).

In this context, will Egypt generate a new theory on reforming state-owned press? Will reforming these institutions lead to the consolidation of democracy? Luckily, however, there is a general consensus among both democratization and media scholars that media outlets are “*regarded as one of the key democratic institutions* (Street, 2010; McQuail, 2000)”. They base

their arguments on evidence relating media freedoms to improving political freedoms vital in improving the quality of the electoral system, political parties, parliament, judiciary, and other branches of the state, even civil society, and safeguarding their democratic performance.

At the end, the recent trend in the literature values the existence of publicly owned media, provided they are free from state-control. As Norris (2000, 2009) promises, when the media are liberalized, journalists in independent media are more capable of ensuring transparency and accountability through quality news reporting. This creates “*a virtuous circle*” enforcing citizens’ engagement, which in turn increases attention to the news (Norris (ed.), 2010, P. 129)

The media can thus be a vital tool in democratic transitions, provided that it is granted independence, in order to play an effective role in enhancing democracy, accountability and governance. And finally, in order to play such role, the state-owned newspapers must undergo deep reforms. This thesis is attempting to discover the path to reform Egyptian State-owned media.

## **Chapter Three: Assessing The Gap Between Al-Ahram And The Public Service Media Model**

This chapter begins with a description of Al-Ahram Foundation, its publications and main sources of revenues. This helps to define where Al-Ahram stands as a state controlled press institution. Then a gap analysis will be concluded between this state controlled newspaper and the ideal set up of Public Service Media according to selected indicators, as described in the conceptual framework.

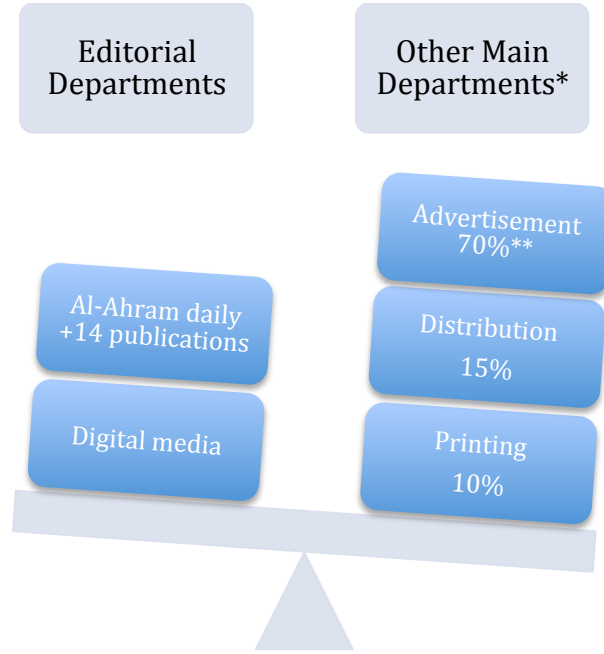
### **What is Al-Ahram Foundation?**

Al-Ahram at 140 years old is the eldest published newspaper still on the market in the world. The newspaper was published and owned by the Takla brothers. It was nationalized in the 1960s. During the 1980s and 1990s Al-Ahram Foundation expanded, building more than one print house, and issued 14 publications.

As of 2014, the foundation hires more than 10,200 employees, 10% of which were hired in 2011, to appease an employees' grudge.

The financial statements of the foundation are not published. The foundation comprises six main departments: the editorial department, a distribution company, a Printing department, In addition to a holding company, specialized centers and the administrative department.

**FIGURE 1: Al-Ahram Foundation Publications versus Main Revenue Generating Departments**



\* In addition to Al-Ahram Holding Company and other specialized centers that generate negligible revenues.

\*\* of Al-Ahram total revenues.

*Source: the researcher's compilation from Omar Sami and Al-Naggar interviews.*

Figure 1 shows that three main departments, rather than the publications, generate most of the revenues of the foundation, as will be discussed shortly in detail.

Note: The administrative department is not included in this graph, as this is not a revenue-generating department. In addition, the administrative staff is spread across all the departments.

Details of each department are shown as follows:

### **First: the editorial Department**

1- Al-Ahram Daily. It employs 1000 journalists. Its distribution fell sharply during and after the 2011 revolution, then regained its place, two years later, as number one on the market.

It is followed by Al-Akhbar, then comes Al-Masry Al-Youm “with a big lag”, stresses Omar Sami, ex-chairman of Al-Ahram back in 2013. By the end of 2014, another state-owned newspaper became third of the market, preceding Al-Masry Al-Youm. In 2014, El-Gomohoreya became third of the market, according to one informant who follows distribution figures. “*The market’s mood is currently for national press*”, comments one of the informants.

2- The Social Media network: The electronic gates: There are 5, of which the most important are: Ahram Gate (in Arabic) and Ahram Online (in English). In addition, there are other electronic sites for different publications. All in all, they have 2 million followers on Facebook and one million on Twitter.

These sites helped to rebrand Al-Ahram in the eyes of the youth generation. The merit goes to the wider margin of freedom in tackling political and social issues. They employ some 150 journalists. These are mostly young and hired according to professional criteria, not nepotism, say more than one informant working in these sites. According to Arab Media Outlook 2009–2013 report, Al-Ahram is among the top 5 visited websites in Egypt (Abdulla, 2013).

3- 14 other publications and non-periodic publications: a daily (Al-Ahram Al-Messai), weekly magazines and newspapers, weekly, monthly and periodical publications. (Al-Shabab, Nisf Al-Donia, Al-Beit, Al-Ahram Weekly, Al-Ahram Hebdo, ...). Together they employ 500 journalists.

The distribution of these publications fell due to the Internet effect, thus following the local and Arab trend of decline in the past decade (they were more influenced than the newspapers).

In their golden age before the 21<sup>st</sup> century, the distribution of some of these publications reached more than 100.000 copies (Al-Shabab, Al-Ahram Ryiadi, Nisf Al-Donia). These dropped in 2013 to become between 5000 and 20,000 copies. However, none of the informants mentioned any present or future plan to close or downsize any of them.

## **Second: Other Departments**

1- Advertisement: As of 2013, the main source of revenue is advertisement. It represents 70% of Al-Ahram's revenues. The department recruits 1000 employees. Advertisements comprise commercial spaces in the dailies, classifieds, Al-Ahram Agency for Advertisements (outdoors, TV and Radio stations) and ads in other publications. Omar Sami recognizes that this revenue shrank in the three years following the revolution. According to one informant, advertisement revenue was at its peak the year before the revolution with LE1.2 billion. In 2013/2014, figures show a notable recovery to some LE0.6 billion.

2- Distribution: It is the second source of revenue. It generates 15% of Al-Ahram's revenues. According to the UNESCO's Egypt media development report (2013, P. 38), Al-Ahram is distributing most of the other daily, weekly and foreign publications in the market. No one knows exactly how many copies does Al-Ahram sell per month. The two chairmen interviewed refused to disclose such information. Instead they both said that Al-Ahram is the number one in the market. There is no credible data on newspaper distribution in Egypt. Ahmed El-Naggar for instance said: "*I cannot disclose my clients' information*".

3- The print houses: 3<sup>rd</sup> source: (Al-Galaa, 6 of October employ 1000 workers and the books print house in Qalyoubia employs another 1000). They generate almost 10% of revenues. Al-Ahram publishes most of the private and partisan newspapers (UNESCO, 2013. P. 38). All the national press institutions possess print houses that help them cover their expanses.

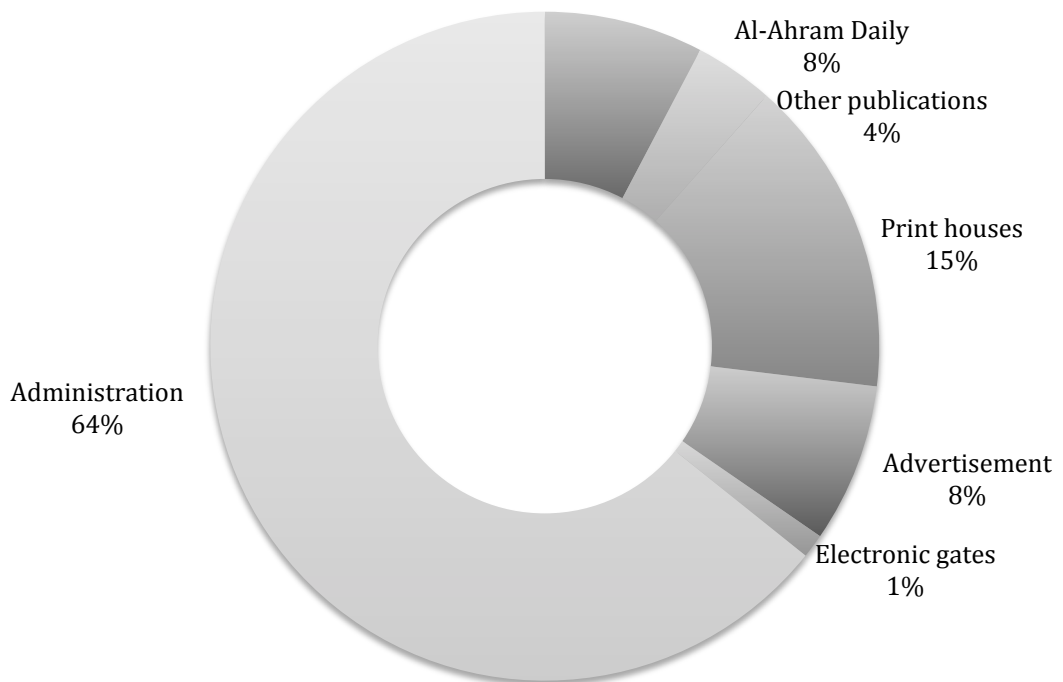
4- Al-Ahram Holding Company for Investment: It owns Al-Ahram Canadian, a travel company, a CDs factory, Al-Ahram Canadian University and stakes in a number of companies. According to Omar Sami, the ex-chairman, the rate on investment is very low (Sami, 2013). It is barely generating profits. It also possesses many assets not related to the printing or journalism sector, like housing projects and land banks.

5- Specialized centers: Al-Ahram Computing Center (AMAC), Al-Ahram Center for Political and Strategic Studies, Microfilm Center, Al-Ahram Regional institute for Journalism and Al-Ahram for translation and publication.

6- The administration: More than 7000 employees work in the administration department of Al-Ahram, which makes the ratio almost: 2 administration staff serving each journalist or worker. The ratio might be higher because many administrative employees - for example the secretaries, the library and the archives staff- are counted as journalists.

**Overstaffing** in administration department is the most important, recognized by Omar Sami, yet it was never tackled.

**FIGURE 2: The Distribution Of Employees In Al-Ahram Foundation**



Source: Researcher's compilation based on Omar Sami's interview (Rough figures).

Figure 2 shows the distribution of all the employees by sectors. It clearly underlines the heavy weight of administrative employees.



According to all interviewed informants, this is an unreasonably high ratio, which affects negatively on the efficiency of the foundation. It is also where most of the low-skilled employees are hired. In fact, the employees prefer to hire their children in administrative departments, because of the lack of the hard work. Any scheme of downsizing, or early retirement schemes should start by the administrative department.

Having said this, there is also a consensus among informants that all publications suffer from overstaffing as well. Al-Ahram daily has 1000 journalists, compared to some 500 in Al-Masry Al-Youm and 300 in Al-Shorouk. This overstaffing of journalists creates a negative environment of lack of enthusiasm for hard work. *“Why work hard if in the end we all will have the same salary and bonuses?”*, say one informant. Table 1 is summarizing the budgets of 14 publications of Al-Ahram. This overstaffing seems to weigh on the budget of some of the publications. It is noteworthy that the budget deficit of Al-Ahram daily, which hires the double of all other publications in table 1 is not available. . And at the end, the sum of the deficits of these publications amounted LE42.1 million in the first 10 months of the fiscal year (July 2012-April 2013). The total deficit seems relatively small (1.4%) if compared to the total turnover of the foundation of more than LE3 billion<sup>1</sup>.

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<sup>1</sup> This is the researcher’s calculation based on the total turn over figure introduced by Ibrahim (2015) draft paper "The Future of National Press: Management, Finance and Reorganization". The paper does not mention the source of the figures. It only mentions that the study applies on the period 2009-2011.

**TABLE 1: Summary of Al-Ahram Publications' Budgets**

(In millions of LE)

July 2012 -April 2013, compared to July 2011-April 2012

Publication	Revenues	Costs	Deficit 2012-2013	Deficit 2011-2012
Al-Massa'i	10.82	19.06	8.24	8.68
Al-Ahram Weekly	0.94	7.30	6.35	6.35
Al-Ta'awon	N.A	N.A	6.33	N.A
Al-Ahram Hebdo	0.53	5.78	5.25	5.10
Al-Ahram Al-Arabi	0.61	4.44	3.83	3.78
Al-Ahram Al-Riadi	2.07	4.00	1.93	1.95
El-Shabab	1.07	2.96	1.89	1.35
Nisf El- Donia	3.82	5.60	1.78	2.46
Aladdin	0.18	1.59	1.40	1.68
Al-Zera'eyia	N.A	N.A	1.39	N.A
Al-Siassa Al- Dawlia	0.28	1.30	1.02	1.24
Loghat El- 'Asr	0.80	1.55	0.75	0.47
Al- Demoqratelya	0.07	0.62	0.55	0.68
Al-Ahram Al-Iqtessady	1.54	2.97	1.43	2.22

N.A: Not Available.

Source: The High Council of Journalism

After describing Al-Ahram Foundation, here are the findings extracted from the in-depth interviews with 10 of Al-Ahram journalists and senior administration staff to undertake a gap-analysis, contrasting Al-Ahram to what should be a typical Public Service newspaper, as

described in the theoretical framework to have four main characteristics: The Public Service mandate, the governing structure, the financing and the editorial independence.

The in-depth interviews highlighted the domains of reform should Al-Ahram undertake in order to become a public service newspaper.

### **How far Al-Ahram is from being a PSM: Key Findings**

As discussed in the literature review section, Al-Ahram and all other state-owned media are seen as the mouthpiece of the government (any government) (Kamel, 2013, Farag, 2105).

This hinders these media to play the role of a watchdog of the government, to contribute in assuring free elections and to reflect citizens' needs and critics and pass them to the government. In short, this control over the media undermines its capacity to become a mediator between the government and the citizens, as suggested by Habermas theory on the public sphere (Kalathil, 2011).

The findings update the literature that mostly dealt with the situation before 2011. They add more descriptions to previous literature on state-controlled media in Egypt. It also describes emerging patterns of improved governance and editorial independence, driven from below.

#### **1- Public Service Mandate**

In Egypt, all the state controlled newspapers do not have a charter detailing the public service mandate. Al-Ahram is no exception.

The law regulating these newspapers includes only one sentence regarding this issue: *“The national press is independent from the executive authority and from all political parties. It is considered to be a platform for national dialogue reflecting all opinions and political tendencies and the different actors in the society (Law 96, chapter 3)”*. It includes nothing about giving voice to minorities, or the right of the readers to evaluate the content provided.

In Al-Ahram, only two of the interviewees knew about this sort of charter and its importance. Yet, many informants cited the example of the BBC when asked about the Public Service Media.

According to four informants, there is a growing urge within young journalists to have such a mandate. There are mounting pressures on the editors to pass issues revealing wrongdoing of public officials and poor quality of public services. Yet, the absence of the Public Service Mandate often makes these demands toothless.

## **2- Governing Structure**

Egyptian law creates a poor governing structure, as the executive body appoints the majority of members of the overseeing and the administration councils. The executive body appoints both the chairman and the editor-in-chief. One person can occupy the two positions. However in-depth interviews show that Al-Ahram has a recent interesting path of defying poor governance, under the same law.

### **A- Regulatory framework**

The law 96/1996 details the governance structure overlooking the state owned newspapers and the news agency. According to the article 56 (amended in 2013): The High Council for Journalism (HCJ) is currently the owner of the newspapers; thus replacing the dismantled Shura Council). It is responsible of issuing rules of administration and rules of budgeting in addition to how profits are distributed. According to one informant, the HCJ always reflected the government's political affiliation.

The Central Auditing Agency (CAA) is periodically overseeing the financial aspects. As per the law, they have an office inside Al-Ahram, to monitor spending plans prior to implementation. Their employees used to turn a blind eye in the times of Mubarak, according to more than one informant who used to oversee the financial statement. The current chairman

said that he told them to cooperate with him and with the legal affairs. The General Assembly (GA) of Al-Ahram and the HCJ should discuss the CAA auditing reports.

This framework is in accordance with many other regulatory frameworks around the world as shown earlier.

Yet, due to the political instability and the change of administration (six times in four years) Al-Ahram did not present any financial statements to the HCJ. Two informants say the GA and the administration board did not sign the 2012-2013 financial statement or its auditing report as of the end of 2014.

#### B- Internal governance

The executive memorandum of the law 96 stipulates that national press should present quarterly statements to the HCJ. But *“this never happens”*, according to Omar Sami, the ex-manager, then the interim chairman after the ouster of Mohamed Morsi. Ahmed El-Naggar, the current Chairman didn't deny also this fact.

In addition, the law regulating the CAA prohibits this body to publish any of his auditing reports. This means that only 35 members of the GA can see the remarks on the auditing, instead of all the stakeholders (mainly the journalists, the parliament and the civil society).

Overall, the internal governance is weak and needs to be reviewed, according to all informants, mainly because of the structure of the GA and the administration board, dominated by appointed members.

The chairman and the editor-in-chief are appointed by the HCJ. *“These top positions were changed every time those in power changed, to guarantee their loyalty”*, says one elected board member. Also, the law puts all the power in the hands of the chairman. *“It is like a mini Egypt. I have similar powers to the ones that Mubarak had”*, admits one of the post revolution chairmen.

The General Assembly (GA) is responsible for the oversight on the foundation's financials. By law, it has 35 members. 15 are elected from journalists, administration and workers. The Chairman and the HCJ appoint another 20 members. The majority of the administration board members are also appointed (Only 6 are elected out of 21). For many of the informants, all chairmen appoint their allies, in order to avoid any confrontations or serious discussions about how things are run.

As a result of the lack of real checks and balances, many corruption cases were discovered only when a new administration came into office, notes an elected General Assembly member.

The first round of anti-corruption actions was in 2005, when Ibrahim Nafei, the ex-chairman and editor in chief of Al-Ahram and a strong advocate of Mubarak's regime was removed. For instance, the GA found LE425 million losses that were not reported and discovered many wrongdoings that were transferred to the CAA for further investigation. *"In the times of the Pharaoh (Ibrahim Nafei), no discussions of financial statements took place"*, says one GA member. For 8 years, the CAA kept criticizing in its reports the foundation's cost estimation system, and that the assets owned by Al-Ahram are not fully censured and reported.

After the January revolution, however, four informants note that both elected and nominated members show relatively more interest to engage in discussions over budgets and reform plans. *"For two terms (of 3 years each) now we have some freedom. We members of GA can sit with each other and with board members to understand and negotiate"*, says one informant.

Yet for most of the informants, nominated members are either loyalists to the regime, or to the chairman. So, elected members are more likely to be engaged in discussions over financial and administrative issues. Even the chairman is convinced to change the law in order to increase the number of elected members to improve the oversight of the General Assembly.

Still under the current weak governance structure, few reforms to fight corruption have been made: like the strengthening of the procurement department, which led to cheaper imported paper, and the better management of the advertisement department. One informant gives the example of a subsidiary of Al-Ahram Investment Holding that has been in the process of liquidation since 2003. For this purpose, the legal advisor was entitled for 11 years to a monthly salary of LE2000. *“He had no interest to end the process”*. As a result of cumulated small changes, the financial situation of the foundation is getting better in 2014.

### **3- Financing**

Al-Ahram is financially rather self-sustained, which makes it, in this regard, closer to the best practices of Public Service Media.

In-depth interviews support the literature (Abdel Aziz (2011), Abdulla (2013), Sakr (2013). Al-Ahram proved to be well endowed and could be financially self-sustained, as the government support seems to be minimal.

In all cases, government financial support should not be taken as a wrong practice. The UNESCO’s literature underlines that the government should subsidize public media (Smith, 2012). But the experience of the state controlled media in a number of Central and European countries before the fall of the Soviet bloc, underlines the importance of sustainable self-financing schemes. In addition, it reveals the need for an independent stream of revenues away from government, in order to maintain an independent journalism of high quality (Kalathil, 2011, Smith 2012).

In general, government support takes one of the following forms: Subsidies, public institutions’ advertisements and public institutions subscriptions. In-depth interviews reveal another source of support as will be explored:

a. **Subsidies:** Most of informants see that government subsidies bring editorial interference. Yet, the international experiences show that government support goes to both public service broadcasters and to the print media. In USA, the latter gets the largest financial support then public broadcasting falls second (Nielsen and Linnebank, 2011).

In Egypt, the government grants all journalists members of the Press syndicate working in newspapers (national, partisan and private) a direct monthly allowance. It rose two times from less than LE300 before the revolution to LE850 in 2014. The national press institutions don't see this as subsidies, as they are granted to journalists in private and partisan newspapers too.

Otherwise, the government supports annually the State TV and Radio and a number of state owned publications. Yet, Al-Ahram was not part of this support scheme according to three informants who are familiar with the financial statements.

One informant said that Al-Ahram asked the government for a zero-interest loan of LE22 million in 2012-2013. Al-Mal newspaper published, in January 2015, a statement by the minister of finance revealing that Al-Ahram has obtained the largest financial support among all national press institutions in the current fiscal year 2014-2015. Table 2 shows that Al-Ahram received LE140 million. The amount represents 4.6% of the total turnover of more LE3 billion a year<sup>2</sup>.

**TABLE 2: Government Support for National Press Institutions**

In 2014-2015 (million LE)

<b>Institution</b>	<b>Amount of support</b>
Al-Ahram	140

<sup>2</sup> This is a rough figure taken from Ibrahim (2015) draft paper "The Future of National Press: Management, Finance and Reorganization". The figure was not verified by a reliable source. The paper does not mention the source of the figures. It only mentions that the study applies on the period 2009-2011.



Al-Akhbar	60
Al-Gomhoreya (Dar el-Tahrir)	40
Rose Al-Youssef	20
Al-Hilal	20
Dar El-Ma'aref	10
Al-Qawmeya Distribution	5

Source: Ministry of Finance, Al-Mal newspaper, January 2015.

B. **Advertising:** Before the revolution, most of the state-owned publications received a sustained stream of advertisements on behalf of many public institutions (UNESCO, 2013).

In Al-Ahram, this amount was too small to make an impact. Both chairmen interviewed say that public institutions advertisement in Al-Ahram represents only a small fraction of the total revenue of advertisement. *“Private companies are by far the main advertisers”*, say two informants. This applies also before the revolution.

However, same informants say the government bodies used to allocate more money to advertise on state-owned newspapers before the revolution. Most of the informants don't see this as a tool of intervention in the editorial line. This relative financial independence puts Al-Ahram in a better position than the description of state-owned media on East European publications before the fall of Berlin Wall (Guly'as, 2003, Steenfadt, 2011).

There are meanwhile some studies that support Al-Ahram informants. (Smith, 2012; World Bank, 2006). For instance, the government officials don't interfere because the government finances the publications, but rather because the journalists often prefer to please these officials, who are their main sources of information. (The editorial independence will be discussed thoroughly shortly).

c. **Subscriptions:** This could be another form of support for a newspaper that provides a steady and regular stream of income. Both chairmen in Al-Ahram refused to give any details on subscription figures of the government institutions. They both denied that the government bodies represent a big share in subscriptions' revenues.

D. **Unpaid tax arrears:** These are considered to be another sort of indirect official financial support. Two informants said that Al-Ahram has inherited a heavy burden of some LE3 billion in tax arrears. Table 3 shows the details of these arrears. *“But the government does not seem interested in talking about this issue”*, one informant says, adding that most of them are cumulated interests on the original sum. The table shows he is underestimating the sum of arrears: The original sum is LE3.2 billion, the cumulated interests amounts LE2.9 billion and there is another sum of more than LE3 billions disputed in Court.

**TABLE 3: Al-Ahram Main Arrears And Loans As Of End Of March 2013**

In millions LE

	<b>Before 2006</b>	<b>After 2006</b>
<b>Customs</b>	-	23.4
<b>Tax arrears</b>	3,132	28.6
<b>Interests on tax arrears</b>	2,923	-
<b>Tax arrears disputed in Court</b>	-	3,448
<b>Procurements' arrears</b>	-	7.7
<b>Pharmaceuticals and Hospitals</b>	-	2.5
<b>Loans from Cairo Bank</b>	-	147.9
<b>Bank Facilities</b>	-	154

Source: The High Council of Journalism

Finally, it is relevant to ask if the financial status of Al-Ahram is sustainable. In the absence of transparency, I could not check the financial statements, in order to make a scientific assessment. Yet all informants say that Al-Ahram's situation was better before the revolution due to higher revenues from advertisements and lower wage bill.

Right after the revolution, the financial situation seemed unsustainable, according to 4 informants who looked closely and regularly to the financial statements. First, because distribution dropped to a record low as readers felt deceived by Al-Ahram coverage to the 18-day protests and boycotted the newspaper. Second, the economy slowed down, which affected the advertising revenues and a weaker Egyptian pound raised the imports costs of paper. Third but not least, the first administration after the revolution succumbed to Al-Ahram employees who protested in order to hire some 1200 of their sons and daughters. “*And yet they say the (January) revolution was against el-tawrith (the Mubarak’s son succession)*”, criticizes one of the informants. Wages and bonuses were also increased many folds since 2005.

### **Improved Governance Led To Better Management And Lower Income Inequality**

Overall, after some hardships, Al-Ahram is now financially sustained. This and many other achievements are mainly due to better governance. For instance, wage inequality was reduced. Young and middle carrier journalists, workers and administrative staff saw wage increases. This was partly financed by several rounds of income redistribution among the employees, so the gap between incomes narrowed. A mid-career journalist is paid currently an average of LE8000 per month, a mid career worker is paid LE5000. The chairman claims to get some LE50000 (instead of millions per month before the revolution).

In addition, production costs were reduced due to better internal governance. One informant gives the example of the price of one kind of paper, of which Al-Ahram imports 30,000 tons per year: “*This decreased from 866 dollars per ton to 820 dollars. This decreased the bill of 1.4 million dollars*”.

The Foundation had to cover its expenses for the three years following the revolution by borrowing from banks. But due to gradual substitution of old managers with fresh ones, and due to relatively better management and governance Al-Ahram today is less indebted. One

informant says that LE240 million worth of debts and arrears were reimbursed. (Table 3 showed the figures of a year earlier, with bank loans and facilities of more than LE300 million, in addition to their cumulated interest rates of LE1.2 million).

In addition, there are currently several commercial projects that are being created. They are not related to the main activities of Al-Ahram, but would “*serve to finance the core business, which is journalism*”, says chairman Al-Naggar.

So, overall, from the perspective of Public Service Media, Al-Ahram is financially self-sustained, and even in hard times, bank loans were more or less regularly reimbursed.

#### **4- Editorial Independence**

The editorial independence is by far the most important element of a PSM. In fact, the content is the ultimate product of a newspaper or any other media outlet. This element is the outcome of all the three previous elements. But as discussed earlier, there is another set of factors suggested by the UNESCO and the World Bank to guarantee independence, diversity and pluralism of the content in PSM.

During the four years after 2011, Al-Ahram has seen many attempts to increase its independence from the state. This tendency was more seen in digital portals than in Al-Ahram daily.

Regarding diversity: There are two strong points in Al-Ahram coverage:

The newspaper provides a daily page on news from all the governorates of Egypt. One informant notes that there is now a trend that the first page includes news on local dismals, along with the high official news.

On a positive note too, the digital media provided by Al-Ahram has provided “*more independence and added credibility to the brand*”, says one informant who participated in the creation of one of the electronic sites of Al-Ahram. The editor-in-chief of Al-Ahram Gate says

that the site publishes sometimes reports that are banned from the daily. *“The digital gates have more than 2 million followers online. This is a new generation of readers of Al-Ahram”*, says one informant. Last but not least, Al-Ahram two main websites are among the least places where nepotism played any role in hiring journalists. First, because the employees refuse that their children work there, as it demands a lot of work, explain two informants. Second, because, since its inception, it was meant to have a more independent editorial line, to appeal to the taste of a new generation of well-informed readers on the Internet.

So, by and large there are small and sporadic improvements in coverage of Al-Ahram publications, even the daily flagship, mostly due to reporters’ pressures over their editors. However, informants underline that red lines and intervention in editorial content remained of prevalence after the revolution, albeit in different forms.

As shown by the literature, before the revolution, the state-controlled media reported what the officials want them to report (Amin, 2009). The phenomena is called by the World Bank “The mouthpiece tradition”, prevalent in all Arab media (World Bank, 2011, P 329). Pitnak gives the example of Al-Ahram not reporting for two days the health condition of Mubarak back in 2007, until they published an interview with his wife, saying that Mubarak is healthy and pursuing his jobs (World Bank, 2011, P. 334). The UNESCO’s report on Egypt media development underlines UNESCO that *“prior to the revolution, several interviewees indicated that levels of trust in the State media were very low, even though they maintained readership, listenership and viewership shares (UNESCO, 2013, P. 65).”*

There are direct forms of interference that stopped to exist after the revolution: like the “Direct order, *ta’alima*”, the distributed lists of topics to publish about and the phone calls from officials.

As per the first form, one ex-managing editor reveals that before the revolution, it happened “very rarely” that he received “a *ta’alima*, order”, from the unit 26 (a unit within the

Intelligence apparatus that monitors the media), with a written plea to restrain from publishing on certain issues. This was confirmed by reporters in Al-Ahram and by three journalists in other publications (private and public). Interviewed editors-in-chief, managing editors, editors and reporters also say that no more “*ta’alimas*” are sent after the revolution.

According to Amin (2009), the Authority of Information regularly sent to editor-in-chiefs a list of topics that should be treated in the media. The epic was during the 18-day protests, when on the next day of January 25<sup>th</sup> the main headline of Al-Ahram was on protests in Lebanon.

Most of the interviewed informants deny or ignore that such lists are still being sent after the revolution. Yet, one reporter noticed that Al-Ahram and Al-Akhbar published in two executive days negative and unbalanced reports about the independent trade unions, which might give place to believe that such lists are still sent to media. Yet, the same source admitted that Al-Ahram’s report was more balanced. Also, the next day of publishing, Al-Ahram chairman published an apology on his Facebook account and invited the founders of these trade unions to write on Al-Ahram pages on this experience.

The third form of intervention is “phone calls”. This sort of interference in content still exists. But unlike the other two forms of interventions, this is an individual not an institutionalized form of intervention: An official would call the editor-in-chief to ask him not to publish a certain report on him or on a friend or the institution he runs. For instance, one Muslim Brotherhood leader called the ex-editor-in-chief of one of Al-Ahram’s publications. The latter expressed –in a decent manner- his reservation towards the critical tone regarding the political coverage against Mohamed Morsi’s government. Informants of Al-Ahram daily reported that their superiors always succumb to such pressures.

Quiet notable that the red lines are still there after the revolution, despite most of the direct interventions were lifted or eased after the revolution, as informants from different publications of Al-Ahram say. This is due partly to the auto-censorship.

*“Every editor-in-chief wants to remain in office. They think that this will happen only if they don’t upset the high government officials. So they improvise their imagined list of don’ts”*, says one informant.

All informants say that red lines are inherited generation after generation. *“There are no written lists”*, says one reporter. All informants confirm that the editors know these lists and defend them. Many editors admitted this fact. It is known as a verbal code of ethics and protected by all the editors. According to many informants, Al-Ahram daily is known for giving in to government interference than other publications within the same institution.

Two informants say the daily’s editor-in-chief calls sometimes his counterparts in other publications to criticize a high-toned article, or to call for its removal from the online version. One journalist who is covering an executive body says his boss bans some news reports, even if balanced and true, because they might upset the officials. *“Although I never got any remarks on what to publish or not from the institution I cover”*.

The “mouthpiece tradition” encourages individual officials to put pressures on journalists. One of Al-Ahram senior editors gives the example of *“The governor of Cairo lately called upon publishing an exposé, accusing him of dereliction. He was shocked, assuming that since Al-Ahram published this report then we surely knew that he’ll be removed from his post”*. The official assumed that if Al-Ahram is against him, this means the State doesn’t want him anymore. *“That is how we are still looked at”*, says one informant.

These forms of interventions either from officials or from senior editors create what is known as a “conservative newsroom culture”. It plays a big role in producing a pro-government content. This is compliant with what one study found. “In Europe, a study by the

Dutch-Flemish Association for Investigative Journalists (VVOJ) showed that the history of the newspaper, newsroom culture, and editorial leadership are more important determinants of whether a news organization would invest in watchdog reporting” (WB, 2011, P118).

Another study on Egypt’s newspapers coverage in the first 9 months of Morsi’s rule found that Al-Ahram was pro-government, with a coverage that is similar to the Freedom and Justice daily (Muslim Brothers party mouthpiece), unlike Al-Wafd or Al-Shorouk and Al-Masry Al-Youm) (Kamel, 2013). Good journalism, however, implies that a reporter should interview sources beyond the officials (World Bank, 2011, Amin, 2009). Yet this latter notes that Al-Ahram as other state-owned newspapers only depend on officials as sources. This finding is compliant with what a recent study (Hussein, 2013) analyzing the content of Al-Ahram after the revolution. It examined the coverage of loan negotiations between the IMF and Egypt. The study analyzed the content of 40 articles published in Al-Ahram Daily during 2012-2013. The study finds also that two thirds of the articles relied only on Egyptian officials.

Another factor for leaning with government officials in violation of the professional considerations is illicit financial interests. Many informants underline that a number of senior journalists still work as media consultants to ministers. This is a post that comes with very generous remuneration. Others are gaining privileges and benefits from covering the news of certain ministries. *“How do you expect that this editor or any of his team to report any wrongdoing by this same minister?”*, says one journalist.

The economic section is an illustrative example: The former editor was the senior reporter covering the banking sector; she was the media advisor of the Central Bank of Egypt. Her team included the advisors of the ministers of Finance, of industry and trade, of the Consumer protection Authority, and so forth. One of this team is currently the new editor, and the deputy is also one of them.



Last but not least, instead of admitting their fear from upsetting the officials, the editors blame low-skilled journalists when they ban a story. One editor says that poorly trained journalists often write one-sided stories or poorly searched exposés, reporting corruption or wrongdoing of high officials. So they end up unpublished. *“I have very few good reporters”*, complains a senior editor in Al-Ahram daily. *“I just passed a story on corruption of high officials in Port Said, because it was balanced and well documented. But for most of the time the quality is very poor.”*

While public service media stipulates the provision the high quality of content, in all sorts of coverage: news, culture and foreign affairs, the World Bank encourages the watchdog journalism even if undertaken by low-skilled journalists or those with hidden motives, as long as it is in public interest and it is meant to expose wrongdoing of public servants (WB, 2011).

According to Coronel, a contributor in the same book:

Whatever motivates the journalist or the news organization that publishes a muckraking report is not the issue; what matters is that the reporting warns citizens about those who are doing them harm and empowers them with the information they need (WB, 2011, P. 113).

The UNESCO identified some buffers in order to help journalists be independent. According to the conceptual framework, these buffers are: a written code of ethics and an editorial board to discuss, to oversee and to evaluate the quality of the content. The best practices also include an ombudsman system to deal with sources complaints. After the revolution, young reporters pressured to create an editorial board, as recommended by the UNESCO’s best practices. But the board, with a majority of youth, was short-lived. All informants say the experience was a failure. Superiors interviewed accuse the board of being imprudent, and making reckless judgments, while young reporters say the superiors refused to change their mindsets and blamed the culture of state-controlled newspaper even though control has softened.

The lack of an ombudsman that responds to complaints also makes the superiors more vulnerable to officials' interventions.

At last, the code of ethics for journalists, and a Public Service Mandate both define what good journalism is about, putting a professional benchmark for the material provided. They may reduce the space of interference in the content provided. Hence, their absence is holding tight the hands of young journalists against unethical or unprofessional judgments passed by their superior. In addition, Chana & Suen (2009) studied the role of media as watchdogs in the coverage of elections. It is important that a code of ethics details how election coverage guarantees fair treatment to all parties, candidates, what is meant by fair coverage and so forth.

### **Assessing The Gap: Concluding Remarks**

This chapter tried to assess the gap between Al-Ahram (as a state controlled newspaper) and a typical Public Service Media (as defined by 4 common principles that exist in every public media). Briefly: after the revolution, Al-Ahram is few steps nearer to a public service media than before the revolution.

On one hand, there are elements that are either in accordance or approaching the model of a PSM:

First, financial independence and financial sustainability of Al-Ahram make good starting points to enable Al-Ahram to undertake needed steps towards public service journalism. This was not the case for example of ex-soviet countries, where newspapers of broadcasters were financially reliant on government funding.

So, Al-Ahram is reliant on its readers' loyalty and hence pockets, rather than government support. This resembles to license fees in the case of the BBC. Acknowledging this fact would make Al-Ahram journalists more accountable to their readers.

Second, improved internal governance, due to the removal of many layers of corrupt managers led to the halt of many wrongdoings. Hence the Foundation is better positioned to improve its image into an accountable and uncorrupt newspaper organization, rather than the image of being the hen with golden eggs to the regime-loyalists (officials, journalists and managers).

Third, digital media complemented the print outlets, extending the outreach of coverage and of public, giving more voice to the citizens and providing more independent, pluralistic and watchdogging news coverage.

On the other hand, there is a need to strengthen editorial independence. As the content provided remains overall of low quality, heavily relying on officials as sources and lacks elements of independent and pluralistic journalism. The organizational culture is one of “state-owned journalism”, baring “the mouthpiece tradition” and lacking creativity, investigative and watchdogging spirit.

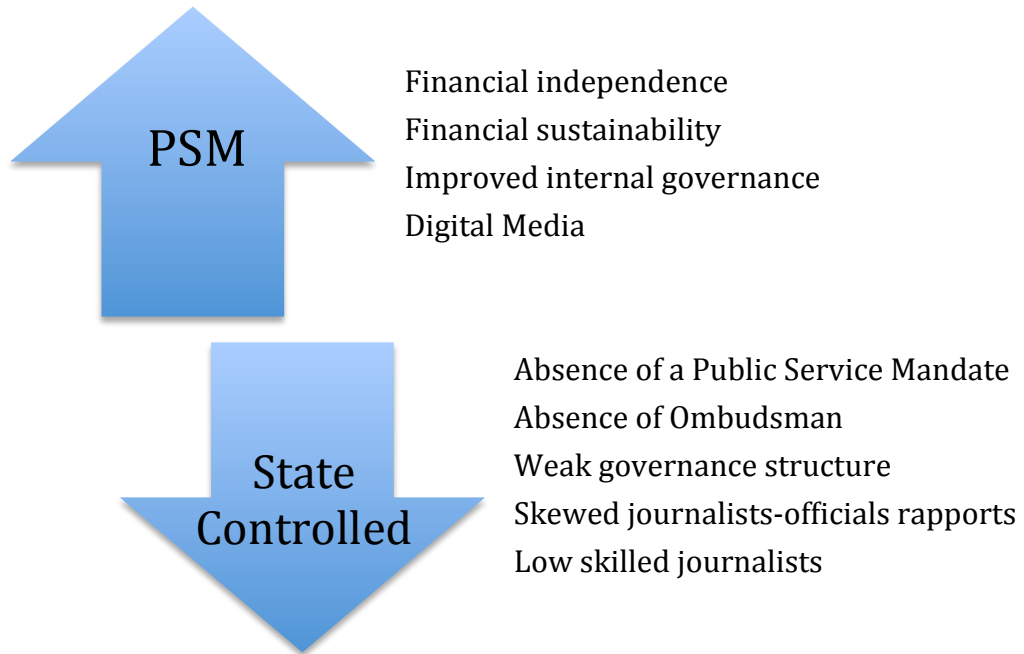
The absence of codes and charts to guarantee the editorial independence will be thoroughly discussed in chapter 4. But it is worth for now to underline that there were several attempts and pressures to improve the quality of journalism offered. These were mainly due to the pressures of young journalists. For instance: One of these journalists’ bursts (sit-ins and negotiations with the administration) against their bosses led to the removal of 5 corrupt head of sections. Yet such step was more about cooptation than about a true reform. As a result, their followers, the new editors are not reformers. Instead, they make the same unethical and unprofessional practices.

Unlike the attack on corruption in the administration, publishing and advertisement sectors, the corruption and wrongdoing among journalists and senior editors remain un-tackled.

All the above-mentioned factors hinder Al-Ahram from being a tool of accountability to government officials and blocks the citizens to voice through Al-Ahram their critics to the government.

In brief there are features in Al-Ahram that resembles more or less to a PSM model, while there are others that pushes Al-Ahram away from such model.

**FIGURE 3: The Factors Affecting The Gap Between Al-Ahram As A State Controlled Institution And As A Public Service Media**



Source: The researcher's compilation.

Figure 3 summarizes the gap between Al-Ahram and a PSM: with some of the elements compliant with the PSM principles and some elements are not.

The next chapter will explore if it is possible for Al-Ahram to breach this gap. It will also put this gap into a wider perspective by undertaking a SWOT analysis in order to explore the chances for Al-Ahram to be transformed into a public service media.

## Chapter Four: A SWOT Analysis Of Al-Ahram's Suggested Reform

So far, the gap analysis findings show that Al-Ahram is rather well positioned to fulfill its aspired role as a newspaper that educates, entertains and informs the citizens, and voices their needs. However it does not play this role.

This chapter attempts to find if such transition is feasible. It also explores if there is enough interest among different stakeholders in such reform. For this purpose, I will explore the strengths, weaknesses, opportunities and threats that surround Al-Ahram's needed reform.

### Strengths

1- Brand name: Al-Ahram daily has a strong brand name. It is the flagship of the national press. According to many informants, although it is leaning to governments, "*it always kept its place on the left of the governments*". The strong brand name entitled Al-Ahram for a quick recovery after a drop of readership during and after the January revolution. One informant underline that the private newspapers and channels were founded and run by Al-Ahram cadres and journalists.

2- Credibility: Many informants believe that Al-Ahram is a more credible source of information, when compared to private newspapers. They argue that it does not have a heavy record of publishing fake news. This was supported by the latest "Report on Journalistic Practices" (2013), published by the High Council of Journalism. The report found the private newspapers committed most violations to journalistic fundamentals and journalistic ethics, followed by the partisan newspapers. The same report puts Al-Ahram as the best newspaper in this matter. 6 informants stress on Al-Ahram's verbal code of ethics, which bans, for example, scandal news of public figures. "*We never publish about rumors or libelous content*", adds one of the editors interviewed. "*This gives Al-Ahram credibility over private newspapers*", says one

of the experts. This means that for the current time, Al-Ahram is relatively credible mainly the other newspapers credibility is so poor.

3- Wide outreach: Unlike many other newspapers, Al-Ahram's base of loyal readers is distributed in all the governorates.

4- Market share: Although distribution figures are never revealed, it is widely believed that Al-Ahram is the first of the market. When asked about distribution figures, Al-Naggar refused to reveal "*clients' sensitive information*". The foundation holds monopolistic positions in printing and distribution of newspapers and magazines. According to one informant, the eight state-owned press institutions hold together 90% of the press industry infrastructure. Al-Ahram has the lion's share.

5- Financial situation: Al-Ahram is currently on track to consolidate its financial stability and sustainability. Due to improved internal governance, in addition to wages temporary cut, Al-Ahram could reimburse a part of its debts. In addition, a number of lucrative projects are being executed to secure a sustained stream of revenues. Yasser Abdel Aziz, a media expert underlines Al-Ahram portfolio of assets that enables it to rapidly recover (2011). On the other hand, the relatively stable financial situation makes the overload of administrative staff off the menu of reform, despite the fact that the wage bill is some 40-45% of the costs, according to 4 informants who saw the last two financial statements. Moving forward towards more financial consolidation should be dealing with downsizing options.

## **Weaknesses**

1- Lack of interest to improve editorial quality: Most of the informants see that Al-Ahram major problem is financial/administrative and not editorial. So the focus of the current chairman is to improve the financial situation by investing in touristic and housing projects to generate resources. "*The most important thing is to use the assets of Al-Ahram. This will help*

*pay the high wages bill*”, says one of the informants. According to two others some 40% of the institution costs go for wages). This was the same vision of at least four chairmen out of six after the January revolution. For chairmen print publications are seen as mere financial burdens. If Al-Ahram wants to sell more copies it won’t be economically viable, say four informants, because of the cost of the imported paper. *“In some days of the week, there is a demand for 2 million copies. But Al-Ahram prints only 900,000. It is a size large enough to please advertisers and still minimizes the loss”*, say one informant.

2- Journalists’ corruption: A study on china’s media corruption (2013), the corruption was classified in three types of rent-seeking behavior of the journalists; they all exist in different proportions in Egypt’s state-owned newspapers (and private to a large extent). This was confirmed by most of the informants: Taking direct cash from sources (officials and companies), bringing advertisements to the newspapers and writing advertisements in the guise of news reports in exchange of high commissions. Running printing-related private businesses to benefit from connections and bids of Al-Ahram is a third type of rent seeking behavior.

3- The absence of a critical mass to press for editorial reform: mainly due to unqualified journalists, prevailing corruption and a conservative newsroom culture. Many informants underline the weight of low skilled journalists. In Al-Ahram daily, there are some 850 fulltime journalists. *“I work with only 100 journalists”*, says a managing editor of Al-Ahram. Yet, editors don’t believe in training. *“They refuse to let us go on training courses. We have to take these days from our annual leaf”*, says one informant. Another informant says that he is learning by doing, and he depends on his own knowledge to improve. One senior said bluntly: *“training is useless”*. In addition, widely spread corruption and a conservative newsroom culture gave way only to piecemeal reforms under the pressure of a new generation of journalists. These were often rapidly reversed, according to most of the informants.



4- The interference of the state security to name editors-in-chief: This was mentioned by at least three informants. According to one informant, who worked since the 1960s in two state-owned press institutions, the state security and national security apparatuses must approve nominations of the top positions of the state-owned newspapers. *“This meant indirect censorship on news reporting”*, he says. *“Nothing terrifies an editor-in-chief more than to upset a president (because of a published news piece)”*, says one informant. Ossama Saraya, the editor-in-chief in late Mubarak years used to tell his associates: *“I have only two readers: Mubarak and Gamal”*. The trend continued after the revolution. Abdel Azim Hammad, the second editor-in-chief after January 2011 had his eyes on the SCAF satisfaction, recalls one of his aids. He was shortly removed after they expressed their dissatisfaction of his way of running the newspaper. One journalist defines the role of the editor-in-chief: *“He is the censor. He conveys what he believes are the messages of the censorship institutions”*. A syndicalist and retired journalist of Al-Ahram points also to journalists who work as state security agents along five generations she witnessed, some are still working to date in Al-Ahram. These are *“mandoubin el dakhliya fil Ahram, the representatives of the interior ministry in Al-Ahram”*.

The World Bank guide on creating an independent media (2011) identifies the security apparatus as an opponent to media reform in a country undergoing a democratic transition.

### **Opportunities:**

Constitution provisions and new laws, permitting some degree of independence from the government:

1-The article 212 of the constitution opens the door for more independency from state interference and autonomy, as it permits the creation of the National Organization for press to run the state-owned institutions, asserting that it is an “independent body”. Yet, it all depends on how this article will be translated into laws, says one informant. Two informants revealed

many features of the draft of the law shaping the structure and the role of this organization. It is based on two principles: The autonomy of the organization and a selection process of the editor-in-chiefs that ensures that the government has no control over them. These are the two main demands drawn from a number of hearing sessions of journalists who work in these institutions.

2- The journalists may see all imprisonment penalties removed. A committee headed by a retired journalist is currently revising all the laws that contradict with the freedom of press. “There is a set of regulations undermining press freedom. They are rarely used in practice. That is why the press is seen as relatively free. *“But it is rather a Horreya ‘orfeya, volatile freedom, because it is not protected by laws and regulations”*, says one informant.

The committee identified 7 laws that are undermining the freedom of press: The penal code and its modifications, the law of publishing, the law of the press, criminal procedures law, the general intelligence law, the law prohibiting the publication about the armed forces and the law of political parties. *“There are other laws as well, but we classified these as the most relevant. For instance, in 2005, Mubarak cancelled five articles allowing for the imprisonment of journalists. Yet, he kept another 22 articles in different laws”*, says one member.

3- Independent governing bodies: Among the main modifications to be seen is the way the General Assembly and the administration board of each institution are being chosen: Most informants see it is important that the majority of both will be elected. The draft law obeys to this demand.

4- The digital media development: As said previously, the digital media helped Al-Ahram rebuild its credibility. Many informants see that this is the cradle of reform-seekers in the foundation. Mohamed Shuman, the dean of Mass communication of the British University of Egypt, perceives the new media as the savior of the institutions that cumulate losses, as their market is widening and the new generation of readers can become the new public via their

mobiles. Thriving digital journalism in Egypt can play a catalyst role in reforming state-owned media, because they cannot hide or refrain to publish certain information or else it will be published everywhere else. Professionalism, which means coverage of high quality would then be the main asset these institutions have.

## **Threats**

- 1- Failure to change the image: Neither the current administration nor the journalists in Al-Ahram have shown any systematic steps towards establishing and adhering to the Public Service Media principles. Even among the committee of 50, the term is not well understood. The four interviewees did not mention the term “public service”. The draft of the law does not include this term, or an elaboration on its principles. *“I don’t like this term, it is vague”*, says one of the reforming committee member. The lack of ownership to such editorial reform may hinder a leap in the quality of journalism. In addition, two informants point to the network of private media having a vested interest of tarnishing the reputation of state-owned media.
- 2- Constitutional constraint on privatization: The article 212 of the constitution states that these institutions are “state-owned”, instead of publicly owned. An informant who contributed to the drafting of this article says this term is coined to abort any attempt of privatization for any of these institutions. This would halt the selling of some publications to generate needed resources for reform. For instance, Al-Ahram alone issues 14 publications. Al-Gomhoreya too is seen as having an abundance of publications with low distribution.
- 3- Lack of political will to reform: This is the ultimate threat. As all the opportunities would be swiped away if the political regime wants to keep Al-Ahram (and other state-owned media) as mouthpieces. Many informants fear that the current regime won’t allow for such reforms. For some, the next Parliament will represent the interests of big businessmen and hence the private media, so they would not want to pass the new legislations, *“Who would like*

*to empower his rivals?"* asks one informant. She is one of many advocates among the committee of 50 preferring to pass the new legislations directly through the president who holds temporarily the legislative power.

For others, the president himself is not a defender of freedom of expression. Two informants point to the fact that the largest number of journalists ever is currently held in prison for covering protests. Two media experts expect that the businessmen will try to put pressures on the president in order to change the draft laws elaborated by the journalist syndicate.

As Tim Suter, MD, Perspective Associates, in the UK, puts it:

Moving towards PSB is all a question of political will and political expectation. Politicians have to be convinced that there is something in it for them. This can be improved quality of governance, through a long-term increase in the level of trust in government and public bodies (Smith, 2012, P. 35).

4- The ill fate of print media: The national press, like all other print media all over the world, are threatened to face the fate of dinosaurs. And the bigger the institution is, the more it risks this fate. This might mean that in few years, Al-Ahram's current blessing of dominant market position will turn into a curse. According to the Arab Media Outlook 2009–2013 report, the press industry is facing hard time due to the expansion of the internet use, as increasingly populations spend more time on the internet, both globally and in the Arab region (Abdulla, 2013): *"With news being one of the most popular forms of content among the young demographic in the Arab Region, it is not surprising that consumption is moving online, with 40 % of news readers accessing news via the internet in 2009 (P. 20)."*

**FIGURE 4: The Matrix Of The SWOT Analysis**

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>- Brand Name</li> <li>- Credibility</li> <li>- Wide Outreach</li> <li>- Market Share</li> <li>- Improved Financial Situation</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of Interest in Editorial Reform</li> <li>- Journalists' Corruption</li> <li>- Low-Skilled Journalists</li> <li>- State Security Interference</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>- The new constitution</li> <li>- New Laws Drafts on Freedom of Press</li> <li>- New Independent Governing Body</li> <li>- Digital Media Development</li> </ul>	<ul style="list-style-type: none"> <li>- Failure to change the image</li> <li>- Lack of Political Will to Reform</li> <li>- The International Crisis of Print Media</li> </ul>

## Conclusions

**There is a lack of interest to improve editorial quality. A roadmap towards independent public media is a process that takes years (Smith, 2012). It is rather a process than a program.** Hence, the financial independence and sustainability should be a mean to avoid state intervention in the content. It should not be taken as a goal in itself. It is noticeable however that all the chairmen of Al-Ahram are focusing on raising revenues through Al-Ahram's other assets than the Brand Name. The editorial reform was at the center of the debate right after the revolution, when distribution figures fell dramatically. Then, strong market position was regained, in absence of any systematic editorial reform (probably because of the change in readers' mood and the lack of trust in private media). This sustained readership makes the issue of editorial independence out of the focus of reforms. The draft law also does not define the aspects of a public service newspaper, as recommended in all best practices. Changing the regulatory environment hostile to freedom of press would make a good start. Provided that all parties recognize that it is a process with the main objective is to ensure high-quality

journalism, diversity and pluralism. It cannot hence stop at governance and financial independence and ignore editorial aspects.

**Corrupt and low-skilled journalists are a threatening combination for any attempt of reform.** Only one of the five media experts talked about this issue during the interviews. More worryingly, when asked about corrupt journalists, three informants said that this is the role of the journalists syndicate to oversee over the adherence of journalists to the code of ethics. Only one informant admitted that this code is obsolete and needs revision. Another informant said that the law draft bans a journalist who violated the code of ethics to become an editor-in-chief. All informants did not bring up the subject of poor quality of journalism in state-owned newspapers.

One media expert admits that suggested reform does not obey to all the hoped for changes. *“The new regulations will change in the next 10 years, I am sure”*. So, any further reform should deal more elaborately with editorial independence.

**There is a risk that the current political power lacks the will to reform.** This might be also endorsed by the probable objection of the security apparatus, accustomed to interfere in the national newspapers. This risk might be a death kiss for the hoped reforms. One expert says that in order to appease these worries, the law draft allows the president to appoint two seats on the board of the would-be “National Organization for press” (responsible of running the state-owned press institutions).

On a broader context of political and civil liberties, there are worries that journalists would not be able to win in the current context a battle of freedom of press in an environment of oppression. As charters and laws do not work if the political environment is not open. Egypt

dropped one point (from 5 to 6)<sup>3</sup> on the Freedom House index on political rights in 2014. In addition, in 2014 Reporters without borders ranked Egypt the second in the world for arrested journalists in the same year with 46 journalists imprisoned<sup>4</sup>. This situation comes at odds with the essence of Public Service Media, which are basically about creating an informed and engaged citizen.

At the end, the constitution provisions allow for better governance of state-owned media. Whether these provisions would be translated into laws and structures giving place to their transformation into PSM remain to be seen. If this fails, it is expected that another cycle would unfold where the independent digital media would play again a role in pushing ahead the current process of hesitant democratization.

Finally, the thesis has contributed to the literature by describing post-revolution patterns of state-control over national newspapers. How the State still enjoys the loyalty of state owned newspapers, despite the disappearance of a number of formal structures of control that existed prior to 2011. These factors can be summarized as follows: First, the dominant political party was dismantled. Second, the financial support through the advertisement of the government institutions disappeared. Third, the government ceased to send regular directives to cover or not to cover certain topics. Yet interference in editorial aspects did not stop. It rather took softer and often individual forms (telephone calls). This continued mainly due to profit-seeking behaviors of many editors and journalists and the lack of highly skilled journalists.

It also pointed to the prevalence of a conservative newsroom culture, which was not raised before in the literature. Two main elements help maintain this “soft” control: the

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<sup>3</sup> 1 is the best and 7 is the worst. <https://freedomhouse.org/report/freedom-world/2014/egypt#.VMnr-WSUekc>

<sup>4</sup> <http://www.dailynewsegypt.com/2014/12/16/egypt-second-world-arrested-journalists-reporters-without-borders/>

regulatory environment, that is hostile to the freedom of press (even though rarely applied) and the mechanism by which the editor-in-chiefs and chairmen are appointed.

But based on the gap analysis and the SWOT analysis, Al-Ahram has an opportunity to catch on the governance side: As the new laws would increase its internal governance capacities.

### **The Limitations And Forward-Looking Research**

There are certain limitations to these findings. First, the time framework of the study involves many political transitions: For instance, the thesis could not analyze the impact of each new president, and the method by which he came to power on Al-Ahram's degree of independence. A content analysis is needed to measure the changes in editorial policy in parallel with the several regime changes. The time frame involves also a period where new legislations are being drafted.

Second, many informants from Al-Ahram were not comfortable talking about editorial red lines or criticizing their superiors in the vicinity of the newspaper.

Third, because of the absence of transparency, I could not read the financial statements of Al-Ahram. All informants who have the financial statements of Al-Ahram have refrained to give it to me. The HJC did not discuss them or sign them for the past three years. This is a violation to the law that stipulates that all newspapers give quarterly results to the HCJ. So, the study gave little figures, I used only those figures that were confirmed by more than one informant. Further studies may be necessary to scientifically assess the financial sustainability of Al-Ahram.

The qualitative study adds limits to draw generalizations regarding the rest of the state-owned press institutions. According to Farag (2014), that there are two types of state-owned newspapers, as these institutions are divided into north/south institutions. Despite many resemblances and same structural and regulatory flaws, there are differences in many aspects.



Al-Ahram is part of the wealthier North. The south institutions are more resilient to reform (Farag, 2014).

At the end, there is a scarcity in researches dealing with media reform and media policy in Egypt. Forward-looking researches may discuss different models of reform. How to change newsroom cultures is another field of research where no studies were conducted.

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# Appendices

## Appendix 1: The questionnaire for the Gap analysis of Al-Ahram

Public Service Media indicators:

To measure these indicators, I will look at:

- Content provided
- Public Service Mandate
- Governance structure
- Financing

And under each category falls a set of sub-indicators.

For content, Sub indicators would be:

- Is there an independent editorial board to discuss content?
- How are stories assigned, discussed?
- Is there a set of red lines? Who defines them? Who asserts they are respected?
- Is there a code of ethics for the journalists of the institutions?
- Is it binding? Is it respected?
- Is there a system of ombudsman to deal with readers and sources complaints?
- How is digital journalism developing in Al-Ahram?

For the Public Service mandate:

- Is there a Public Service Mandate for the institution?
- Is it regulated by law?
- Is it compatible with the UNESCO mandate?
- Is it checked? By whom or which institution?

Governance Structure:

- Is the budget planning discussed with different stakeholders?
- Are the financial statements published and available to all parties?

- How frequent are they published (quarterly, semi-annually or annually?)
- Are the auditing reports made available?
- Is there an independent committee for auditing?

Financing:

- Does the institution obtain government subsidies?
- What is the share of public institutions' advertisement to total advertisement?
- Is it indebted to any other government institution?
- Is the financial status sustainable?