



# Egypt

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# Financially Viable Media in Emerging and Developing Markets

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## Country Report



Table 5: Egypt Country Data

Data type	2010 (e)
Population	80.4 million
Literacy rate	71.4%
Per capita GDP	US\$6,200
Urban/rural population	43/57%
Official language	Arabic
Land line telephone connections	15%
Mobile phone registered connections	82.19 million
Internet penetration	20% (broadband: 1 million)

Sources: CIA World Factbook and Egyptian Ministry of Communications

## Executive Summary

As this report goes to press in April 2011, Hosni Mubarak has been forced to step down as the Egyptian head of state. His February 11 decision followed years of protests by workers and students alike and weeks of peaceful demonstrations in Cairo, Alexandria, and other Egyptian cities. Yet some observers commented that the pattern of the events in Egypt meant that the country might just “decapitate” the regime by replacing Mubarak with another equally distasteful figure from his government. It will be impossible to define the outcome of these events for a long time to come. Will there be a reform government in Egypt, or will the Egyptian government end up as a Mubarak regime without Mubarak? One way or another, Egyptians have altered the way the world perceived media and the power of citizens’ voices in the Arab world.

Much of the international attention

on this uprising has been focused on the role of social media in Egypt, in particular, blogging, Facebook, and Twitter. These platforms have been used to organize rallies, expose abuse, spread rumors, and disseminate breaking news. But it is impossible to evaluate this realm without an accompanying assessment of the functions and failings of legacy media. Egypt’s newspapers and broadcasters have served in some well-known ways to support the regime and in other, sometimes unexpected ways, to challenge it. Furthermore, as the Egyptian media environment has evolved from traditional forms to online platforms, newspaper websites and satellite broadcasters have created a critical transitional link.

The protests in Egypt arose from the complex interactions of a number of factors beyond digital media, among them trade unions, stifled opposition parties, and last but by no means least, legacy media.

Regardless of which forces assume power in Egypt, three critical elements of the Egyptian media are likely to remain noteworthy over the medium term. One is the long-standing tangle of legal restrictions and regulations that make it nearly impossible to launch a new newspaper or local broadcast outlet, especially one that does not support the party in power. The second element is the onerous legal, economic, and professional obstacle courses that prevent aspiring journalists from practicing journalism and leave them prey to official harassment and arrest. The third is the way in which new media have begun to address these gaps through satellite television, notably al Jazeera, and social media. These factors are not likely to change quickly, and their significance resonates in other media markets in the Arab world.

## Country Indices: Egypt



### Political & Regulatory

Post-Mubarak political uncertainty – will there be a reform government in Egypt, or will the Egyptian government end up as a Mubarak regime without Mubarak?

Legacy media tightly regulated, controlled, and restricted by the government

Number of bloggers and journalists jailed

Newspapers and television have played a critical role in the country's political process – criticism of government widespread; military establishment and intelligence agencies still taboo topics

Government holds monopoly on newspaper distribution, printing plants, ink, and paper supplies

Government exercises pressures via advertising



### Economy & Market

GDP per capita estimate US\$6,200; unequal distribution of wealth

Government allowed establishment of a limited number of privately owned newspapers

Foreign ownership prohibited; some signs of foreign activity in the media sector, albeit in the non-news media for now

Privately owned media not allowed to receive any form of direct or indirect foreign funding

No oversight mechanism to monitor circulation and/or readership; some estimates put overall circulation figure between 3 and 4 million daily

Second largest advertising in the region; 16% of total regional advertising spend, expected growth rate of 7% over 2009–2014



### Social

Most populous country in Arab region, 47% rural, 71% literacy rate

High level of social inequality, especially among rural population

Vibrant civic engagement via Internet and social networks

Citizen journalism/digital activism ties to legacy media – used to bypass most government controls

Long tradition of public discourse and newspaper readership



### Media & New Technologies

16.5 million Internet users (20% of the population)

Mobile phone penetration near universal (exceeding 100%)

5 million Egyptians on Facebook – highest in the Middle East

Estimates in early 2011 range from 15,000 to 30,000 Twitter users and 160,000 bloggers

ADSL or broadband subscribers – just over 1 million

# 1. Portrait of National Media

Egypt, the most populous country in the Arab world, also possesses one of the region's oldest journalism cultures.<sup>1</sup> Over the past two decades of President Mubarak's rule, the government imposed extensive control on newspaper ownership and news content. Although some of these controls were eased in recent years, more-recent press crackdowns have shaken the industry, and privately owned newspapers continued to be constrained by government monopolies on printing plants, ink, and paper supplies. Government control over traditional media outlets has contributed to the growing audience for online content, which will continue to expand as Internet infrastructure improves and penetration increases. These developments have benefited social media over professional journalism; nevertheless, even popular online media outlets have been hard-pressed to identify workable business models.

## *Egypt's newspapers*

Egyptian journalist and media expert Mirette Mabrouk (2010) has written about three transformative changes in Egyptian media over the past two decades: "First, the introduction of private satellite television in the early 1990s; second, the rise of independent newspapers; and finally, the emergence over the past five or six years of the Internet and new media."

However, for the past century, newspapers have been the chief means of communication among government circles and the elite. The government-owned *Al Ahram* (The Pyramids), was founded in 1875, making it one of the oldest Arab newspapers in operation and the market leader. Privately owned newspapers and mag-

azines existed in Egypt from colonial times until the mid-twentieth century, but they suffered a major setback with the 1952 coup, the prelude to an era of "Arab socialism." The resulting one-party state nationalized media outlets in 1960, bringing all newspapers and magazines – and soon after, all broadcasting outlets – under government ownership. In 1980, a new law was introduced allowing political parties to issue their own newspapers. The same law, in theory, allowed for the creation of privately owned companies that could then establish newspapers. But it also included very complicated conditions that were almost impossible to meet. In practice, such newspapers could not be formed.

In the 1980s, early in Mubarak's regime, the government allowed a very limited number of privately owned newspapers to be launched. They specialized mostly in sports or social affairs, but the bureaucracy blocked any attempt to establish newspapers that would address politics.

In the early 1990s, publishers began to explore a new way to circumvent censorship, known as the "Cypriot Press," or "newspapers with foreign licenses." Under this system, Egyptians obtained newspaper licenses abroad, mostly in Cyprus but also in London and the United States. They produced content in Egypt and sent it outside the country for printing, then flew the newspapers back to Egypt as foreign publications. Those newspapers that were approved by the censors could be sold inside the country; those that were not approved were subject to confiscation, resulting in a heavy cost to the publisher.

The government's approach to privately owned newspapers changed

drastically in the mid-1990s. A few years after the emergence of the "Cypriot Press," officials realized that government-owned newspapers and printing presses owned by them could benefit greatly from the existence of privately owned newspapers. These sophisticated printing presses were previously used only to print a limited number of publications, namely, the government's own newspapers and magazines. At that time they were capable of printing far more. Conditions for establishing privately owned newspapers were relaxed in the mid-1990s, and in 1997, three privately owned newspapers received licenses, and these three were gradually followed by many others.

As of early 2011, three types of newspapers existed in Egypt: government-owned newspapers, newspapers owned by political parties, and privately owned newspapers – the so-called "independent press." The most popular independent daily was *Al Masry Al Youm*. Its closest competitor in terms of circulation was *Al-Shorouk*, which was launched in 2009 (Mabrouk, 2010). The "independent press" still carried some political connotations given that prominent businessmen founded or bought out some of these newspapers in recent years and became more engaged in politics. The publisher of *Al Dostour*, for example, is El Sayed El Badawy, head of the liberal *Wafd* party.

The question of newspapers' "independence" became a debatable issue. And for those publishers who remained critical of the regime, the question arose as to whether their newspapers were indeed private and independent or merely vehicles for their party's agendas.

<sup>1</sup> Some scholars date the beginning of the (semi-)independent Arab press to the establishment of *Wadi al Nil*, a newspaper established in Cairo in 1866 under the rule of Khedive Ismael.

## Newspaper circulation: differing figures

As stated previously, reliable sources of data on newspaper circulation and readership do not exist because there is no independent and credible body to produce such figures. Nor do the newspapers themselves make their circulation figures available to the public. When asked by researchers, many of them respond using vague statements such as, "Sixty-five percent of the printed copies are sold."

Some are kind enough to state approximate figures, but academics and analysts forcefully argue that all of these figures are exaggerated and not remotely accurate. If a privately owned newspaper's representative claims that its circulation is somewhere between 250,000 and 300,000, analysts would put it between 100,000 and 150,000.

Some events can temporarily boost newspaper circulation as much as 3 to 4 percent. These occasions include important local political developments, sensationalist news, interviews with prominent figures, and reader services. High school examinations provide the basis for several of these services, including the publication of possible test questions before the exams and the publication of results afterward.

Newspapers remain the dominant form of news consumption, but more

than a third of the adult population reads news online, with a higher proportion among the younger demographic segment. Al Ahram is cited as the most read newspaper, in line with its claimed circulation numbers of over 1 million, the highest in the country. "Best news coverage" and "habit" rank highly among the reasons for reading in line with other markets, while sports is the top read topic, significantly more popular than in other Arab world countries. The strong sports interest displayed in newspaper consumption also applies to magazines.

It is important to note that the overall number of newspaper readers does not increase when a new newspaper emerges. Rather, its readership is drawn from those who abandon one of the existing newspapers and not new readers. The emergence of privately owned newspapers has coincided with a considerable drop in the circulation of newspapers owned by the government and political parties alike. In fact, the circulation of newspapers owned by political parties is believed to be at an all-time low. In addition, the prevalence of "forced distribution" in boosting the circulation of government-owned dailies suggests an advance to privately owned newspapers in the future. With an estimated combined paid circulation of between 3 and 4 million, Egyptian newspapers remain largely the purview of the urban elite.

## Advertising market trends

Compared to other major advertising markets in the region, Egypt showed strong resilience during the financial downturn. The country had the second largest advertising market in the region in 2009, representing 16 percent of total regional advertising spend. The majority of advertising came from the public sector and the telecommunications industry.

While the advertising market grew by over 40 percent in the last three years, analysts expect the advertising market to grow at a compound annual growth rate of 7 percent over the projection period 2009–2013, from nearly US\$720 million in 2009 to US\$936 million by the end of 2013.

In line with the overall market in the Arab Region, the advertising market in Egypt remains concentrated in print media, with newspapers accounting for over 55 percent of total advertising spend in 2009 and magazines for approximately 6 percent.

Most privately owned newspapers interviewed for this report consider advertising agencies together with distributors as the most powerful players in the market; they admit that advertisers can and do have an impact on the editorial content of privately owned newspapers.



## 2. The Egyptian Economy and Newspaper Conditions



The international economic downturn slowed Egypt's GDP, predominately affecting export-oriented sectors, including manufacturing and tourism. Despite high levels of economic growth over the past few years, living conditions for average Egyptians remain poor. Egypt's turmoil, which has been building for many years, has arisen from many different social classes, political movements, and regional initiatives.

The population of Egypt grew from about 30 million in 1966 to roughly 80 million in 2010. The vast majority of Egyptians live in the limited spaces near the banks of the Nile River, where the only arable land is found, and the need for this land for farming competes with the need for human habitations. In late 2010, around 40 percent of Egypt's population of just under 80 million lived on the fiscal income equivalent of roughly US\$2 per day with a large part of the population relying on subsidized goods (AFP, 2011).

The last major round of protests took place in April 2008, beginning with a textile workers' strike sparked by high food prices. Sympathetic students and urban intellectuals soon joined their cause. The government attempted to control informa-

tion concerning the unrest, but international satellite television and the intellectuals' social media challenged the government's censorship. The government retaliated with brutal measures against journalists, bloggers, and Facebook activists.

The protests temporarily abated, but the unrest continued to simmer, as the Egyptian economy continued to suffer from the high cost of protests, elevated debt, and the world economic crisis. Egypt's economic problems are driven by a demographic youth explosion: with the number of new people entering the job force at about 4 percent a year, unemployment in Egypt is around 10 percent but runs as high as 25 percent for educated urban youth, who are precisely the people who were seen out in the streets.

The circulations of many independent Egyptian newspapers dropped, and many held the country's economic problems to blame. Fifteen years ago, the total circulation of all Egyptian newspapers was around 3 million. Today, even with a notably increased number of titles, most estimates put the figure between 2 and 4 million, depending on the source. The government-owned daily, Al Ahram, has a circulation of 1 million, but

much of the circulation of Al Ahram and other government-owned papers is described as "forced distribution": many government employees are obliged to have one or more government-owned papers delivered to their desks each morning. High-ranking officials receive as many as five newspapers a day, the cost of which is covered by the official's ministry or government enterprise and not by the employees themselves.

Although the world has been transfixed by the role of social media in the February 2011 protests, Egypt's newspapers have played a critical role in the country's political process. The country's bloggers and Twitter activists were able to offer breathtaking if sometimes unconfirmed updates from the streets. But the public turned to newspapers and broadcasters for interviews with national and international government, political, and business leaders to see which way the official winds were blowing.

Like most people living under censorship, Egyptians learned how to read and write "between the lines." This report draws on a series of WAN interviews in Cairo, conducted in late 2010 with editors and reporters who preferred to remain anonymous for attribution for security reasons.





### 3. Political Overview

Egypt's authoritarian political system existed under the rule of President Mubarak since 1981, making him the seventh longest-ruling non-royal head of state in the world until February, following other figures such as Qaddafi of Libya and Mugabe of Zimbabwe. Egypt is the second-largest recipient of U.S. aid in the world, following Israel, in return for its support for U.S. policies in the Middle East. In 2010, US\$1.3 billion of U.S. aid went to the Egyptian military, compared to US\$250 million in economic assistance (Reuters, 2011). It has been impossible to call Egypt a functioning democracy. Although Egypt claims that a number of political parties exist and that elections have taken place on all levels, including both parliamentary and presidential levels, a variety of measures have been used to weaken and contain opposition parties, and all elections have reportedly been rigged.

Furthermore, there has been little separation of powers between the legislative, executive, and judiciary branches of government; most powers have been at the disposal of the president. He was the one who appointed and dismissed cabinet ministers as he pleased, and they largely implemented his orders. Similarly, Egypt's rubber-stamp parliament voted routinely in favor of decisions made by the president.

The judiciary system functions more like an executive institution, merely implementing the laws approved by the parliament. Its authority is limited even further, because many court rulings are never implemented, and some civilians are referred to military courts by presidential decrees. Justice is perverted by the regime, in many cases by judges being forced to rule in a particular manner, being bribed, or being appointed based on their loyalty to the regime and willingness to hand down rulings at its pleasure (Fahmy, 2002).

According to a prominent semi-official journalist, the Mubarak regime did not oppose privately owned newspapers or newspaper ownership by businessmen in principle, and it promoted privately owned media as part of its policy of moving toward a market economy. It also believed that privately owned media had an important and crucial role to play. But at the same time, the regime maintained that the role of the state should be kept unchallenged and that the privately owned media should act according to strict rules and regulations. It also maintained that the government should hold privately owned media accountable for its performance.

Yet locally, the privately owned media is often blamed for causing social unrest. More important, the government believed that the privately owned media played a role in increasing public opposition to the government, fueling the recent unprecedented wave of strikes.

#### *Online media and today's political culture*

Online media constitutes an additional sector, one that is closely connected to traditional media but follows its own erratic path. There is no doubt that online media have allowed opposition groups to create an alternative to the government-controlled news organizations. The Muslim Brotherhood, the regime's leading opposition bloc, has long been deprived of equal access to the media. In 2004 the government shut down its official website, and the coalition responded by setting up 18 different websites in support of its approved candidates, consolidated with Internet radio stations. The Muslim Brotherhood's fortunes in the elections improved markedly in the following year (Mabrouk, 2010).

The November 2010 elections represented another critical juncture for the

Egyptian media. Over the period leading up to the vote, the government carried out harsh media crackdowns, firing several prominent editors and television hosts in an attempt to block newspapers' and broadcast media critical role to the political process. Several television stations had their licenses revoked, and there was a clampdown on SMS (cell phone text messaging), a popular tool among Egyptian activists. According to one Egyptian blogger, who requested anonymity for security reasons, the government was "controlling mass SMS messages, so nobody can send invitations to events or activities, or even political propaganda. They don't want the Muslim Brotherhood in particular to have an audience through SMS messages." He added that the government later extended the measure to an NGO working in human rights (WAN-IFRA, 2010).

Nonetheless, mobile platforms have become a critical means to counter censorship in Egypt, and the news media have come to rely on activists' and citizens' SMS reporting from the field. Twitter gained popularity with the 2010 elections in part because Facebook was subjected to government monitoring and interference. The protests of January and February 2011 accelerated this trend, although again, the government took various temporary measures to cut off public access to social media, which extended to Facebook, Twitter, and cell phones. It is difficult to attach firm numbers to Twitter users in Egypt; estimates in early 2011 range from 15,000 to 30,000, and it should be noted that many Egyptians who participate in social media do so from outside the country. By the same token, given this participation rate, Twitter updates made a greater impact among the international community than in Egypt. Egyptians' access to both legacy and online media is largely a matter of economics. The country's per capita GDP was estimated at US\$6,200, but the population struggles with a high level of so-

cial inequality, especially in the impoverished countryside.

This income gap means that the digital revolution in Egypt has taken place on two planes. At the high end are the broadband, or ADSL subscribers, who totaled just over 1 million people in March 2010, accounting for over 1 percent of the population. The number of Internet users totaled 16.5 million in 2009, which accounts for some 20 percent of the population.

But mobile phone penetration is near universal. According to the Ministry of Communication and Information Technology, the number of mobile phone connections for 2010 is over 82 million, or exceeding 100 percent. Most people do not have landlines, and mobile phones are the norm (CAMPAS Central Agency for Public Mobilization and Statistics, 2010).

The starting point for this study is the Egyptian newspaper market, and it is beyond the scope of this paper to discuss social media in depth. However, several additional observations are in order. As of 2006, an Egyptian government agency estimated that there were about 40 active bloggers in Egypt. Four years later, that number grew to up to 160,000 – the equivalent of over 15 percent of all Egyptian broadband subscribers. In February

2011, the New York Times (2011) estimated that there were over 5 million Egyptians on Facebook, the highest number of any country in the Middle East and the Maghreb. Facebook has attained critical mass as a news outlet in Egypt, and it indeed served an important journalistic role during the 2011 protests, during which it was not blocked.

This intense level of online participation demonstrates both the enthusiasm of a new generation and the frustration of a young public that has felt shut out of the traditional channels of political discourse. Of course, sometimes such vast amounts of uncurated content can become white noise. Bloggers and Facebook and Twitter activists have been influential in circulating breaking news, especially concerning human-rights violations, but only a small percentage can build up a lasting readership. Often, as noted earlier, the most influential content online originates with traditional Egyptian news organizations.

The role of social media in the 2011 protests will be studied for years to come, but events have already shown that while the different social media are gaining in political force, their practice still holds many perils. A number of Egyptian bloggers have been jailed in recent years, some of them

under appalling conditions. The government's measures took their toll on the blogging community, which has little access to even the minimal legal protections available to the country's registered journalists. "Maybe we took them by surprise and they were not prepared for us, and that's how we became so big and so effective so suddenly," reflected one leading blogger interviewed by WAN in November. "But now they are getting used to it, they are experimenting with the technology and are trying to fight us in the same way we fight them, so that's what's making it hard. Of course, this is combined with lots of blows against bloggers, which try to destroy their reputations, their credibility and discouraging them. Also, a lot of influential bloggers have emigrated from Egypt, to South Africa, France, the USA and Sweden, so the blogging scene in Egypt has lost its momentum."

But these developments rarely move in a straightforward progression, nor do repressive measures always achieve their goals. When the Egyptian government temporarily cut off Internet access in February 2011, blogger Haisam Abu-Samra suggested that the move may have inadvertently fueled the revolution: "If anything, it removed distraction and gave us a singular mission to accomplish" (Abu-Samra, 2011).



## 4. Media Legal and Regulatory Environment

### *Private newspaper legally constrained*

One reason Egyptians are so eager to publish online is that it is so difficult for them to publish in print. Mirette Mabrouk (2010) has described launching a newspaper in Egypt as a “logistical nightmare due to government regulations.” The centerpiece of this nightmare is the principal law governing the newspaper sector, Law 96/1996, which regulates newspaper ownership, stipulates restrictions on newspapers, and outlines the requirements for establishing newspapers, among many other matters. It requires prospective newspaper owners to submit a written request to the Supreme Press Council that includes detailed information about themselves as well as an overview of the proposed newspaper. They must also obtain a security clearance and permission from several governmental bodies, including the Higher Journalism Council and the Council of Ministers. They must additionally pay hefty fees. The law also includes regulations on the capital of privately owned newspapers that must be followed before such newspapers are established. The Supreme Press Council must reach its decision within 40 days. If it refuses to grant a newspaper a license, its would-be owners have the right to take the matter to a court of law. However, it usually takes most newspapers from three to eight months to receive a license.

One major criterion has been the political affiliation of the individuals behind the newspaper. Anyone who is expected to produce a newspaper that strongly opposes the government has faced great difficulty. For example, it took one group five years to establish *Al Destour*, an opposition newspaper, even though the group won a court ruling in its favor.

The same law prohibits foreigners from owning newspapers, and privately owned newspapers are not al-

lowed to receive any form of direct or indirect foreign funding. This includes subtle forms of funding, such as subsidized advertising.

Although foreigners are not allowed to own newspapers in Egypt, foreign media and organizations have exerted significant influence on Egyptian journalism through training programs in the following areas: investigative journalism, citizen journalism, mobilizing mass media “on the themes of democracy and governance,” inclusive journalism, and reporting on religious diversity, etc (Internews, 2011).

### *Media access to information limited*

One of the main challenges faced by privately owned newspapers is their limited access to information. Given the absence of a law to regulate this process and protect journalists’ right to access information freely, government officials provide journalists who work for government-owned newspapers with information while denying it to most of those who work for privately owned publications. There have been some unsuccessful attempts to introduce freedom-of-information legislation.

### *Press freedom environment*

Despite ongoing legal restrictions, the Egyptian media environment has still made important gains over restrictions of the past. Privately owned newspapers played a significant role in attaining this advance. Criticism of any and all government officials can be found on a regular basis in privately owned newspapers. The only remaining taboos tend to involve the military establishment and, to a lesser extent, intelligence agencies.

Nonetheless, laws still in place allow the imprisonment of journalists for defaming heads of state, publishing news deemed as false, and undermining national institutions (In-

galls, 2008). In 2007, Ibrahim Essa, then editor-in-chief of the privately owned opposition newspaper *Al Destour*, was tried for publishing false information about President Mubarak’s state of health.

There is a great deal of self-censorship in Egypt. Most editors know the lines they can and cannot cross and actively monitor content themselves. At the same time, there is more and more space for free expression. People have become more daring lately, but no one really knew where the line was drawn. There are many cases of one journalist or blogger writing something and being detained while another publishes the same thing and slips by.

There have been recent cases of reporters arrested and threatened with jail time for covering the elections “illegally,” without a journalism trade license. But getting accreditation is extremely difficult. For example, for an *Al Ahram* reporter to be accredited through the syndicate, he or she must be “appointed,” or become a civil servant who can never be fired. Such appointments are extremely rare, so most journalists work without “legal” status and hence can be arrested merely for practicing journalism without authorization.

The accreditation of journalists is another gulf between traditional news organizations and the online community. Although bloggers lack some of the protections afforded to registered journalists, they fear that forming a parallel association would damage their cause. “It would harm us here in Egypt if we [were to] start a union or an organization,” one of them told a WAN-IFRA interviewer (WAN-IFRA, 2010). “It will make us more under their control. When we have a free civil society and the ability to organize and no emergency law, we can do an organization, society, syndicate, or whatever.”

## *Editorial independence*

Some observers argue that privately owned media were reintroduced in Egypt as a result of global and local changes that forced dictatorial regimes to allow greater margins of freedom of expression in order to support their claims of democratization. But in reality, while these newspapers are allowed to criticize the government, their criticism has no impact on government policy.

Most of the editors-in-chief of privately owned newspapers acknowledge that they receive phone calls on a regular basis from high-ranking government officials to discuss stories published in the newspaper. Some of them perceive this as a form of pressure, while others describe it as a negotiation and bridge-building process.

Another question of editorial independence concerns ownership. The editors-in-chief forcefully deny that their owners have anything to do with their editorial policies of newspapers, but most academics, observers, and media analysts argue that businessmen play a significant and crucial role in determining the edito-

rial policies of these newspapers, and some go so far as to argue that they are the sole decision-makers. All sides agree that these newspapers are used to further the interests of the businessmen who own them.

Government-owned publications, notably Al Ahram, have made some recent moves in the direction of greater editorial independence, but it remains to be seen how far this will go. The Al Ahram Weekly, the company's English-language publication, has made noteworthy attempts to push the boundaries of its political coverage, especially in its online edition.

The greater freedom enjoyed by the Al Ahram Weekly may be attributed to its publication in English. Like many authoritarian regimes, Mubarak's government was eager to present a progressive image to the international community, but did so in a language that would not reach the majority of Egyptians.

### *Government's purchase of ads: power and pressures*

Although there are no legal restrictions on advertising by government

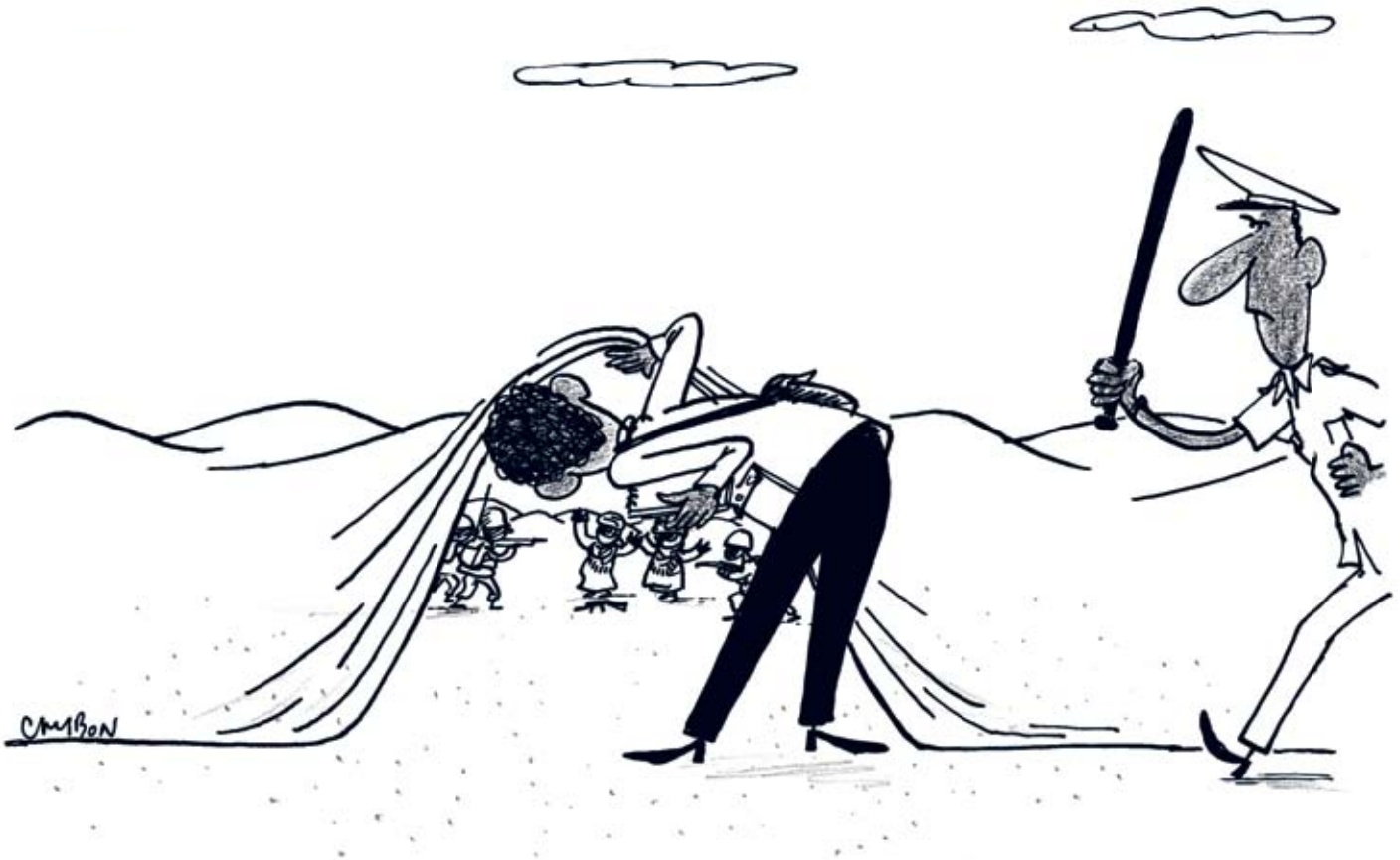
enterprises in privately owned newspapers, this is one common form of pressure utilized by the government. In fact, most advertisers in Egypt are companies and enterprises owned by the government, in addition to those owned by individual ministries. Many of them simply do not publish any ads in privately owned newspapers. A notable exception is when the government wants to send an important message to as many people as possible. Examples of this include informative ads about swine flu and birth-control campaigns as well as electoral campaign ads. In such cases, the government places ads in privately owned newspapers with high circulations.

The government uses additional tactics to limit advertising from non-government institutions in privately owned newspapers. Private companies can be pressured – and even threatened – if they advertise in privately owned newspapers, especially those that are highly critical of the regime.

Another form of government pressure on critical newspapers is to produce inaccurate and exaggerated estimates of their profits, thereby increasing their tax burden.



## 5. Newspapers and New Media Convergence



All of Egypt's privately owned newspapers have their own websites, most of which reproduce their print edition without significant changes. Some of them contain some additional features, such as video footage of interviews conducted by their journalists. Their eagerness to establish their own websites illustrates their belief in the potential for online journalism in Egypt. The lower production cost for online publication is one factor that could contribute to the growth in online jour-

nalism in Egypt. On the other hand, most of these websites contain a limited number of ads, and online ads tend to be much cheaper than ads in print editions.

A limited number of privately owned newspapers now offer news alerts in the form of text messages sent to the mobile phones of subscribers. These services can be expected to expand along with the mobile phone market, which is expected to exceed 100 percent penetration in 2012.

Egyptian newspapers have been scrambling to integrate new media platforms into their operations, as Twitter, Facebook and related platforms become simultaneously business competition. This is used as a means to counter press control and censorship and as a way to offset the massive costs associated with printing. Hisham Kassem, formerly of El Masry El Youm and The Cairo Times, is starting a new venture in 2011 that will draw heavily on the new media technologies and networks currently available. One of his future editors is currently working for the AhramOnline portal, where all his information is gathered from on-the-ground-sources who use Twitter and other social media platforms. This is also how they spread information – to the media and social activists, bypassing most governmental controls.

## 6. Conclusion

While the February 2011 uprising will alter the Egyptian media landscape in ways that are impossible to predict at this writing, some changes are already visible. New sectors of the Egyptian population, especially young people, have made their voices heard for the first time through the broad interactions of social media, physical action, and traditional journalism. State-owned newspapers and broadcasters have taken long-awaited steps to offer broader coverage to their audiences, and their reporters are unlikely to regress to the old forms.

But even with Mubarak's departure, other serious issues will remain. Egypt's thicket of media laws and regulations is unlikely to disappear overnight, and badly needed reforms will need to work their way through a legal and political process. There is much at stake, as the long-term outcome of Egypt's process will undoubtedly exercise a major influence on other Arab nations and the world.

## Egypt's First News Website

Al Youm El Sabe (The Seventh Day) is the first news website to appear in Egypt. Its founder and editor-in-chief, Khaled Salah, decided to establish an online newspaper after attending a training workshop organized by the World Association of Newspapers. This meeting convinced him of the importance of online journalism and digital media and offered tools in newsroom management. These tools enabled him to run a 24-hour news operation.

Al Youm El Sabe's news website is updated on a regular basis 24 hours a day, and the company also issues a weekly print newspaper edition. Al Youm El Sabe's website has reported 36 million page views and 3 million unique visitors per month. The site also made a deal with an advertising firm to manage all of its ads.

Founder Khaled Salah says that the main reason behind his site's success is its professional, accurate, and objective content compared to other news-oriented sites' reliance on opinionated and inaccurate blogs. He adds that his site follows "certain guidelines" when it comes to opinion pieces, and it has pushed freedom of expression to an unprecedented level, all of which has contributed to its trust-

worthiness and credibility among readers.

Egyptian television talk shows use Al Youm El Sabe as a source of information and cite it by name, further enhancing its credibility. In addition, most of the journalists who work for Al Youm El Sabe are young, fresh graduates who use the Internet on a regular basis as a source of new ideas. In other words, they resemble the users of Al Youm El Sabe.

Another unique feature within Egypt of Al Youm El Sabe is its user-generated content. Some readers write regular opinion pieces on the website, whereas in all other Egyptian newspapers, only intellectuals are allowed to do so. In addition, Al Youm El Sabe's staff often receives information from readers about important events taking place in particular locations and sends reporters to investigate.

The success of Al Youm El Sabe indicates that Egyptian online journalism is poised to take off right now and not in a few decades, as argued by some observers and even journalists. At the same time, given that these pioneers still feel the need to produce a daily version in print, it is safe to conclude that print editions of newspapers will not disappear any time soon.





## Government-Controlled Printing Press

One of the biggest challenges faced by privately owned newspapers in Egypt is printing and distribution. Almost all of them are printed and distributed by Al Ahram, a government-owned media company. Al Ahram imports paper and ink, and privately owned newspapers have no say in the matter. Furthermore, many of the editors-in-chief of privately owned newspapers complain that they are being overcharged.

Also, since almost all of the privately owned newspapers are printed by the same printing press, they must finish producing the paper very early in the afternoon or early evening to allow it to be printed on time. This inevitably means that they end up missing out on important events that take place later in the day.

Furthermore, because Al Ahram produces its own daily newspaper in addition to numerous other publications, it comes first in both printing and distribution. Its publications receive the optimum placement in retail outlets and are distributed two or three hours before the other newspapers to give it time to sell copies before other newspapers are available. Sometimes the distribution of specific newspapers is intentionally delayed.

It is difficult for most privately owned newspapers to establish their own printing presses, largely because it is very expensive. Al Masry Al Youm is the first privately owned newspaper to establish its own printing press, but it still resorts to Al Ahram for distribution. The company bought a used printing press and uses it to print some copies of the newspaper, while others are still printed by Al Ahram.

But breaking the government's monopoly on printing is much easier than breaking its monopoly on distribution. Press laws prohibit private companies from establishing distribution companies, probably because controlling distribution is perceived as crucial by state security, which insists on controlling distributors to ensure that unlicensed publications are not distributed. The monopoly has held, although there are more and more printing houses, and there is also a free zone in which print jobs can be carried out. In addition, there are other publishing houses that are smaller than Al Ahram, such as El Shorouk, which has long published books and has plans to expand into newspaper publishing in the future.

