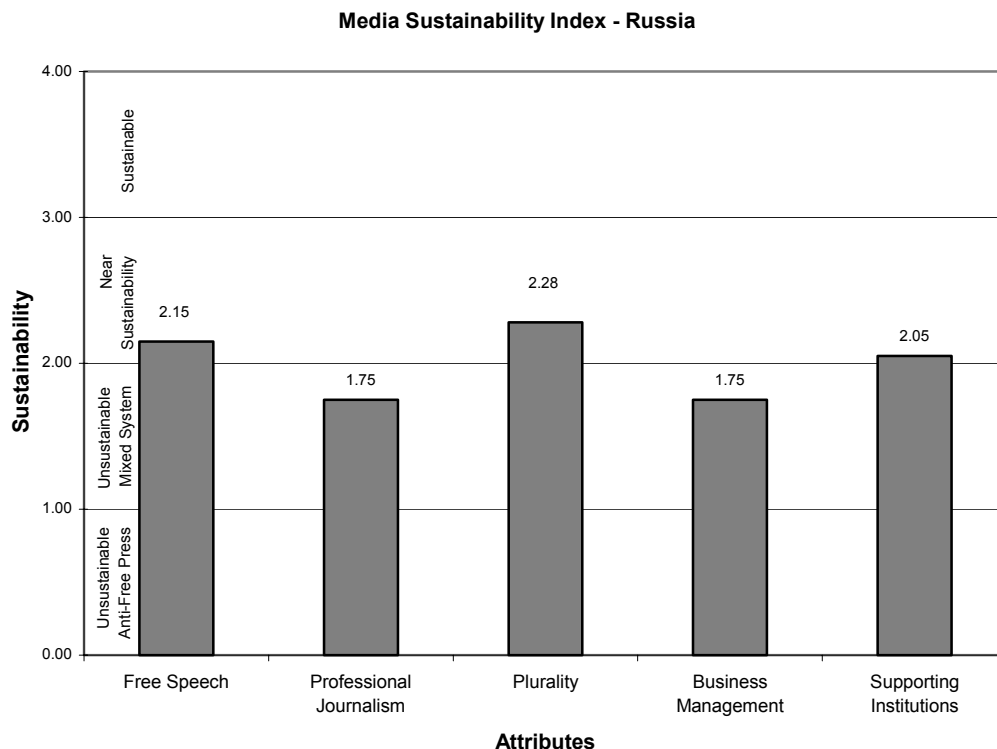


Russia

Introduction

Vladimir Putin's accession to the presidency in March 2000 marked a transition towards strengthening centralized governance. The media had to face new political realities as the federal government tightened control. This is not to say media were solidly independent under Yeltsin: almost all media were primarily representing their owners' political and financial interests, essentially becoming mouthpieces for political and business oligarchs. One achievement in Yeltsin's time was relaxed political control over media by the state. The Law on Mass Media (1991) and the Russian Federation Constitution (1993) remain the regulatory documents that guarantee free speech and ban censorship, but the reality hardly corresponds to the principles proclaimed on paper. Putin's coming to power has simply aggravated the contradictions that existed before.

Putin's doctrine of a "dictatorship of law" has come into natural conflict with the media market as it has evolved. In the past 12 months Putin's government has consistently tried to control the information field across Russia, which goes against large media tycoon's interests. The latest vivid example is the conflict between Vladimir Gusinsky, owner of the largest Media Most holding company, and the state-owned company Gazprom. As a result of the conflict, the highly popular television channel NTV and several print outlets owned by the holding company were taken over by new owners loyal to the government (May 2001). Confrontations continue between the authorities and Boris Berezovsky, a media tycoon currently forced to live abroad.



Scoring System

- 0** = Country does not meet indicator; government or social forces may be actively opposed to its implementation.
1 = Country minimally meets aspects of the indicator; forces may not be actively opposed to its implementation but business environment may not support it and government or profession not fully and actively supporting change.
2 = Country has begun to meet many aspects of indicator but progress may be too recent to judge or still dependent on current government or political forces.
3 = Country meets most aspects of indicator and implementation of indicator has occurred over several years and/or change in government, indicating likely sustainability.
4 = Country meets the aspects of the indicator; has remained intact over multiple changes in government, economic fluctuations, changes in public opinion and/or changing social conventions.

The scores for all indicators are totaled and averaged for each objective.

Each of the objectives can receive a score from 0 to 4:

Above 3: Sustainable and free independent media

2-3: Independent media approaching sustainability

1-2: Significant progress remains to be made; society or government not fully supportive

0-1: Country meets few of indicators and government/society actively opposing changes

The second Chechen military campaign marked the comeback of censorship. Journalists who differed from the official line in their coverage of the Chechen war were persecuted. An international outcry was raised when Radio Liberty's Chechen correspondent Andrei Babitsky was arrested in January 2000 by the Russian military, and raised as well the public's concern over the fate of democratic freedoms and free speech under Putin.

The clear deterioration of the media situation in Russia in the past year brought to the surface other long-standing problems in the journalistic community. In a situation requiring journalists to serve owners rather than the public, professional ethics are scarcely followed at all. The Code of Professional Ethics adopted in 1994 with the Moscow Journalist Charter and signed by Russia's leading reporters remains a paper exercise. Self-censorship is common in the profession. Journalists who try to follow their mission honestly are protected neither by law nor by labor unions. The media community is split; the Russian Union of Journalists is inactive, which leads to attempts to set up new professional associations. Education in journalism lags behind the current needs of society because of the lack of financial resources and qualified faculty.

The state is clearly trying to exercise control over media through administrative leverage, monopolizing, selectively granting licenses, and using economic pressure. Media business performance is endangered in this context, and one cannot expect the same degree of financial viability and competitiveness as displayed by other businesses. Most periodicals depend mainly on their owner's investment. The ad market is limited, while financial groups tied to authorities strictly regulate market flows. Russian media are rapidly becoming over-commercialized, particularly television, where entertainment programs and ads have eclipsed cultural and educational programs. Media support institutions are either monopolized by the state or severely depreciated.

Attribute #1: Legal and social norms protect and promote free speech and access to public information

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

The Law on Mass Media (1991) is the basic regulatory act on media and any other amendments and additions are built upon this document. The Russian Federation Constitution, adopted in December 1993, states in Article 29.5: “The freedom of the mass media shall be guaranteed, censorship shall be prohibited.” The judiciary alone may rule on invalidating a media registration certificate (part one of Article 15), on termination and suspension of media activities (Article 16), on termination of media production (part 5 of Article 25), or to discuss any other legal conflicts. The key impediments to practicing freedom of speech arise from an underdeveloped legal culture and the weaknesses of the court system.

Journalists’ rights are restricted by executive authorities and press secretaries. Article 38 of the Law on Mass Media states explicitly that “government authorities and organizations, non-government associations, and their officials shall provide information to mass media about their work by holding press conferences.” This law is breached time and again. In March 2001, NTV correspondents Maxim Borisov and Alexander Fedorov were not allowed to attend a press conference held by the vice governor for the local fuel and energy sector in Primorie krai. According to Borisov, NTV journalists are not invited to important events and press conferences at all. The Glasnost Defense Foundation report on restrictions of access to public information states that this problem is most acute in Moscow, Chechnya, and in several oblasts including Rostov, Volgograd, and Novosibirsk.

All panelists thought that Russian laws on media are fully consistent with international norms and standards, but the major problem they mentioned was that the country is not abiding by these laws. As a panelist stated, “there is no major problem with the laws as such, the problem is that written laws are not of great importance in Russia.” Laws were (and are) completely inconsistent with both the development of Russian society and media sector realities. Laws and actual political, social, and economic life exist as separate realities. Another panelist explained: “Laws are good, but the country is not living by them: they exist on their own, and life continues on its own.” As in other business segments, a gray economy exists in media as well, and free speech is an abstract and meaningless concept when one bears in mind that almost all media are either owned by certain financial groups or indirectly controlled by the state. Although Russian laws guarantee minimum state interference, such interference tends now to be on the rise. State and financial group control is particularly strong in electronic media.

Adherence to legal principles in the regions is even weaker than in the cities: not only are federal legal provisions neglected, but regional laws often conflict with the federal ones. “Tataria and Kalmykia are simply living in the last century!” said one of the MSI panel participants. Society does not respond in any way even when aware of cases of offense in the media sector, because offenses are typical for all fields of life and have regretfully become a norm. Some MSI panelists believed the laws on media should be revised to make them more consistent with the reality. As one put it: “In my view, it would be best for society to pass a law which would regulate the activity of the state in the media.” Two other participants

opposed this view; they thought that regulating state involvement would strip media of the few remaining freedoms.

Broadcast licenses are currently issued by the Federal Commission on Television and Radio Broadcasting, which is essentially a technocratic authority overseeing a registered company's compliance with its license obligations. State interference in licensing is an alarming tendency today. "Direct interference by state and business in electronic media is ten times higher than in print media," said a panelist. The Federal Commission, expected to be independent, increasingly has more members who are government officials, while independent members are in the minority and have almost no decisionmaking power. "We, the independent members of the Commission, are increasingly in the minority when voting for one or another license," said one panel member. There is no law on licensing: it is regulated by presidential decree or an official resolution. There is also no law on frequencies, but it is not even on the parliament's agenda. Independent licensing commissioners insist on licensing more independent channels, but they succeed only in regions because of the central government's instruction not to strengthen regional governors' role and weight there. This has been changing in the last couple of years. There are increasingly more cases when governors do influence licensing.

Television, including effectively state-controlled channels ORT and RTR, does not receive public financing and generates income mostly through advertising. However, the state has actually put TV information under its control through the large financial capitalization that backstops the owners of the major channels. Though the bill on television and radio broadcasting included such basic principles as freedom of editorial policy and the inadmissibility of censorship, the perception is that new and renewed licenses will be granted preferentially to outlets which are loyal to the government. The concern is heightened by the intention of the government, as stated in February 2001 by the deputy press minister, to cap licenses for TV channels, radio stations, and newspapers in the near future.

Market entry and the tax system are not much different for the media sector than for other business segments. There are some tax exemptions and privileges, but the concern is they will be eliminated in January 2002. Ownership by large financial groups is seen to skew how fully the market operates in the media sector. The state has also recently become an active player in the market, which hampers free competition. The situation is the same in the regions: as soon as a local outlet looks like it is going under, a local oligarch or local authorities show up and pump money into it, thus bending it to the service of their political or business interests. "Few things depend on how well you sell," said a panelist. "Your profit depends on nothing but the way local authorities let you make money."

Though the media market in Russia is mostly private, its monopolization by financial groups close to the Kremlin continues. Major financial problems after the August 1998 ruble crisis made many independent media seek support from financiers and the state. The post-crisis financial situation was particularly hard on regional media that now depend on subsidies from city budgets. The authority to subsidize media was vested in the Ministry of the Press as of January 1, 2001, following Putin's order. Another consequence of the financial crisis is the tendency of several large publications to merge under the umbrella of large publishing empires, controlled by magnates like Berezovsky (ORT channel, Channel 6, *Kommersant* daily) and Gusinsky (NTV, Ekho Moskvyy, *Segodnya* daily, and *Itogi* weekly).

As recorded by the Glasnost Defense Foundation, from January-March 2001 there were 31 attacks on journalists, and four journalists were killed. Investigations and prosecution of perpetrators of crimes against journalists are usually not initiated; if they are, they generally get nowhere. Attacks against journalists have become more frequent in the first six months of 2001, primarily against war correspondents working in Chechnya. As compared to the first Chechen war of 1994-1996, terms and conditions of accreditation have become more stringent under Putin, and cases of the army's attacks against journalists have increased in number. Four journalists were killed in Chechnya in the first half of 2001, but no information is available as to whether murder investigations were initiated. Journalists are often detained, put under pressure, and, at best, deported from the conflict area. Examples include Vadim

Fefilov (NTV), Ruslan Musaev (AP), and Vladimir Chelikov and Vladimir Agafonov (ORT). Anna Politkovskaya of *Novaya Gazeta*, who had visited Chechnya several times, was arrested in February 2001 and interrogated by the military, even though she was accredited for work in the war zone. She was released only after the Russian PEN Center appealed to Putin. In February, military personnel beat Alexander Stepanov, RIA Novosti special correspondent in Chechnya.

Three TV journalists were beaten in St. Petersburg in March 2001: a correspondent of the St. Petersburg Office of VGRTK (State Television and Radio Corporation) and the two other journalists from Babylon, a regional TV channel. OMON (a special police task force) beat a TVC reporter and operator in the Moscow airport in June 2001 while he was preparing his program. Igor Domnikov, correspondent for *Novaya Gazeta*— which is among the very few truly independent publications—was beaten outside his house and died of his injuries. The investigation on the case has not progressed at all. Oleg Lurie of the same newspaper was beaten in December 2000 after he had published several articles on corruption, while his colleagues Georgy Rozhnov and Oleg Sultanov were threatened by anonymous letters and phone calls.

MSI panelists agreed that the incidence of criminal attacks on journalists is on the rise. They mentioned that crime rates against journalists do not differ much from those against other citizens. Crime levels in Russia are high, and law enforcement authorities are inefficient, slow, and oftentimes corrupt.

The Constitution and the Law on Mass Media are explicit regarding abuse of journalistic rights. Article 29 of the Constitution states: “Propaganda or inciting social, racial, national or religious hatred is prohibited. The propaganda of social, racial, national, religious or language superiority is forbidden.” Under Article 56 of the Law on Mass Media, founders, publishers, distributors, editors-in-chief, and journalists could be brought to court for the above abuses. Libel is the most frequent charge against journalists and media outlets and is both a civil and a criminal code offence. It is a common opinion that that the federal Law On Mass Media is outdated; it does not define well the boundaries of privacy.

Civil lawsuits for libel are increasing in number. More than half of the lawsuits are brought by officials, legislators, businesses, and non-government organizations. Libel is an efficient tool in the hands of authorities to harass journalists. The Kuznetsk City Mayor brought a legal action against the local *Lyubimaya Gazeta* this February to protect his honor and dignity. Although the mayor did not specify what the offense was, the court ruled that the newspaper assets and its publisher’s personal property be seized.

Journalists are often bribed to follow certain political and business agendas in their reporting, especially in the regions. Low ethical standards are a big problem, with Russian society traditionally blaming journalists for breaching general human ethics, not just journalistic ones.

Russian federal legislation does not favor state-owned media over independent outlets. There are no 100-percent state-owned media and the state exercises its influence indirectly, through certain financial groups. Print media are controlled through economic leverages, i.e., subsidies that allow local media to survive. For example, the Kaluga newspaper, founded by the local government, does not pay rent and uses free paper and printing services. The state has been increasingly trying to control independent media by acting as an owner, customer, or investor, and to bar political opponents from impacting media. As a panelist stated, “media have never been understood and set up in Russia to satisfy the needs of the audience.”

The Law on Mass Media allows journalists to seek, find, and disseminate information (Article 47) and restricts this right only in cases when a state secret is involved. A Law on State Secrets was also passed in 1993. However, while resigning from his post, Yeltsin passed a decree “On State Secrets,” which substantially expands the list of information items not subject to disclosure, and allows authorities at all levels to give the status of “classified” information to any information they deem secret. The federal Law

on Information and Information Sharing and Protection was passed in 1995. It defines what kind of information is not secret. A lawsuit can be opened in cases of denial of access to information (Article 13.2). However, relations between media and state press services are not clearly stated in legal terms and journalists can be arbitrarily denied information. Official information agencies offer only the approved version of news.

Obtaining publicly relevant information has become an increasingly challenging and dangerous job for Russian journalists, especially in cases of investigating authorities' abuses, corruption, fraud during election campaigns, and the war in Chechnya. The staff of the *Novaya Gazeta*, distinguished for its courageous investigations, are under continuous pressure. Defense-related security topics that are not state secrets have the status of classified information. The most vivid example of violating access to information rights is the case of the war correspondent from Vladivostok, Grigory Pasko, who shared a report on the leak of a nuclear waste from a Russian submarine with Japanese news agencies. The journalist was charged with espionage though his material had passed defense censorship and was published in the local newspaper *Boyevaya Vakhta*.

Access to information has further deteriorated recently. The communications minister signed an order last August to obligate all Internet providers to connect the Federal Security Service and the Ministry of the Interior free of charge to their terminals. Satellite TV has been available in Russia for the past few years. NTV Plus and Kosmos TV broadcast Western information agencies online, such as CNN, the BBC, and Euronews. These services are affordable even to common citizens at a rather low fee. Internet is currently the most accessible and least expensive source of international information; it has spread widely in the large Russian cities in the past five years. According to data of the Russian Independent Research Center, Internet users at the end of 2000 numbered between 4.7 and 5.25 million. Nevertheless, state authorities managing information flows are now increasingly active in filtering information through the Internet.

The panelists unanimously agreed that access to some publicly relevant information is not free: authorities continue to view information as their property, and want to control access. Access to international news is not restricted. Access to professional education is free. However, authorities still offer privileges to some periodicals and journalists.

Attribute #2: Journalism meets professional standards of quality

Indicators
1. Reporting is fair, objective, and well sourced
2. Journalists follow recognized and accepted ethical standards
3. Journalists and editors do not practice self-censorship
4. Journalists cover key events and issues
5. Pay levels for journalists and other media professionals are sufficiently high to discourage corruption
6. Entertainment programming does not eclipse news and information programming
7. Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient
8. Quality niche reporting and programming exists (investigative, economics/business, local, political)

On February 4, 1994, a group of journalists employed by Moscow-based periodicals signed the Moscow Journalist Charter, a document that urged the Russian Union of Journalists to develop a Code of Professional Ethics. The Congress of Russian Journalists approved it on June 23, 1994. The Code requires that "journalists disseminate to the public only the information which they think is reliable; they clearly separate facts from opinions in their reports."

However, the fundamental criteria of quality journalism are often violated in Russia today. Information based on rumors and speculation is often published in almost all papers regardless of their orientation and prestige. There are several reasons for unprofessional journalism. Given the tough competition and a wish to attract the reader's attention, many journalists use unverified sources and information. Facts are either distorted or withheld by journalists for political reasons as well. There are cases where materials that

contain compromising information are ordered to be published, particularly during election campaigns. Unprofessional journalism draws public attention because cases of using the media for settling group and personal conflicts have increased in number. Periodicals of different types and levels demonstrate intolerance to the opinion of others and offer a low quality of debate.

There are increasingly few journalists in Russia whose reports can be trusted. "Trust in journalists and media is very low," said a panelist, "and journalists are not even trying to win it back." According to an opinion poll by the Public Opinion Foundation in January 1999, fewer than half of the respondents believe that journalists give accurate coverage of events or that their information can be trusted.

The older generation from the Moscow and St. Petersburg media who lived through Perestroika are out of touch or have become politically discredited figures. In the 1996 presidential election campaign, trust in journalism reached its lowest level as objectivity was frankly dropped in favor of political agendas and biased reporting. As independent media are almost nonexistent and there is no competition, there are no conditions for creating demand for objective information. Journalists tend to produce commercial materials, as tabloid products are easier to produce rather than anything socially relevant.

"Professionalism plays the least important role in the sustainability of one or another medium," said a panelist. However, other panelists said journalists have recently become more responsible for what they write. Some participants mentioned that in the past decade Russian journalism has passed through two stages of development: the first stage was romantic trust that the government would support media, and the second stage was when big oligarchs' money became involved in media sustainability. Objectivity and accuracy of information were certainly not required at either stage. An MSI participant said, "these two stages are now in the past, but on the way it became obvious that our society did not need journalists, it does not respect them, and the authorities disregard them."

Journalistic ethics were a special topic of discussion, as all panelists agree the situation is catastrophic. None of the adopted documents have been implemented or adhered to. All participants agreed that journalistic ethics is nonexistent in Russia. Journalists who breach ethical standards are in no way punished by the journalistic community.

Self-censorship arises as a consequence of the fear of job loss if political or business interests are not supported. Journalists by far outnumber the available positions, and this is especially true in the provinces. A few independent publications (such as *Moskovsky Komsomolets*, and *Argumenty i Fakty*) can afford an unbiased opinion, but there too, journalists are pressured, sometimes by the editor in chief.

There are no public data on journalists' incomes. On the whole, journalists' salaries across the country are sufficiently high compared to the average pay levels for other professional groups, but they still remain low compared to prices in the country. There is a relatively broad pay gap between Moscow and regional journalists and between profitable and loss-making media. In private media, which belong to powerful companies, such as Media Most (until recently), the publishing house Kommersant, and Independent Media (a Russian/Dutch publishing house, one of the largest in Russia), salaries are coming close to Western levels. Discussion participants mentioned that wages are low, and journalists are ready to make compromises to keep their jobs and feed their families. "How can a journalist exist and follow any ethical standards if he/she is unable to feed the family?" said one panelist. Over 1,000 newspapers are currently out, but true competition is undeveloped. Both journalists and editors accept bribes for commissioned materials, and this is typical for 90 percent of the media. A participant stated: "Journalists produce commissioned materials, they are not fulfilling their professional duty; this is typical for all levels of media and is even more obvious in the regions."

Statistics show that most people learn about national developments from TV (86 percent of the audiences use TV as the main news source, 43 percent use the radio, and 28 percent print). While the latest data (December 2000) show that news programs continue to rate second in popularity (85.6 percent at ORT,

71.3 percent at RTR, and 60.8 percent at NTV), there was a tendency during the last year to shorten the news in favor of entertainment programs and a dramatic increase of the ad time. Still the market share of good analytical print media is not small: its publications include *Nezavisimaya Gazeta*, *Obshchaya Gazeta*, *Moscow News*, and the weeklies *Itogi*, *Profile*, *Vlast*, *Novoye Vremya*, *Denghi*, and *Expert*. Even these publications have recently expanded their topics to include entertainment.

The unsatisfactory state of printing facilities, TV, and radio equipment, as well as other technical problems, are major impediments in the development of the information business in Russia. Over 40 percent of larger printers' capacities and about 70 percent of local printing presses are hopelessly outdated. This is the reason why most periodicals are published abroad, in Finland, Poland, and Slovakia. According to the 1998 data, 56 percent of Russian magazines and 19 percent of newspapers print their products abroad. Cable TV is available for 36.6 percent of Moscow audiences and 11.4 percent have access to satellite programs. The figures are much lower for Russia: 8 percent for cable TV and only 0.8 percent for satellite TV.

Coverage of specialized topics does exist. Russia now has 40 newspapers focused on the economy and 645 political and social/economic magazines. Some financial newspapers are of very high quality: they include *Finansovaya Gazeta*, *Kommersant*, and *Vedomosti*. Quality periodicals, broadly general in nature, such as *Izvestia*, *Nezavisimaya Gazeta* and *Kommersant-Daily*, employ good experts on economics, politics, and war issues.

Attribute #3: Multiple news sources provide citizens with reliable and objective news

Indicators
1. Plurality of public and private news sources (e.g. print, broadcast, Internet) exist and are affordable
2. Citizens' access to domestic or international media is not restricted
3. State or public media reflect the views of the entire political spectrum, are non-partisan, and serve the public interest
4. Independent news agencies gather and distribute news for print and broadcast media
5. Independent broadcast media produce their own news programs
6. Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates
7. A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources

Although print and broadcast media are mostly private, a public/private sector has also emerged (e.g., 51 percent of the national Channel One is owned by Berezovsky, and the rest is owned by the state). All the most important Internet sites such as Polit.ru, Lenta.ru, and Gazeta.ru provide information obtained from the ITAR-TASS and RIA Novosti agencies. Utro.ru (owners Media Press Corp. and Rosbusiness Consulting Agency) and echo.msk.ru (site of Radio station Echo Moskv) are also relatively independent. Some newspapers are known as more independent than others: examples are *Obshchaya Gazeta*, *Novaya gazeta*, *Argumenty y Fauty*, *Moskovskie Novosti*, and *Novoye Vremya* weekly magazine.

The regions' increasing autonomy was a powerful incentive for the emergence of regional media. Regional newspapers increased their daily circulation from 54 to 80 million copies in the 1990s. Over 300 newspapers are coming out in the RF republics, autonomous oblasts, and districts, and their daily circulation exceeds 5 million copies. However, regional press is scarcely affordable to the reader in distant regions. A weak distribution system in the regions cannot guarantee on-time press delivery to subscribers. The average price to subscribe to most popular papers for six months is about US \$20-\$25, the average cover price is US \$0.50. The average price of popular journals for six months is US \$30-\$40. Newspapers and magazine prices have increased recently and continue to do so.

Unlike the press, TV and radio have expanded their audiences. Moscow broadcasters now have access to almost all regions and are the main source of national news; there are also another 1,000 regional channels. The situation is mixed as regards the Internet. Unlike the media, it does not have any

government subsidies or tax privileges. The number of users is limited above all by technical resources. Internet users are mostly residents of Moscow and the other large cities. Sixty percent of Internet users come from high-income or the middle classes, members of which are still few in the regions.

The number of national newspapers increased six-fold in the 1990s, and 1,200 new magazines were set up (L. Resnyanskaya and I. Fomicheva, *Newspapers for the Whole of Russia*, Moscow 1999). Most panelists thought there was a sufficient plurality of information sources. The obstacles to their accessibility are mostly financial and technical. Many regions distant from large cities often have no TV receivers. Half of the Rostov oblast villages cannot receive the national Channel One and Channel Two. Most panelists commented on the state's lack of effort to bridge the accessibility gap between large and small communities. A panelist remarked that "one can understand the lack of private TV, but the absence of state-owned channels is either a deliberate policy or a total neglect of these regions on the part of the state." Another participant opposed such views, saying that Russia has not developed a tradition of demand for regular and objective information about events in the country. He thought the situation would not change in the coming decade even if the Internet were forced on every distant community. Information does not reach consumers not just because of economic problems, but because public demand is not there. "How can we bring socially relevant information to the public," he said, "if there is no demand for it?" Opinions split on this issue. Panelists mentioned that information is not in demand in some communities, while others clearly show a lot of interest. As regards ethnic minorities, their right to information does not pose a problem in Russia. There are no major problems in receiving international news, but panelists mentioned that citizens' interest in foreign news in this past decade was not very strong. While there are no explicit restrictions on local media, all panelists shared the opinion that the absence of policy in this field suits the state.

Panel members agreed that private media are owned by political groups who do not want the entire political spectrum represented in news and information. Publishers and journalists do not view public service as their mission, but act as advocates of political or corporate sponsors. A participant remarked, "Media do not represent any social interests except those of their sponsors or the journalists." Audience needs are satisfied to the extent that they coincide with an outlet's corporate or political interests. Journalists act as biased go-betweens, often interpreting news and events to the public as it suits those they represent. Only the news in which media and their owners have a stake reaches the public. Some local TV channels have news programs that do cover events of public interest. Around 100-150 of the currently operational 700 regional media companies are trying to make programs that are in demand in their communities. This, however, is an exception rather than the norm; most media take little interest in their audiences.

About 1,000 Web and regional services that focus on particular topics and call themselves "news agencies" are currently operational in Russia. The largest are ITAR-TASS, INTERFAX, Post Factum, and RIA Novosti. The key information product of ITAR-TASS is round-the-clock news online. It is to this agency that official documents and materials are sent. National and regional newspapers, TV companies, and foreign correspondent offices in Russia subscribe to TASS news. Besides news, this largest agency produces other thematic products such as bulletins, newsletters, and reference materials. RIA Novosti is a state information and analytical agency founded in 1993. INTERFAX is the largest private corporation, an umbrella for 15 companies. Its key information product is political news online. Its popularity was initially based on prompt news releases and opposition to authorities. INTERFAX issues over 40 different information materials on economic, political, and business issues.

Many news agencies focusing on particular topics are working in Russia in addition to the above. These are mostly financial and economic information services. The largest of them are Rosbusiness Consulting, the Agency of Economic News (AEN), Skate Press, and the Business Information Agency. Since Russian media are heavily politicized, there are many fewer agencies that provide cultural and social news: examples are the Agency of Social Information (ASI), the Russian Ecological Federal Information Agency (REFIA), and the Russian Agency of Social and Economic Information (RASI).

There are many regional agencies: NTR-Region issues a daily bulletin on life in the regions for the central press; ANI-Anons announces events three times a day and is very popular in the media community; and the East European Press Service monitors print and broadcast media. This broad spectrum of large and small agencies comes close to international standards in terms of information quality and timeliness, but their accessibility varies. Agencies decide on prices. International outlets pay much more than Russian outlets.

Private media ownership information is not made public. Media owners become known when scandals break out, like the one related to Gusinsky’s Media Most Company. A panel member noted that “scandals reveal who owns media: otherwise everything is covered by five blankets here.” The MSI panel judged that audiences in most cases do not care to know about media ownership.

The right of ethnic minorities to minority-language media is guaranteed: there are newspapers and magazines printed in 37 languages. At the same time, there are no minority-language publications in eight national districts and in one RF republic’s capital. Minority-language publications are virtually absent in Moscow and St. Petersburg. No information is available about government and law enforcement authorities’ pressure on ethnic print media. Minority-language newspapers and magazines cover a variety of themes: social, political, children’s, and religious topics. The popularity of the existing minority-language publications comes from the objectivity of their coverage of national problems. These publications are not competitive in the media market, and they desperately need more funds.

Attribute #4: Independent media are well-managed businesses, allowing editorial independence

Indicators
1. Media outlets and supporting firms operate as efficient, professional, and profit-generating businesses
2. Media receive revenue from a multitude of sources
3. Advertising agencies and related industries support an advertising market
4. Advertising revenue as a percentage of total revenue is in line with accepted standards at commercial outlets
5. Independent media do not receive government subsidies
6. Market research is used to formulate strategic plans, enhance advertising revenue, and tailor products to the needs and interests of audiences
7. Broadcast ratings and circulation figures are reliably and independently produced

There are very few private printers with state-of-the-art equipment in Russia, and their modest capacities cannot service the huge media market. Print monopolization is another problem; Pressa publisher is an example of such a monopolist. It prints over 150 federal and Moscow-based publications, or about 80 percent of the periodicals sold in the Moscow region. Its clients include such large circulation dailies and weeklies as *Komsomolskaya Pravda*, *Trud*, *Literaturnaya Gazet*, and *Argumenty i Fakty*.

Cost of newsprint paper is very high and takes up to 45-50 percent of total publishing costs. In the market economy, periodicals lost subsidized newsprint paper and now have to buy it at market prices. Importing newsprint is unprofitable because the customs duty is 35 percent. The domestic paper is not only expensive, but does not meet world market standards.

The ex-monopolist in the distribution field, Rospechat, lowered its rates after several other distribution agencies developed. Its Moscow-based Mospeschat branch was privatized and split into several small agencies, owners of 50 to 100 kiosks each. Other private agencies emerged; they claim city-wide distribution (Press Center; Centropeschat, Stolichnaya Pressa, Metropress, and others). Periodicals are sold by private vendors and each one owns up to 50 stalls. Such major dailies as *Trud*, *Komsomolskaya Pravda*, and *Moscow News* have set up their own distribution systems both in Moscow and in the regions.

Advertising is the first and most important source of revenue and amounts between 70 and 90 percent of the print media profits; it often takes up 1 to 1.5 pages in a four-page newspaper. The federal Law on

Advertisement, passed in 1995, set limits for commercials: they should not exceed 40 percent of the total print media space and 25 percent of TV and radio airtime. Advertising turned into the key revenue source for print media because of economic hardships (increased paper, production, and distribution costs), and for broadcast media because of insufficient government subsidies. However, the 1998 ruble crisis forced many advertising agencies to close, and many Western agencies left the Russian market altogether.

All panelists agreed that private media depend mostly on owner investments and much less on the ad market and subscriptions. The discussants differed as to whether the media can survive only on revenues from ads and good management: some participants think they can, citing *Delovoi Petersburg*, *Stavropolskaya Pravda* and *Vedomosti* newspapers as examples. With its capital of US \$200 million for three years, *Vedomosti* now owns 11 percent of the Moscow newspaper market. However, the paper is under Western management and funded by Western capital. *Delovoi Petersburg* is also supported by Western investment. However, most panelists did not think media can be profitable now. The ad market is mostly located in Moscow (85 percent), while in the provinces very few outlets use ads: a successful example is the city of Yekaterinburg, which has several sustainable channels with a profit of up to 30 percent a year thanks to good management and good business practices. Other cities have good management; yet the media is not surviving on ads because the local governments put pressure on advertisers and force them not to advertise in the outlets they dislike. Panelists thought that one could hardly speak about media being profitable. In the absence of real markets and competition, media cannot be run as businesses. The panel raised another problem—the lack of professional staff to use and expand the advertising market. These skills are not yet taught: local educators do not address the business aspects of journalism.

Given the tough financial situation, subsidies play quite an important role in Russian media. The law on economic support of district and city newspapers states that a financial subsidy should be given to periodicals included in the special Federal Register. There are restrictions: only one of all the newspapers published in a given district/city may be included in this register. The choice is made by local authorities and heads of local governments. The Federal Register is annually adjusted when the federal budget is made, and is approved by the State Duma. Though the subsidy is a very modest share of the media budget (up to 5 percent), it remains a powerful tool for interfering in the media internal policy. “When authorities interfere with the market rules,” said a panelist, “we cannot speak about any profit, or independent management.”

Most periodicals regularly poll audiences; large publishers, periodicals, and TV companies have market analysts on their staff. Marketing is primarily done to attract advertisers, rather than to adjust to the needs of audiences. There are currently several large Russian services that focus on analyzing media ratings. Gallup Media, a subsidiary of Gallup International, is the largest and most trusted source of such studies. COMCON, another large company founded in 1991, is an official representative of Research International in Russia and has offices in nine Russian regions and partners in 45 cities across Russia. COMCON focuses on market research, social/political and media/advertising surveys, business-to-business, and public relations consulting. Russian Public Opinion and Market Research (ROMIR) offers market research services. The company Monitoring.ru carries out research only through the Internet. In March 2001, the leading TV channels, the Ministry of the Press, the National TV and Radio Broadcasting Association, the Advertisers’ Association, and the Russian Association of Advertising Agencies signed an agreement on setting up a media committee to review the objectivity of ratings.

The panelists concluded that one could hardly speak about serious market research when a full-fledged media market does not exist. One participant remarked: “As for the media business, people do not understand what a targeted audience, marketing, and distribution system are, and this means they tend towards spending the customer’s money thoughtlessly.” Only national ratings are measured; there is no system of researching the regional media markets. The popularity of TV media is not sufficiently studied; such studies are not affordable to local electronic media. Transparency is no better in the print media. Nobody knows the exact number of media outlets across Russia. Data on newspapers vary from 14,000 to

202 Media Sustainability Index

24,000, and only 6,000 to 12,000 of them are independent. Nobody knows circulation figures. To date, the Circulation Commission has registered only 85 periodicals, mostly with foreign capital.

In general, the panelists believed it was premature to speak about the media market in Russia and about media as an independent business: as one said, “it would be premature to call this sector ‘business,’ and too premature to use the name ‘market’ for what we have now in Russia.”

Attribute #5: Supporting institutions function in the professional interests of independent media

Indicators
1. Trade associations represent the interests of private media owners and provide member services
2. Professional associations work to protect journalists' rights
3. NGOs support free speech and independent media
4. Quality journalism degree programs exist providing substantial practical experience
5. Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills
6. Sources of newsprint and printing facilities are in private hands, apolitical, and not restricted
7. Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted

Panelists agreed unanimously that efficient labor unions acting in the interests of journalists are absent in Russia. All attempts to set up truly efficient labor unions have so far been unsuccessful. Existing and newly founded professional associations usually protect the interests of a particular media owner, not the interests of journalists. Some of these are good, others less so.

Several professional media associations are operational in Russia; their goal is to represent and advocate for the interests of private publishers and broadcast media. The National TV Association (NAT) is the largest independent TV and radio professional association. Its goals are to represent and advocate broadcasters' interests to the government; offer joint solutions to corporate problems; provide equal opportunities to NAT members regardless of their ownership and regions; give access to professional information, international forums, and congresses; and provide legal advice and support in licensing and professional training. The Association embraces 210 air and cable TV companies, 29 radio companies, and 64 associated members. Both regional and national companies are represented.

The Russian Fund for TV Development (RFTD) has set a goal of improving the professional level of state and private TV journalists, and identifying and encouraging TV talents. RFTD has founded an academy, and has developed a program of support for independent regional TV (including a festival of regional TV). The Russian Association of Independent Regional Press represents and advocates print media interests through a network of 50 offices across Russia. This association keeps a database of regional periodicals, and gives advice and assistance in setting up new publishing houses.

There are several other independent professional unions: the Association of Regional Press Executives, the Guild of Publishers of Periodicals, the National Publishers Association, the Association of Young Journalists, “Asmo-Press,” the Guild of Parliamentary Journalists, and the Guild of Court Reporters. They are independent of the state and are funded by sponsors and membership fees. Whenever possible, they protect the corporate interests of their members, individuals and organizations alike. Joining such an association is not a problem: it is enough to be employed and pay membership fees. However, most of these organizations limit their activities to representative functions or to running joint projects with Western NGOs and foundations.

The largest professional association is the Union of Journalists of Russia (UJR). Founded in 1990, it has around 100,000 members across Russia, 79 regional organizations, and associated members. UJR is engaged in a variety of activities: organizing congresses, meetings, conferences, and competitions, and protecting journalists from the arbitrary practices of the government and law enforcement authorities.

The Friedrich Ebert Foundation study “Power and Society in the New Russia,” published in April 2001, includes the results of a poll of electronic and print media executives and journalists. The study evaluates the work of Russian professional unions and associations. The Glasnost Defense Fund had the highest scores for their work (48 percent), followed by the UJR (42 percent), the Moscow Union of Journalists (40 percent), and the Committee for Defense of Free Press and Journalists’ Rights (23 percent).

The panelists concluded that only nonprofit organizations truly protect media interests; nonprofits give practical help mostly in education and in arranging professional training workshops. “Strange as it might seem,” said a participant, “media interests are protected mostly by nonprofit organizations.”

Professional organizations include the UJR, the Glasnost Defense Foundation (GDF), the Law and Media Center, and *Novaya Gazeta*, which cooperate with the GDF on an ongoing basis. Several independent human rights organizations often take part in joint actions to defend media independence and protect journalists from arbitrary government practices. They include the Russian PEN Center, the Information and Human Rights Movement Center, the St. Petersburg-based Civic Control, the Russian Human Rights Committee, and the group Common Action, which unites over 30 human rights organizations. GDF has a regional network in 14 Russian cities. Besides GDF, there are autonomous regional organizations, which include the Central Region Center for Media Rights (operational in seven oblasts), the Society for the Defense of Glasnost (Yekaterinburg), the Krasnoyarsk oblast foundation Glasnost Defense, the Rostov-based Foundation for Defending Press Rights, and a number of others. They all monitor freedom of speech violations, provide professional legal aid to journalists, and promote the development and support of a consolidated professional community. Western sponsors support many Russian organizations for independent journalists. For instance, the Fund for Independent Radio Broadcasting, with financial aid from the Charities Aid Foundation (UK), opened a Web site where journalists can exchange information on a variety of legal issues. Internews is the main partner of the GDF in joint advocacy actions. The recently founded Press Development Institute (with five regional offices) gives legal and judicial support to journalists through seminars and consultations with USAID.

All panelists voiced their concern about the low level of journalism education. It is clearly far behind the requirements of the day. Basic educational demands are met at the universities in Moscow, St. Petersburg, and Yekaterinburg, but other higher institutions are at a deplorable level. Universities lack qualified professors because of very low salaries: “No good journalists will teach because they would be paid peanuts” said one panelist. Only “the old guard” professors are still working, their age being 65 on the average. The absence of modern textbooks is also a big issue, noted another participant: “Except on advertising, nobody is writing journalism textbooks.” The Glasnost Defense Foundation intends to publish a casebook of the best journalistic investigations, but this one effort will not resolve the problem. Universities, which have traditionally educated media professionals, are clearly failing to cope with the increasingly large number of journalists. Media schools were established in private universities, but their education level as yet is below that of state institutions. Students used to have mandatory internships at a newspaper, on TV, or in radio outlets. Most private media now do not take students for on-the-job training. Opportunities to intern abroad are rare.

Training, short-term education programs, and competitions are mostly delivered with the support of foreign sponsors. UJR held a competition for the best journalist investigation of corruption, supported by the Open Society Institute (Soros Foundation). Internews holds seminars where US and European specialists teach; the five-week school of journalism is set up on an ongoing basis, and 54 TV journalists have graduated from it to date. Internews announced it is also starting regional news reporter training. The Ford Foundation administers grants for graduate and undergraduate students. A long-term independent media support program is run by the Eurasia Foundation, which allocates small grants to media outlets.

The BBC World Service set up a trust fund in 1992 to work with the Russian media. In the six years of its work, the BBC produced over 20 educational radio programs for Russian radio stations and held over 40 seminars and internship courses to teach more than 300 journalists from major Russian cities. The

Russian Independent Radio Broadcasting Foundation was set up on the BBC initiative. Its programs are run on Radio Rossii in the morning prime time, and have a daily audience up to 8 million. The Foundation Web site runs project supported by the BBC and Technical Assistance for the Commonwealth of Independent States (TACIS) of educational and competitive programs for regional journalists. Short-term educational programs and grants are also provided by the Council of Europe through the National Press Institute.

Some Russian short-term educational projects are also very popular. The International Summer School of Journalism at St. Petersburg University is highly reputed. Russian and foreign specialists are invited to teach. Several seminars were held in March 2001 for the media in Nizhny Novgorod, Moscow, St. Petersburg, and other cities. A major weakness of the Russian training seminars is that education is expensive. On the whole, resources available for education and skills development of journalists and students are modest and insufficient not only in the regions, but in Moscow as well. There is a need to develop almost all media skills: writing, management, legal literacy, and technical skills. Since the media now employ many people without professional backgrounds, skill development is vital.

Panelists mentioned that interest in training is increasing. Training seminars are generally free, but the demand for fee-based instruction is also on the rise. Fee-based seminars on TV are mostly commissioned by corporations (e.g., Gazprom) or by regional authorities (Tatarstan). The Institute for TV and Radio Professionals' Skills Development recently began charging US \$400-\$500 for training; although the level of the courses is not high, the Institute has clients. Trainees come from the CIS member states, mostly joining information-related courses, while Russian trainees are interested mainly in advertising. MSI panel participants thought such trainings are clearly not enough for the whole country: there should be 20 to 30 times more of them, and they should be better organized, providing comprehensive programs rather than partial training on some issues.

List of panel participants

13. Andrey Richter, Executive Director, Media Law and Policy Center, Moscow State University
14. Olga Karabanova, Lawyer, Press Development Institute, Moscow
15. Vadim Malkin, Editor-in-Chief, Regional Editorial Office, *Strana.ru* (an Internet magazine)
16. Manana Aslamazian, Executive Director, Internews/Russia
17. Natalya Vlasova, General Director, Foundation for Independent Radio Broadcasting
18. Svetlana Murtazieva, Journalist, *Novaya Gazeta*
19. Elena Topoleva, Director, Social Information Agency
20. Denis Antonov, Marketing Manager, Social Information Agency
21. Alexey Pankin, Editor-in-Chief, *Sreda* Magazine (on Russian media business)
22. Boris Kagarlitzky, political journalist, writes for different independent newspapers
23. Pilar Bonet, *El Pais* correspondent in Russia for 13 years

Observer

Ekaterina Drozdova, USAID Media Officer, responsible for an Independent Media Project

Panel moderator

Kara Miskaryan, an experienced journalist and sociologist, working for a variety of major Russian publications