

RUSSIA

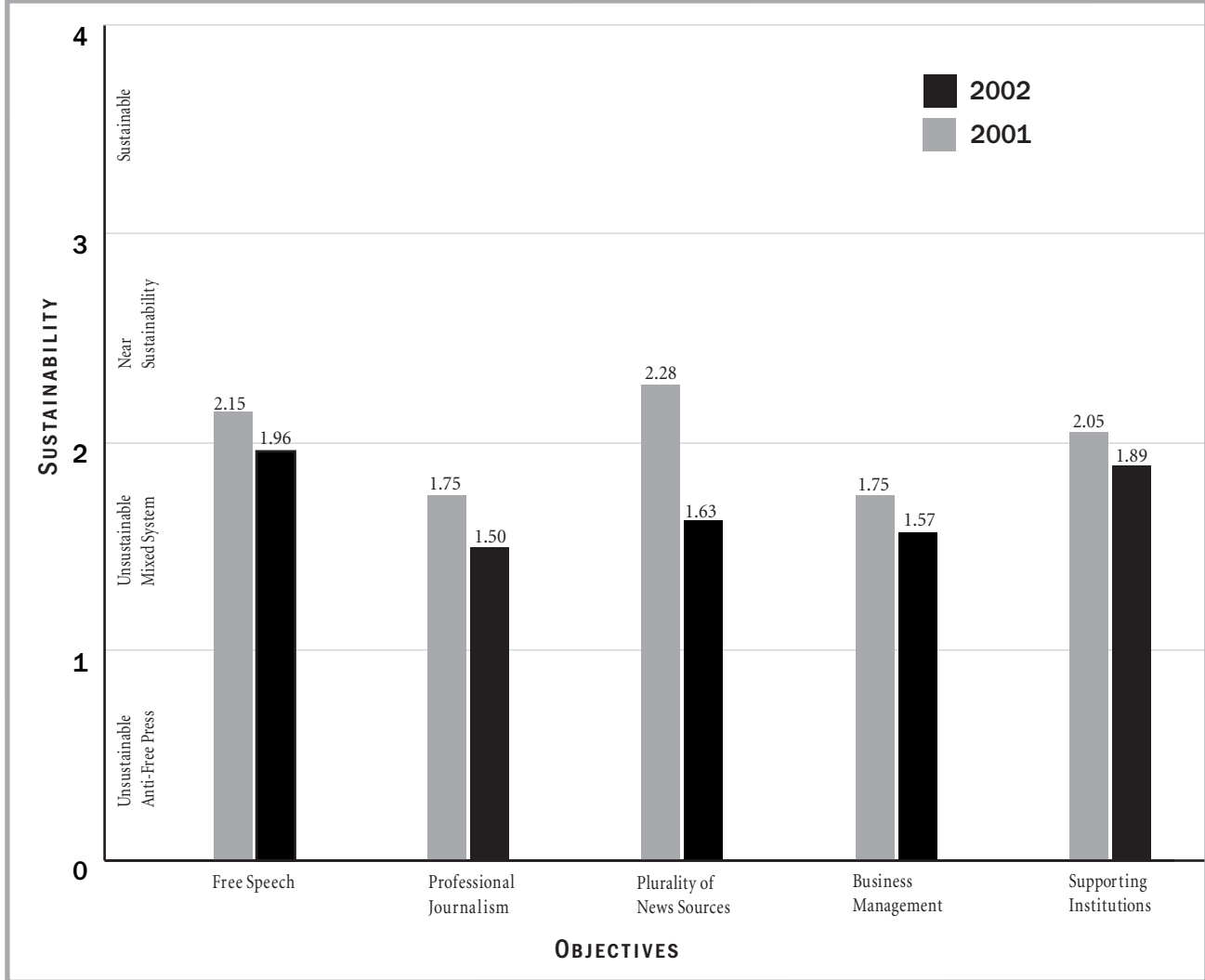
INTRODUCTION

Two opposing trends are currently evident in the development of Russian mass media. On the one hand, an increasing number of media companies (television, radio, and print) are attempting to become normal businesses. They are working to improve their management and content, increase advertising sales, become more economically viable, and, consequently, become more independent in providing information to their audiences. Moreover, the government has repeatedly declared its willingness to assist the media in business development and to change media legislation accordingly. Through its minister, Mikhail Lesin, the Press Ministry states that it is ready to gradually cede its regulatory functions and withdraw from the media market. The media community is attempting to consolidate in order to speak with the authorities with a stronger voice and to lobby necessary changes in media legislation and other industry reforms. In July 2002, the directors of major newspapers, information agencies, television channels and radio companies, advertising agencies, and Internet companies established an Industrial Committee for the Media with the objective of promoting these reforms and lobbying industrial interests.

On the other hand, there is a growing threat to press freedom. In November 2002, both chambers of the Russian parliament passed several amendments to the Media Law and to the Anti-Terrorism Law, seemingly prompted by the hostage crisis in Moscow and by the continuing anti-terrorist action in Chechnya. These amendments barred the media from disseminating information that could, at least in the evaluation of the authorities, potentially endanger anti-terrorism actions or disclose tactics of anti-terrorism forces. Advocates of media independence were concerned that broad applications of these amendments could lead to harsh limitations on free speech, and especially on the coverage of military action in Chechnya. After President Putin vetoed the amendments, they were resubmitted for further discussion by both chambers, and a committee of media executives publicly promised “self-regulating” steps. There were also some pessimistic forecasts that the revised Media Law now being debated in the Duma might be less liberal than the current one.

As one panelist said, “Public information is equally inaccessible for state-run and private media.” The difference is only that state-run media do not try to obtain this information, while independent media might make such attempts.

RUSSIA-MEDIA SUSTAINABILITY INDEX



OBJECTIVE SCORING

The averages of all the indicators are averaged to obtain a single, overall score for each objective. Objective scores are averaged to provide an overall score for the country. IREX interprets the overall scores as follows:

3 and above: Sustainable and free independent media

2-3: Independent media approaching sustainability

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

0-1: Country meets few indicators; government and society actively oppose change

INDICATOR SCORING

Each indicator is scored using the following system:

0 = Country does not meet indicator; government or social forces may actively oppose its implementation

1 = Country minimally meets aspects of the indicator; forces may not actively oppose its implementation, but business environment may not support it and government or profession do not fully and actively support change

2 = Country has begun to meet many aspects of the indicator, but progress may be too recent to judge or still dependent on current government or political forces

3 = Country meets most aspects of the indicator; implementation of the indicator has occurred over several years and/or through changes in government, indicating likely sustainability

4 = Country meets the aspects of the indicator; implementation has remained intact over multiple changes in government, economic fluctuations, changes in public opinion, and/or changing social conventions

“Both governmental bodies and large private corporations are putting pressure on the media at every turn,” said one participant. “This becomes obvious, as a rule, when a media business is poorly managed and therefore turns to ‘sponsorship’ money—be it direct subsidy or other forms of support.”

Despite all the guarantees provided by the Constitution and the Media Law, mass media in Russia still experience serious threats. Some take the form of physical attacks on journalists. On April 29, 2002, for example, a man with a silencer-equipped automatic pistol shot dead Valery Ivanov, the 32-year-old editor of the independent *Tolyatti Review* newspaper, as he left his apartment in that southern industrial city. Although there were witnesses and promises of an intensive investigation, by year’s end no arrest had been announced. The Monitor service run by the Glasnost Defense Foundation reports 18 murders, 55 assaults on reporters, and 19 attacks on editorial offices from Jan. 1 to Oct. 31, 2002. Panelists claim that law-enforcement agencies do nothing to protect journalists’ rights, and consequently that such crimes remain unpunished. Panelists also noted that these crimes, instead of making the public feel indignation, rather tend to provoke suspicions that journalists are themselves related to the criminal underworld.

More frequently, the threat is a mix of political and economic pressure, and media outlets are particularly vulnerable when the alternative revenue sources from advertising and circulation are not well developed and newspapers are not financially well managed. “Both governmental bodies and large private corporations are putting pressure on the media at every turn,” said one participant. “This becomes obvious, as a rule, when a media business is poorly managed and therefore turns to ‘sponsorship’ money—be it direct subsidy or other forms of support.”

This pressure is especially strong in the case of national television channels whose coverage extends to the entire Russian territory. One can speak of a certain plurality of voices in Moscow despite the media’s general political loyalty to the Kremlin. But smaller

Moscow television channels and radio stations that criticize the authorities are not being retransmitted in the regions for technical or political reasons. There are also not many truly independent media outlets in Russia’s regions, although there are certainly some examples. The majority of regional media reflect the political or financial interests of local power groups. Regional journalists and editorial offices are pressured, directly or indirectly, if they try to expose governmental or business corruption. Neither the state nor industry associations nor the courts provide media outlets or individual journalists with any real protection. “It’s not good or bad media laws that create problems in Russia, but the fact that laws are not enforced or applied, or applied and enforced selectively and inconsistently,” said one panel member.

OBJECTIVE 1: FREE SPEECH

Russia Objective Score: 1.96/4.0—All panelists say that in Russia one has to differentiate between assessing the rights of expression and freedom of speech provided for in legislation and the Constitution, and assessing established practices of enforcing these provi-

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

sions and public attitudes toward these rights and their violation.

Article 29 of the Constitution of the Russian Federation and the Mass Media Law of 1991 contain all the necessary principles guaranteeing freedom of the press and access to information. Panelists agree that Russian legislation guarantees freedom of speech and is entirely consistent with the principles of democracy and international human rights standards. Unfortunately, the existing legislation does not specify clearly enough procedures for enforcing the aforementioned principles.

Panelists voiced concern that new media law being drafted in the current year is less liberal than the current law. One of the key reasons for this concern is the prevailing public attitude toward this problem. Public-opinion polls demonstrate that the population is critical or cynical about the mass media and at least appears willing to see access to information and dissemination of information via mass media limited. According to a poll conducted by the Public Opinion Foundation in November 2002, soon after the hostage crisis in Moscow, more than half of Russians (54 percent) believe that Russian mass media need governmental censorship, while just 22 percent of the respondents disagree with that statement. In the same poll, 36 percent of respondents said they believe that authorities should decide which information about crisis situations can be disseminated through television, radio, and newspapers; 31 percent of respondents believe that such decisions should be made by journalists; and 23 percent of respondents think that decisions should sometimes be made by journalists and sometimes by authorities. The Duma's amendments to Article 4 of the Mass Media Law and to Article 15 of the Anti-Terrorism Law, apparently instigated by the media coverage of the hostage-taking, also have provoked grave concerns because of the possibility of overly broad application. President Putin vetoed these amendments in December, but the discussion continues in the Duma.

Application of legislative provisions that guarantee freedom of expression is in a very sorry state. There is not enough trial practice in defending freedom of the press, nor are enough lawyers proficient in media law and its application. Courts are sometimes used as an instrument to pressure the media, rather than as a mechanism for just resolution of disputes, a situation aggravated by the lack of independent media to provide a window on judicial processes.

Legislation or government decrees govern the broadcast licensing process. These regulations are somewhat deficient and often allow for arbitrary inter-

pretation by law-enforcement agencies. Broadcasting licenses are issued by the interdepartmental Federal Licensing Committee, which is closely connected with the Media Ministry. Television broadcasters maintain that as a rule, despite the administrative control of the Ministry, licenses are issued strictly in agreement with established procedures and awarded to the strongest bidder. When the government has a political stake in national television channels (such as in the case of ORT or TV-Center), problems with issuing or prolongation of licenses might be politically motivated. But for regional television companies, members of the Licensing Committee who represent the government and those who are independent experts appear equally interested in assisting independent and viable television businesses. Still, regions are not immune to licensing problems for political reasons, as in the case of radio stations seeking to retransmit the forcefully independent Moscow radio station Ekho Moskvyy.

Panelists maintain that tax privileges for media outlets are gradually being removed, and media therefore are becoming equal market players and equal taxpayers. Privileges on profit tax were abolished in 2002. Privileges on value-added tax (VAT) for broadcasters were abolished entirely, and privileges on VAT for print media were replaced by a reduced 10 percent rate. At present, distributors of print media are to receive this tax break indefinitely. On Dec. 31, 2002, President Putin extended by two years (until Jan. 1, 2005) the term of the tax break for editors, publishers, and providers of advertising services. While some media see the elimination of tax privileges as an infringement of rights, others argue that it would make the media equal with other companies as taxpayers, forcing a more businesslike approach by media. There is an interesting example of a large and successful publishing house, AltaPress in Barnaul, which last year became the largest taxpayer in the well-developed industrial region of Altai.

Media laws do not provide for additional tax breaks or privileges for the state-run media outlets outside of the subsidies that ownership brings. State-run media or media that are somehow connected with the local authorities have clear material advantages, compared with private media, because they are funded from the government budget while being able at the same time to sell advertising.

Articles 129 and 130 of the Criminal Code establish responsibility for libel and personal insults. However, plaintiffs seldom sue journalists for libel because it is difficult to prove malicious intent in court, and trial

practice for such cases is underdeveloped. From January through October 2002, the Monitor service reported 31 cases of action for libel brought against journalists. Such cases are frequently decided in favor of a plaintiff by lower courts because they are located in the same regions where plaintiffs, generally government officials, reside. However, decisions are frequently reversed on appeal, so in the end there are very few cases of criminal prosecution of journalists.

Much more frequently, journalists are prosecuted for “violation of non-property rights,” i.e., for moral damages and damage to the business reputation according to Article 152 of the Civil Code. Lawyers who took part in the discussion estimate that about 6,500 such complaints are filed yearly, about 80 percent of them are heard in court, and in about 70 percent of trials the decision is made in favor of plaintiffs. This law leaves the sum of compensation for moral damages to the discretion of the court, and in practice, this amount can bankrupt a newspaper. Panelists state that virtually every independent newspaper has some experience of defending itself in court on these charges. As one result, investigative journalism becomes a dangerous genre, and newspapers stop working in this direction.

Journalists are rather ignorant in legal matters. Editorial offices generally do not know their journalists’ rights or how to defend themselves in court. To make matters worse, many charges are provoked by the low professional standards of reporters and editors. They leave themselves open for legal challenge for moral damages when they distort quotes, print unverified information, mix facts and opinions, make sweeping statements, or use judgmental language.

Panelists stated that public officials in Russia do not have a developed culture of accountability and sense of responsibility for disclosing public information and giving journalists easy access to such information. “It doesn’t even enter public officials’ minds that they are supposed to serve the public and supply the public with information,” said one participant. Journalists, in turn, often do not know how to defend their rights to this information effectively, on the spot or in court. “No one is really held accountable for violating the rights of citizens and journalists to information,” said one panel member, and consequently access to such information in the public interest can easily be severely impeded.

The media nongovernmental organization (NGO) community has attempted to encourage the Duma to take up the issue of access to information, but so far there has been no revision to the law. Although

the Mass Media Law of 1991 obligates public officials to answer media requests, the law is not enforced in practice and workable mechanisms for facilitating this flow of information are rarely in place. As one panelist said, “Public information is equally inaccessible for state-run and private media.” The difference is only that state-run media do not try to obtain this information, while independent media might make such attempts. Many panelists also believe that discrepancies between the Media Law and other legislation—such as the election law, anti-terrorism law, local legislation, and government orders—frequently result in limiting access to information and press freedom.

Panelists state that virtually every independent newspaper has some experience of defending itself in court on these (moral damages for “violation of non-property rights”) charges. As one result, investigative journalism becomes a dangerous genre, and newspapers stop working in this direction.

Although there are no legislative barriers to media independence, it is difficult to call many existing media outlets truly independent. Regional media outlets may fear jeopardizing relations with the local governments that have many tools for putting pressure on them. As an example, one panelist described how a governor ordered phone calls to all of a radio station’s possible advertisers, warning them that if their commercials aired on the station, tax authorities would audit their businesses the very next day.

There are no limitations in Russia on access to foreign media. Many journalists use the Internet, although it can be expensive or difficult to access in more remote regions.

Panelists report no legal limitations on becoming a journalist. There are no limitations on membership in trade associations and professional organizations imposed by the government. It happens, however, that governmental bodies or companies invite to their events only certain media companies and can deny

accreditation, attendance, and permission to film or tape these events to other media companies.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Russia Objective Score: 1.50/4.0—According to the panelists, the quality of media coverage differs widely among the various publications, television channels, and radio stations. Some national television channels, newspapers, and radio stations provide high-quality coverage, but the standard of journalism across the country generally remains very low. Common mistakes among Russian journalists include mixing facts with personal opinions, not knowing their audience and its needs, and one-sided or biased coverage. Frequently journalists give a superficial rendering of events and include unverified information. These problems, according to panelists, stem from the lack of high-quality professional education and training, as well as the lack of an established professional culture.

The dearth of quality coverage in such areas as politics, economics, local news, and health care results mainly from the fact that journalists do not specialize in these areas. Some journalists are well-known professionals in one of the areas, but there is no general trend toward developing journalistic specialization.

On paper, there are numerous ethics codes, including the Code of Professional Ethics for Russian Journalists passed by the Union of Journalists, the declaration passed by the Moscow Charter of Journalists, and regional media organization initiatives such as the Guild of Court Reporters program called “Clean Pens.” But in reality, very few reporters or publishers follow these standards. Panelists believe that this is because few journalists truly understand that ethics are inseparable from professionalism. Unfortunately, they report, journalism has become a corrupted profession. Both national and regional media publish features, interviews, reports, and even news that is paid for by the source but not clearly marked as sponsored. In the majority of cases, these stories are published not at the private initiative of a journalist, but are controlled by the management and produced jointly by the editorial and the sales departments. Many media managers do not see this as a problem and consider it an acceptable source of revenue for a media outlet. And reporters do not see the difference between journalism and promotion/advertising. Such practices undermine media credibility and inhibit the business development of media companies because hidden advertising eventually proves to be inefficient. Another problem is the dependence on political advertising—both open and, of more concern, the hidden advertising masked as news. For many media companies, national and local election campaigns can be compared to the tourist season in Florida, when media earn enough to last them through many months and even years until the next round of elections.

Panelists note that media coverage has become more cautious in the bad sense of the word. Media managers and reporters are afraid to lose their licenses or run into trouble with authorities, and consequently they avoid controversial or “hot” issues. Sometimes reporters are limited in their choice of topics by editors or media owners who censor stories because they want to be careful not to offend local authorities, advertisers, and influential political or financial forces. Panelists believe that such issues as Chechnya or terrorism might soon become closed topics for Russian media altogether.

Reporters’ very low wages magnify the problems of self-censorship, “paid” stories, and low professionalism. Salaries comparable to world standards are typical for a very small number of national television channels, commercial radio stations, and print publications. On average, journalists across the country are paid

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

minimally, in some cases in the range of \$75 to \$150 a month.

Entertainment programming today clearly prevails over news. This reflects a general world trend but also indicates that Russian society is tired of politically biased and partisan news, especially used as an instrument of struggle between political and business factions. According to the latest Gallup survey, the total audience of general-interest and business weeklies in Russia declined in 2001 and 2002, while the share for entertainment publications grew. Likewise, television ratings of feature films go up, and ratings of news and political commentary programs go down. The National Association of TV and Radio Broadcasters' survey of audience preferences on the Internet in 2001 also showed that the top two places belong to entertainment and leisure and computer games. At the same time, polls conducted by media research companies and by the media show that most audiences are interested in news about such areas as social issues, education, and health care and want to follow events happening in their cities, regions, and the entire country. In polls, respondents invariably choose such categories as news, education, crime, and reports from zones of conflict. Polling data collected in the Review of Media Surveys in Russia 2002 compiled by the Monitoring.Ru research group, International Confederation of Journalists' Unions, and the Expert Analysis Center of Media Research Eurasia-Media show that television audiences place news programs at a close second place in terms of viewing preferences, with 70 percent listing movies and 68 percent listing news. Radio audiences also place news (55 percent) in the second position to music (68 percent). Press audiences put news first (54 percent). At the same time, news and information programming on the radio take just 20 percent of overall air time, according to panel participants. It is clear that audiences want information on social, political, and economic issues, but panelists maintain that the media today do not offer quality products that can satisfy this need and develop it further.

Panelists say that news-gathering and production technology are not responsible for low quality in Russian journalism. Many media outlets are equipped with modern technology that is quite efficient and comparable to the world standard, although the situation is better for broadcasters than for newspapers. Many regional television companies have upgraded their very outdated equipment to the most advanced digital technologies. Media development today doesn't require technological upgrades but training reporters to work

with new technologies and the professional development of journalists on the basis of new technologies. As for information-delivery technologies, today most towers, antennae, and transmitters of television signals are outdated, but their upgrade requires substantial capital investment. Few regional newspapers own their own presses.

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Russia Objective Score: 1.63/4.0—According to the panelists, both private and governmental news media sources of information are available to the Russian public. Federal television channels and newspapers mostly cover national news, and regional media concentrate mainly on local events and issues. The reasons for this division are: a) that local media do not want to compete with national media, instead pursuing local news in demand by local audiences; and b) access to video covering national news and to the federal news-wire services is too expensive for most regional media.

Some media subscribe to news-agency services, including Western wire services. There are more than 1,000 national and regional news agencies in Russia. The two largest ones are state-run ITAR-TASS and RIA Novosti, suggesting a monopoly of sorts held by the state in the area of news services. The largest private

Multiple news sources provide citizens with reliable and objective news.	
Plurality of News Sources Indicators	A plurality of affordable public and private news sources (e.g., print, broadcast, Internet) exists.
	Citizens' access to domestic or international media is not restricted.
	State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.
	Independent news agencies gather and distribute news for print and broadcast media.
	Independent broadcast media produce their own news programs.
	Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates.
	A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.

news agency, Interfax, concentrates on economic and business information, and there are other agencies focusing on business information, such as RosBusinessConsulting and Economic News Agency. However, most regional media find national newswire services too expensive and rarely use them. Regional print media do not use newswire services efficiently because of a lack of skills or editorial management, one panelist said, but they also complain that these agencies do not provide a complete picture of the country and do not include information from regions that “are not the source of ‘hot’ political news.” Regional television companies cannot afford to buy footage from foreign news services or national channels and generally do not find this footage very relevant for their own newscasts. All regional television newscasts focus on local coverage.

Regional media actively use a number of regional information agencies, such as UralInform (the Urals), SibInform (Siberia), and KamaPress (Tatarstan). Some regional news agencies are independent. Others, however, depend on local governors and do not cover events that reflect poorly on these officials; they also fail to cover the activities of opponents. A wide number of newswires are available on the Internet (Lenta.ru, Gazeta.ru, Accumulator Novosti), including information agencies focusing on political news (Agency of Political News, www.apn.ru), crime coverage (Criminal News, www.cry.ru), regional events (Agency of Regional News www.regions.ru), or environmental issues (Agency of Ecological News, www.battery.ru).

Panel members said that the government does not limit Russians’ access to information sources. Rather, the government prefers to try to influence the information sources themselves as opposed to crudely interrupting television or radio broadcasting or confiscating a print run. Access to information today is limited more acutely by economics or poorly developed infrastructure. For example, newspapers and other periodicals may reach villages late because of delivery problems; some territories may be out of television or radio coverage; or radio may not function because wires or poles need replacement. Many rural areas are reached by only one or two national television channels. Another problem is that high subscription prices make periodicals unaffordable to lower-income populations, especially in villages, where residents also may not own televisions or radios. Internet access is available in larger cities; small towns may not have the necessary technological resources. According to the data provided by Public Opinion Foundation in 2002, 8 percent or 8.8

million Russians use the Internet. Cable television is not widespread yet, even in larger cities. Only a small part of the overall Russian population can afford to buy computers, pay for Internet access, or subscribe to cable television.

Despite being funded by tax revenue, “the state-run media are servicing the interests of their founders (government bodies) instead of fulfilling the public-interest function,” according to panelists. The panel members maintain that these state-dependent media outlets form the majority among regional media, although there certainly are examples of independent stations and newspapers.

There are no legal limitations in Russia on accessing Western publications, radio, or television. In reality, though, this access is limited by high subscription or retail prices and by the fact that few people have the necessary command of foreign languages.

According to panelists, in addition to the national media owned by the government and promoting official views of the state, numerous regional media outlets in one way or another depend on local budget funding or privileges provided by local authorities. Consequently, these regional media outlets promote the interests of local political factions or officials. Each faction of public officials in each region (governor, mayor, and so on) has its own newspaper and/or television channel. Despite being funded by tax revenue, “the state-run media are servicing the interests of their founders (government bodies) instead of fulfilling the public-interest function,” according to panelists. The panel members maintain that these state-dependent media outlets form the majority among regional media, although there certainly are examples of independent stations and newspapers.

Panelists noted that among non-state media companies, the ownership structure is not transparent. Generally, one can easily guess who are the main owners from the tone of news coverage provided by a

given media outlet. But actual information about media owners, especially in the regions, generally is closely guarded and not accessible to the public. There is little tradition of media companies with strong but separate business and news departments or of the owner’s opinion being isolated on the editorial page. Rather, stations and publications tend to reflect directly the interests of the owners (politicians or entrepreneurs), form part of the local power structure and support a certain political or economic faction, or sell to different factions depending on the situation. Only very few Russian newspapers today realize that lobbying special interests eventually will result in the loss of credibility and readership and ultimately harm their business. Those newspapers that do, however, present a multitude of points of view and can be called “independent.”

Some media publish and broadcast in the national languages of peoples living in Russia or in foreign languages. According to Russian Book Chamber data, in 2001 in Russia there were 213 newspaper titles and 176 magazines published in languages other than Russian. Newspapers in national languages help to preserve the culture of various small ethnic groups and, according to panelists, serve as “declarations” of sorts. In the case of larger nationalities, such as Buryats or Udmurts, newspapers published in their national languages are mainly state-run and reflect governmental interests. Panelists maintain that the real interests and problems of ethnic minorities in Russia are underrepresented by either national or local mass media.

OBJECTIVE 4: BUSINESS MANAGEMENT

Russia Objective Score: 1.57/4.0—Development of the print press market infrastructure differs significantly from region to region. Overall, in today’s Russia there are 200 subscriptions to print publications per 1,000 people. (In the 1980s, the ratio was 1,200 subscriptions per 1,000 people.) The overall number of copies sold through subscription is 32.1 million, which is 40 percent of the total circulation. According to the Russian Ministry of Communications, 7,071 titles were offering subscriptions in 2002. The press distribution market is controlled by the Rospechat company, whose share of the subscription market is 50 percent. Its distribution/delivery system generally is considered rather inflexible and inefficient. The closed corporation Agency for Subscription and Single-Copy Sales holds 25 percent of the market. The Interregional Subscription

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

Agency is the third major player on this market. It is widely agreed that the system of distribution and delivery today presents a significant obstacle to the development of print media. Therefore, more companies are trying to develop their own delivery systems, although the great distances and poor roads in Russia still seriously hinder these efforts.

The federal government still owns most printing facilities able to print newspapers with large circulation. Their equipment quality and performance generally fall below modern standards. In most Russian regions, letter presses are still in use. There are, however, a few regional markets with private printing establishments, and some of these are leasing presses. State-run printing establishments in these markets—Barnaul, Tomsk, and Novosibirsk, for example—also begin to operate more efficiently, presumably in response to the competition. Buying new printing equipment requires large capital investment, and consequently the overall situation with printing facilities improves very slowly. Media assistance efforts have not focused on infrastructure development, although there are some isolated examples.

Media revenue structure—not including government subsidies—depends on the economic level of a given market and on the type of publication. Retail sales are the main source of revenue for the “yellow” press and tabloids. In the urban areas where the advertising market is well developed, most newspaper revenue will

come from advertising sales. There are even examples of general-interest newspapers that are distributed for free and live entirely on ad revenue, such as a newspaper in Obninsk. In the regions with few small businesses and a weak advertising market, the main source of newspaper revenue comes from retail sales and subscription. As noted previously, there are few truly financially independent general-interest newspapers, and most complement their income from advertising and circulation with state or factional subsidies, benefits, and privileges. “Media try very hard to increase their revenue from advertising sales, but in reality many regional media survive thanks to local subsidies and benefits and breaks provided by local governments,” one panel member explained. Frequently these revenue sources play a significant role in newspaper budgets, but they are difficult to estimate. Overall, panelists state that the revenue structure of print publications is not transparent and that it is very difficult to make accurate assessments.

The level of growth depends on the media category: television advertising is expected to grow 85 percent, radio 27 percent, and print publications 26 percent (23 percent for newspapers and 31 percent for magazines). Media professionals believe the gap between television and print is so wide because agencies try to sell television ads first, giving leftovers to other media.

Data about the Russian advertising market also are not exact. The overall volume and structure of the market have to be estimated based on expert opinions and measurements of several regions and big advertisers. According to the Expert Council of the Russian Association of Advertising Agencies (RARA), the advertising market in Russia continues to grow rapidly. Estimates for the first nine months of 2002 are: television advertising market volume, \$560 million; radio, \$50 million; print publications, \$400 million—including \$140 million for magazines and \$260 million for newspapers (including free advertising “shoppers”). Overall, the

advertising market in 2002 should grow 50 percent in comparison with 2001. The level of growth depends on the media category: television advertising is expected to grow 85 percent, radio 27 percent, and print publications 26 percent (23 percent for newspapers and 31 percent for magazines). Media professionals believe the gap between television and print is so wide because agencies try to sell television ads first, giving leftovers to other media.

Those media outlets that try to develop as businesses are beginning to realize the importance of market and audience research. National television channels and radio networks do their own audience research. Regional media also are starting to study their customers and advertisers. They do phone interviews, mail questionnaires, organize focus groups, survey consumer preferences, and study advertisers active in their markets. According to the Monitoring.Ru research company, 30 percent of Russian newspapers do not study their readership at all; 30 percent of newspapers analyze letters to the editor and invite readers to their editorial offices; 20 percent distribute questionnaires to their readers; and 20 percent rely on surveys and focus groups in defining their editorial and advertising policies. The *Krestyanin* newspaper from Rostov-na-Donu, for example, has developed interesting techniques for surveys and readership research. However, few research companies located in the regions inspire the trust of either media outlets or local and national advertisers.

Ratings of television channels, radio stations, and print publications are measured selectively. Only larger media companies and advertising agencies can afford to subscribe to these measurements. Very few regional media use data provided by national companies, commission research, or use their proprietary methodology because most regional media cannot afford their prices.

The Gallup Media company holds the leading position in media measurement and research, despite the fact that both media and advertisers harbor serious doubts about the validity of Gallup methods and accuracy of results, especially concerning regional media. However, Gallup Media offers advertising agencies convenient service “packages” and substitutes for necessary but nonexistent common standards of media research. In general, the media research market is tainted by lack of trust in research data provided by national and regional research companies. According to one panelist, “everyone knows that ratings are easily bought and sold.”

For newspapers, circulation audits still are uncommon. Actual circulation numbers of Russian

publications can differ substantially from declared circulation, but there is no circulation auditing service universally recognized by publishers and advertisers. The National Advertising Service, established in 1998, certifies circulation for 153 publications as of November 2002 (compared with 33,948 titles registered in 2002). Publishers complain that the National Circulation Service’s prices are high and results not objective. Panelists note that there is a growing need for circulation audits and active media community discussion about developing a circulation auditing service either on the basis of the existing one or by establishing an alternative service that will be objective, affordable, and impartial.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Russia Objective Score: 1.89/4.0—A whole range of industry associations for television and radio broadcasters and publishers exists in Russia. Those seeking to be Federation-wide include the National Association of TV and Radio Broadcasters (NAT), the National Association of Publishers (NAP), the Guild of Publishers of Periodicals (GIPP), the Union of Journalists, the Media Union, and the Union of Publishers and Distributors of Print Products (SIRPP). Regional publishers and journalists have associations of their own, such as the Association of Regional Press Executives (ARS-Press), regional Unions of Journalists, and the recently announced Association of Regional Inde-

pendent Publishers. The many differences among and between regional and national mass media outlets manifest themselves, among other ways, in the fact that no one trade association really unites them and represents their common interests.

None of the panelists were able to name an association whose lobbying efforts on behalf of the industry could be called proactive and efficient. National publishers associations are seen as controlled by a few large companies. Consequently they are viewed, correctly or not, as lobbying on behalf of these companies and have proved unable to gather substantial membership among Russian publishers in order to represent common interests of the industry. Defense of factional interests and the overall passivity of existing associations also results in ineffective promotion and lobbying for the entire media industry’s needs. In July 2002, several CEOs of the largest national broadcast and print media, information agencies, trade unions, and advertising agencies created an Industrial Committee, whose main objective is to lobby the government. Panelists believe that it is too early to assess results of this committee’s activity, but the relative lack of regional media involvement and the presence of government-linked members have raised concerns. Panelists mentioned several examples of efficient lobbying on behalf of the media in the regions and cited a few cases of resulting changes in regional legislation. These cases occur in regions with a sufficiently developed media community, where authorities are open to cooperation with the media.

Panelists believe that none of the trade associations defends journalists in relation to their employers. The Union of Journalists sometimes acts on behalf of journalists, but these actions are few and far between. Plans for creating a labor union for journalists still remain as plans. Panelists say that some regional branches of the Union of Journalists are more proactive than the Moscow headquarters and play a significant role in those regions.

According to the panelists, one organization with activities defending freedom of the press that bring results is the Glasnost Defense Foundation. But they say that today’s Russia clearly needs more activity in terms of protecting free speech, journalists’ rights, and the media than various NGOs can currently offer.

There are several active media assistance NGOs in Russia. Internews-Russia, the Press Development Institute (PDI), and the Foundation for Independent Radio Broadcasting (FNR) work in the field of professional training and advocacy. (Panelists representing

Supporting institutions function in the professional interests of independent media.	
Supporting Institutions Indicators	Trade associations represent the interests of private media owners and provide member services.
	Professional associations work to protect journalists’ rights.
	NGOs support free speech and independent media.
	Quality journalism degree programs that provide substantial practical experience exist.
	Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
	Sources of newsprint and printing facilities are private, apolitical, and unrestricted.
	Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

these organizations refrained from assessing their own work or commenting on their colleagues during the discussion.) Media representatives said that training seminars offered by Internews, PDI, and FNR are highly regarded by the media community. The Zvereva School in Nizhny Novgorod and the BBC School in Ekaterinburg also were mentioned. Panelists agree that the media-development situation in Russia requires so much work that neither commercial organizations nor NGOs offer enough to satisfy the need for training of media professionals. In addition, they said, the high level of demand for media assistance provided by NGOs will not decrease for a long time. That is partly due to the fact that most regional media generate low revenue and cannot afford to pay for training. Top management also is beginning to realize that other media professionals—such as ad representatives, distributors, and designers—need training as well.

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Panelists maintain that demand for professional training from NGOs stems in part from the very low level of education provided by journalism schools, especially in terms of modern independent journalism

and media management. Undergraduate and graduate studies have very inflexible structures and the curricula are being improved too slowly, not yet satisfying the changing demands of the media community.

Panelists believe that the shortage of locally offered professional-development services seriously impedes the development of media professionals, since few regional media can afford to invite good trainers to the regions or send local journalists to Moscow. Some NGOs believe that it would be expedient to develop a structure of regionally based training centers and to train local trainers. Consequently, they would be able to train and consult regional media locally, offering less expensive and more accessible services. The Press Development Institute, a Russian NGO primarily funded by the United States Agency for International Development through an IREX-implemented program, follows this model and has five regional offices outside of Moscow coordinating programming for their areas. In addition, at least one independent media company is pursuing plans to develop an onsite training center for its region.

Although printing presses in most places belong to the government, panelists did not mention cases of preferential treatment of governmental media at the expense of private newspapers. The main factor inhibiting newspaper development is the inefficiency of printers, rather than their political bias.

The same factor characterizes distribution and delivery of print media to consumers. Newspapers suffer from inefficiency and irresponsibility of some newspaper retail sellers and intermediaries. Delivery of television signals is under complete government control. Even though transmitters and towers can be privately owned, transmission and broadcasting are rigidly controlled by state supervision and by the Ministry of Communications.

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