

*“The state took the largest and strongest media holding, where it has invested a lot of money, and turned it into a PR agency to promote a shiny image of Russia. This is a clear signal that our present authorities do not need journalism,” said one panelist.*



RUSSIA

Slowing economic growth—just 1.4 percent instead of the expected 3.6 percent—and declining tax revenues presented serious challenges to Russian authorities trying to fulfill electoral promises that President Vladimir Putin made in 2012. The implementation of one promise, to raise salaries for state employees, led to massive layoffs in the public sector in the regions, in order to pay more to the people that retained their positions. Increased job insecurity, growing inflation, and decreasing quality of educational, medical, and social services all contributed to the growth of social discontent in 2013.

Open public protests, spurred by cases of fraud during parliamentary and presidential elections, continued throughout the year. In response, the Russian legislature passed a new series of restrictive laws, such as the civil code amendment passed in mid-2013 that bars the collection and dissemination of any information about an individual's private life without his or her consent. The amendment came in reaction to several cases in which media and bloggers exposed embarrassing information; for example, they ran stories on Russian state executives' posh houses and Russian parliamentarians sending their children to expensive boarding schools abroad.

At the end of 2013, the legislature passed a law allowing prosecutors to block access, without a court decision, to websites that call for participation in public meetings unapproved by the authorities. "This is a blatant attempt to block and control information about protests, and a logical continuation of legal developments that we saw in 2012 and 2013," said one panelist. Other restrictive provisions enacted in 2013 include prohibiting media to use obscene language and youth-oriented media to report information on homosexuality, substance abuse, or suicide.

Additionally, the authorities continued to consolidate control over media ownership. At the end of the year, Gazprom-Media reached an agreement to acquire ProfMedia, one of the largest private media holdings in Russia. Already the largest media holding in Russia, Gazprom-Media is controlled by Gazprom (a state company) and Bank Rossiya, which belongs to Yuri Kovalchuk, a Russian business owner close to Putin.

Near the year's end, the president passed a decree to transform the Russian Information Agency Novosti into the Russian Agency of International Information, or "Russia Today," to promote a positive image abroad of Russia. "The state took the largest and strongest media holding, where it has invested a lot of money, and turned it into a PR agency to promote a shiny image of Russia. This is a clear signal that our present authorities do not need journalism," said one panelist. The MSI study reflected this perception: At the objective level, MSI scores in 2014 were similar to 2013 scores and once again Russia failed to receive a score for any objective within the "near sustainability" range.

*Due to laws restricting NGO activity and contacts with U.S.-based NGOs, the participants in the Russia study will remain anonymous. A Russian journalist developed this chapter in December 2013, after a series of structured interviews with colleagues in the media sector.*

# RUSSIA at a glance

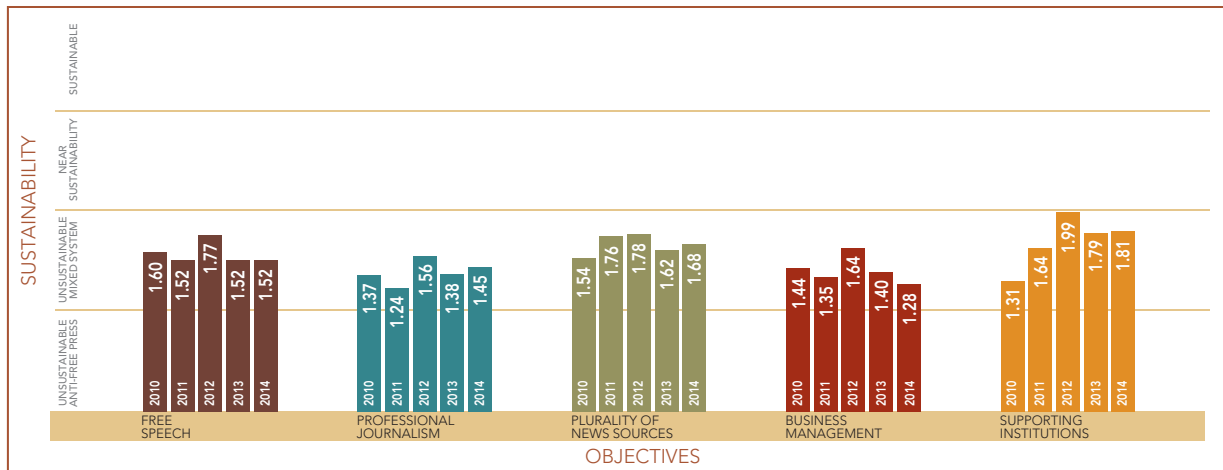
## GENERAL

- > Population: 142,470,272 (July 2014 est. *CIA World Factbook*)
- > Capital city: Moscow
- > Ethnic groups (% of population): Russian 77.7%, Tatar 3.7%, Ukrainian 1.4%, Bashkir 1.1%, Chuvash 1%, Chechen 1%, other 10.2%, unspecified 3.9% (2010 est. *CIA World Factbook*)
- > Religions (% of population): Russian Orthodox 15-20%, Muslim 10-15%, other Christian 2% note: estimates are of practicing worshipers; Russia has large populations of non-practicing believers and non-believers, a legacy of over seven decades of Soviet rule (2006 est. *CIA World Factbook*)
- > Languages (% of population): Russian (official) 96.3%, Dolgans 5.3%, German 1.5%, Chechen 1%, Tatar 3%, other 10.3%. Note: shares sum to more than 100% because some respondents gave more than one answer on the census (2010 est. *CIA World Factbook*)
- > GNI (2012-Atlas): \$1.822 trillion (World Bank Development Indicators, 2013)
- > GNI per capita (2012-PPP): \$22,720 (World Bank Development Indicators, 2013)
- > Literacy rate: 99.7% (male 99.7%, female 99.6%) (2010 est., *CIA World Factbook*)
- > President or top authority: President Vladimir Putin (since May 7, 2012)

## MEDIA-SPECIFIC

- > Number of active print outlets, radio stations, television stations: Print: more than 27,000 newspapers and 33,700 magazines (2,500 published on a regular basis); 2,669 active radio licenses and 3,366 television licenses (Federal Agency for Press and Mass Communication, 2012)
- > Newspaper circulation statistics: Top three general interest daily newspapers by audience *Metro* (1.8 million readers), *Moskovski Komsomolets* (1.2 million readers), *Rossiyskaya Gazeta* (951,300 readers) (TNS Russia National Readership Survey, May-July 2013)
- > Broadcast ratings: Top three national TV channels by audience Channel One (15%), NTV (12%), Russia 1 (11.9%) (TNS Russia TV Index)
- > News agencies: ITAR-TASS (state), RIA Novosti (state, closed as of December 9, 2013), Interfax (private)
- > Annual advertising revenue in media sector: 2012: \$8.5 billion; January-September 2013: \$6.5 billion (Association of Communication Agencies of Russia)
- > Internet Users: 40.853 million users (2009 est., *CIA World Factbook*)

## MEDIA SUSTAINABILITY INDEX: RUSSIA



## MEDIA SUSTAINABILITY INDEX 2014: OVERALL AVERAGE SCORES



### CHANGE SINCE 2013

▲ (increase greater than .10) □ (little or no change) ▼ (decrease greater than .10)

**Unsustainable, Anti-Free Press (0-1):** Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

**Unsustainable Mixed System (1-2):** Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

**Near Sustainability (2-3):** Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

**Sustainable (3-4):** Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

Scores for all years may be found online at [http://www.irex.org/system/files/EE\\_msiscorers.xls](http://www.irex.org/system/files/EE_msiscorers.xls)

## OBJECTIVE 1: FREEDOM OF SPEECH

### Russia Objective Score: 1.52

The Russian constitution and media law were adopted in the early 1990s, when Russia had just embarked upon its transition to democratic governance and a market economy. These laws include legal norms protecting free speech and the editorial independence of all media, regardless of ownership. But Russian authorities, society at large, and even most journalists ignore these norms. The majority of media outlets belong to authorities—federal, regional and municipal—that use them as instruments of state propaganda. State media, supported by budget funds, compete with private media for advertising revenue, undermining private media’s business viability. As a result, state media are able to offer journalists considerably higher salaries than private media outlets, which creates an economic incentive for journalists to engage in propaganda and promote the interests of authorities.

As the authorities control the content of the majority of media, they do not need to restrict the launch of new media outlets, limit entry to the journalism profession, or restrict access to international and national news. Russia meets the corresponding indicators, but placed in this greater context, these tacit liberties do not contribute to the proliferation of free speech.

#### LEGAL AND SOCIAL NORMS PROTECT AND PROMOTE FREE SPEECH AND ACCESS TO PUBLIC INFORMATION.

##### FREE-SPEECH INDICATORS:

- > Legal and social protections of free speech exist and are enforced.
- > Licensing or registration of media protects a public interest and is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against media professionals, citizen reporters, and media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > The law protects the editorial independence of state of public media.
- > Libel is a civil law issue; public officials are held to higher standards, and offended parties must prove falsity and malice.
- > Public information is easily available; right of access to information is equally enforced for all media, journalists, and citizens.
- > Media outlets’ access to and use of local and international news and news sources is not restricted by law.
- > Entry into the journalism profession is free and government imposes no licensing, restrictions, or special rights for journalists.

“As for the society at large, an average Russian citizen feels that free speech is useless because it does not directly make [his or her] life any better,” commented one of the panelists. Sociological research also indicates that Russian citizens are more interested in their civil, economic, and social rights than in political rights such as free speech. According to a 2013 survey conducted by the All-Russian Center for Public Opinion Research, the constitutional rights and freedoms most important for people are the right to life (this option was selected by 56 percent of survey respondents), the right to liberty and personal security (51 percent), the right to health (49 percent) and the right to work (47 percent). Meanwhile, 32 percent of respondents said that freedom of speech is important to them. Though still relatively low, this number constitutes a considerable increase compared to 2003–2004, when only 17–19 percent of respondents said that they value free speech.

The notion of the media as a watchdog and “the fourth estate” is foreign to the Russian state governance model and to the Russian public, noted one of the panelists. A prominent Russian television anchor and journalist, Vladimir Pozner, expressed a similar opinion in his public lecture in May 2013. Media can perform the function of an independent overseer only when executive, legislative, and judicial branches of power are truly separate from each other. In Russia, the executive branch controls both the legislative and judicial branches. According to Pozner, this leads to a distortion of the journalist profession; some journalists promote the interests of authorities, while others join the ranks of opposition.

Still, Russia has a small group of independent media that adhere to values of free speech and journalism as a public service. The authorities tolerate these media because they are few and have a limited audience, commented one of the panelists.

Market entry, the registration of new print media, and the licensing of broadcast media are not restricted. “Formally, there is no regulation limiting the launch of new print media,” noted one of the panelists. “But an independent private publisher would hardly be able to launch a new media business, because potential investors and sources of loans are so scared that they do not have any intention of supporting new media outlets.” The same applies to new broadcast media.

As for the tax structure, in 2013 media still enjoyed some preferences compared to other industries, e.g. a reduced social tax levied on staff salaries and subsidized subscription delivery.

Monitoring data from the Glasnost Defense Foundation indicates a decline in the number of crimes against media

“To get information that our colleagues from media funded by city or regional authorities can obtain without any problem, we have to make endless calls and submit endless requests,” commented one panelist, a producer of a private television company from a provincial city.

professionals. Still, many panelists said that they do not believe that such crimes are rare, and the majority said that the authorities failed to vigorously investigate or prosecute such crimes. One panelist said that investigations of crimes against journalists are often superficial; police usually do not even try to identify who orders criminal attacks on journalists. Authorities do a better job investigating and prosecuting crimes against journalists that were unrelated to their professional activities.

Many landmark media cases remain unprosecuted for years. For example, a business owner that ordered the murder of Igor Domnikov, a reporter of the independent newspaper *Novay Gazeta* in 2000, was only convicted in December 2013, and he immediately appealed the court verdict. Domnikov was murdered after writing a series of critical articles about the situation in one of Russia’s regions. Members of an organized criminal group were found guilty of murdering him. The killers were arrested in 2003 after they kidnapped and murdered the general manager of a major business company and his assistant, and were eventually convicted in 2007. However, journalists from *Novay Gazeta* expressed the belief that the convicted business owner was just a middleman between the killers and highly ranking regional authorities upset with Domnikov’s reporting.

Russia’s media law protects the editorial independence of all media regardless of ownership, and the law has no special provisions on editorial independence of state or public media. But as the panelists noted, editorial independence is not valued in Russia. “Quite often, journalists are tasked to promote the interests of one of the parties, rather than to cover news objectively. This is especially typical for state media,” said one panelist.

Regional and local authorities regularly practice censorship, even though the media law expressly prohibits censorship, noted one of the panelists. Another panelist commented that journalists have stopped protesting and publicly disclosing incidents involving censorship.

Libel is still a criminal law issue. It was decriminalized in December 2011 but quickly returned to the criminal code in July 2012. The current version of the libel criminal clause does not provide for a prison sentence, as the previous version did, but the maximum fine that can be imposed on a libeler was increased from RUB 300,000 (less than \$10,000) to RUB 5,000,000 (about \$150,000).

In 2013, at least a dozen libel cases were launched against media and journalists. Public executives have started to use the libel clause to punish media that criticize them, noted one of the panelists. For example, in November 2013, the Saratov region police department officially launched a criminal case against the editor-in-chief of the online newspaper *Fourth Estate*, which called a vice-governor of the region a “complacent footboy of the governor” in an editorial piece. The editorial was published in 2012; the offended vice-governor lodged a libel complaint in summer 2013; and after reviewing his complaint, the police department launched a criminal investigation.

Russian courts tend to favor public officials instead of hold them to higher standards. But as one of the panelists noted, the main problem with the criminalization of libel is that police can seize editorial equipment during their investigations. For example, on November 28, 2013, police searched the office of SakhalinMedia in Sakhalin’s capital city of Yuzhno-Sakhalinsk, and seized all hard drives, notebooks, and other data equipment. The warrant was issued under a criminal libel case against an unidentified person. Investigators were looking for an original copy of a letter that citizens of one of the small towns in Sakhalin wrote to the Russian president, asking for protection against a business owned by a member of the Russian Federal Council (senate). SakhalinMedia covered the story, which led the senator to file a complaint with the Sakhalin police department.

In 2009, Russia adopted a law guaranteeing access to information on all levels of government—federal, regional and municipal—to all citizens. Authorities are required to inform citizens about their activities via media and by posting information on their own websites, as well as to respond to oral and written requests for information. The actual implementation of this law remains poor. One of the panelists noted that in 2013, “many regional media complained that they had limited access to information. The authorities don’t invite independent media to important press conferences. They don’t send them press releases—they restrict their access to information, and the situation only gets worse.”

In addition, state media journalists often enjoy preferential access to information. “To get information that our

colleagues from media funded by city or regional authorities can obtain without any problem, we have to make endless calls and submit endless requests,” commented one panelist, a producer of a private television company from a provincial city. Another panelist, an independent publisher from a small city, reported the same experience. “We face very tight restrictions. The law allows both for oral and written requests for information, but our authorities insist that we make all requests in writing. And all municipal agencies ask us to address requests to the city mayor, who has to approve the release of information.”

Access to and use of local and international news and news sources is not restricted. “The authorities do not care very much about the source of information. They care more about your interpretation of this information,” commented one of the panelists.

Entry to the journalism profession is open, and one can become a journalist even without a formal journalism education. “Actually, I would have restricted access to the profession, because a lot of people who call themselves journalists don’t have any professional skills,” noted one of the panelists.

In 2013, the Russian Ministry of Labor commissioned the development of professional standards for 800 various professional positions, including media specialists. The Russian Academy of Public Management drafted professional standards for media editors, television presenters, reporters, Internet journalists, and television camera operators and made the standards public in October 2013. The purpose of the standards is to guide the development of educational programs. Media outlets won’t be required to use the standards as the basis for making personnel decisions, so they are not expected to complicate entry to the journalism profession.

## OBJECTIVE 2: PROFESSIONAL JOURNALISM

Russia Objective Score: 1.45

Journalism that meets professional standards of quality is rare in Russia. A large number of journalists are under-qualified, and often, reporting is not fair, objective, or well sourced. Many media outlets practice propaganda rather than journalism. Within Objective 2, only indicator 7 (technical facilities are modern and efficient) scored higher than 2.00.

Major media outlets that pay serious attention to the quality of reporting (the panelists cited *Kommersant* as an example) have established internal professional standards and guides

for reporters. They include specifying the number of sources that a reporter should use and what experts a reporter should consult. But in the regional media, especially in small cities, journalists often become subjective, either because they are unaware of professional standards or lack reporting skills, noted one of the panelists. Another problem is that some journalists invent fake news and sensationalize their reporting to attract a wider audience. The media community has no effective mechanisms to promote better reporting, because the community is not self-organized, and media consumers accept the poor quality of reporting.

The political polarization of the journalism community is another reason behind subjective reporting. “Journalists in state media engage in propaganda. Journalists with liberal views are also often not objective. In Russia at present, there are very few real journalists—that is, journalists who are impartial and objective,” commented one of the panelists.

In 1994, the Russian Journalism Congress adopted the Russian Journalists’ Professional Ethics Code. The code is publicly available on the Russian Journalism Union website. Still, most panelists expressed the belief that journalists adhere to their personal ethical standards rather than these professional criteria.

In December 2013, a group of print journalists and Internet writers from the Rostov region developed and signed the Don Charter of Journalists and Bloggers, based on the European Charter on Freedom of the Press. Authors of the charter hold the view that regional authorities are systematically persecuting local journalists and bloggers that publish critical materials. Those who sign the charter commit to “honestly perform a journalist’s duty, avoid libel, adhere

### 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 and retain qualified personnel within the media profession.
- > 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 exist (investigative, economics/business, local, political).

**“Journalists in state media engage in propaganda. Journalists with liberal views are also often not objective. In Russia at present, there are very few real journalists—that is, journalists who are impartial and objective,” commented one of the panelists.**

to the principle of impartiality in their reporting, base editorial decisions on public interest, and to critically review and check information provided by authorities.” According to the panelists, the journalists that have signed the charter hope that this commitment will improve the quality of journalism and make it difficult for authorities to find an excuse for prosecution.

Journalists and editors regularly practice self-censorship. Many panelists held the view that the extent of self-censorship increased in 2013. Other media professionals share this opinion. Editor-in-chief of the website Russian Planet, in his commentary to Znak.com on major media trends in 2013, identified growing self-censorship as the main trend of the year. “All of us have realized that we risk losing our jobs or our media outlets if we cross a certain line,” he said. “At present, self-censorship manifests itself by avoiding sensitive topics, rather than praising the ‘wise decisions made by authorities.’ For example, today the topic of the president’s private life is taboo.”

The level of self-censorship in regional press is higher than in national newspapers. As one panelist noted: “Journalists working in the federal press usually feel that they have more freedom than journalists working in a small district newspaper. The current level of self-censorship in the regions is very high—to the extent that the authorities hardly ever need to interfere in editorial decisions, because journalists effectively restrict the choice of topics themselves.” In some state media based in the regions, journalists are reduced to rewriting official press releases.

In general, journalists cover all key events and issues, but online media usually cover more news than federal television. “If we compare the content of any reasonable news website and a state Channel One newscast, they offer a completely different informational picture of the day,” commented one panelist. “A lot of issues covered by online media will never appear on television. The authorities closely control the editorial policy of television channels, because television reaches the largest audience.”

For example, all major media outlets covered Mikhail Khodorkovsky’s release from prison after Putin pardoned him in December 2013. Khodorkovsky, an oil tycoon who used to support opposition parties and civil society organizations, was convicted of tax evasion and embezzlement. He was probably one of the most famous Russian inmates and was internationally recognized as a victim of the selective administration of justice and political oppression. Putin broke the news about the pardon right after his traditional annual press conference.

Nobody expected Putin to release Khodorkovsky, so the news of his pardon was a true sensation. But the coverage of this news by state-controlled television channels and independent media was very different. State Channel One and Russia 1 covered this news in their end-of-the-week news programs nested inside the story about the president’s press conference, which aired in the very beginning of both programs. Both channels also ran a story about Khodorkovsky’s press conference in Berlin. However, on Channel One, this story aired as the secondary news story, and only Channel One said that Khodorkovsky did not admit guilt when applying for pardon. In contrast, the *Independent*, the magazine *New Times*, and even the somewhat oppositional television channels REN TV and Dozhd ran long interviews with Khodorkovsky.

There are considerable differences in journalist pay levels between Moscow and the rest of the country and between state and independent media outlets. In Moscow, a journalist can make RUB 60,000 to RUB 100,000 (about \$2,000–\$3,000). In a small provincial city, a reporter of an independent newspaper makes about RUB 15,000 (less than \$500). “Working for state media, a journalist can be paid up to two times more than in an independent media [outlet]. As a result, journalists tend to move to state media. And journalists working in the state media outlets face a tough choice: to keep a good salary, they have to forget about professional and ethical standards and serve the interests of the media owner; otherwise, they will have to forego a good salary and work for an independent media outlet for half the money,” said one of the panelists.

On the federal television channels that are available to almost all Russian citizens, the majority of airtime is devoted to entertainment. Stations broadcast analytical talk shows that discuss major political and social events, but they air late at night. Russia has a growing number of all-news television channels and radio stations, but they are available only to residents of big cities and to Internet users.

Most media outlets have sufficient technical facilities and equipment for gathering and producing news, but state media often have an edge over their independent

counterparts. Moscow-based media outlets can afford more advanced technology. Several Moscow-based media have already established very sophisticated multimedia newsrooms, and many produce digital versions of their print publications.

Quality niche reporting exists but is uncommon, especially outside of Moscow. According to one panelist, “There is hardly any demand for fair and objective local economic reporting, because local businesses are very closed and disinterested in media exposure. Investigative reporting is also rare. It has to do with economics rather than political pressure. Investigative reporting is time-consuming and takes a lot of effort, leading to just one publication or a series at best. At present, many media cut their staff (because of decreasing advertising revenues), try to optimize the number of editorial staff, and increase the workload per journalist. So they cannot afford to do investigative reporting.”

### OBJECTIVE 3: PLURALITY OF NEWS

Russia Objective Score: 1.68

Plurality of news and viewpoints exists, due to a great number of online news sources, including blogs and social networks. Major broadcast television channels cannot ignore important events and issues, but are singular in their point of view.

#### MULTIPLE NEWS SOURCES PROVIDE CITIZENS WITH RELIABLE, OBJECTIVE NEWS.

##### PLURALITY OF NEWS SOURCES INDICATORS:

- > Plurality of public and private news sources (e.g., print, broadcast, Internet, mobile) exist and offer multiple viewpoints.
- > Citizens’ access to domestic or international media is not restricted by law, economics, or other means.
- > State or public media reflect the views of the political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for media outlets.
- > Private media produce their own news.
- > Transparency of media ownership allows consumers to judge the 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
- > The media provide news coverage and information about local, national, and international issues.

But the gap in Internet use is still significant: in Moscow, 80 percent of all adults regularly go online; in rural areas, only 51 percent of residents have Internet access.

About 70 percent of adult Russians have access to the Internet, which opens their access to a multitude of news sources. The sources include major television channels and radio stations that post their audio and video online. About 16 percent of adult Russians (26 percent of Internet users) report using the Internet to look for information about events inside the country and abroad.

Nevertheless, television remains the principal source of news for 60 percent of the adult population. Television is an important source of news even for regular Internet users—40 percent of people who go online almost every day still cite television as their main source of information about events in the country. Television also remains the most trusted source of news for 60 percent of people.

Russian citizens have unrestricted access to blog platforms and social media, which allows for the expression of a broad spectrum of opinions. Internet users have the opportunity to find multiple points of view and compare different sources of information. People who do not have Internet access rely on major television channels as their main source of information, and tend to get only the official perspective. As one of the panelists explained, “There is a plurality of news sources, and they represent all points of view. But the presentation is uneven—media channels that have a broad reach (television) allow only for a singular point of view. In the regions, where the number of non-state media is steadily shrinking, the information gap is growing.”

At the end of 2012, Russia enacted a new law: On Protection of Children from Information that can Harm Their Health and Development. According to this law, all media, including websites registered as mass media outlets, must bear age designations. The law stipulates that citizens below the age of 18 years should not have access to information that incites them to commit suicide or otherwise harm themselves; to use drugs, tobacco, or alcohol; or to engage in gambling, prostitution, vagabondism, violent behavior, or homosexual encounters. Definitions used in this law are very broad, so all media that cover news about traffic accidents and crime incidents have to bear an 18+ designation. While some panelists noted that the law is unlikely to limit



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young people's access to media, it is widely viewed as an instrument to put pressure on independent media.

People in cities have better access to print media, radio, and television. The growing availability and affordability of the Internet, including mobile Internet, and of mobile devices facilitates citizens' access to news, regardless of their location. But the gap in Internet use is still significant: in Moscow, 80 percent of all adults regularly go online; in rural areas, only 51 percent of residents have Internet access. Age and income also affect citizens' ability to access media. For example, 92 percent of Russian students and 91 percent of working professionals and managers use the Internet, but only 15 percent of retired people—one of the most economically vulnerable groups of the population—have access.

Access to international media is not officially restricted, but requires the knowledge of a foreign language.

The Russian public television channel was launched in May 2013 but was still not widely available by the end of the year. Panelists expressed skepticism that it can serve the public interest, as the channel is directly funded by the state and the Russian president appointed its general director. At the press conference devoted to its first 100 hours on air, the director said that the channel would avoid official news and would focus on stories about real people from Russian regions and their achievements. The channel also shows Russian movies and documentaries. Several panelists noted that state television channel Russia K (Culture) was providing educational and cultural programming not available on other television channels, and essentially performs the function of the public TV station.

Two major news agencies—ITAR-TASS and RIA Novosti—are state companies. In 2013, ITAR-TASS strengthened its editorial team and re-launched its news website. Still, RIA Novosti is more popular, and many media professionals regard it as editorially independent. At the end of 2013, the Russian President passed a decree to transform RIA Novosti into Russia Today, the Russian Agency of International Information, to promote a positive image of Russia. The third major news agency, Interfax, is private, but it has numerous contracts with Russian authorities for the provision of "information services"—which usually include publication of news provided by the client on an agency website, and organization of press conferences.

A number of smaller private regional news agencies collect news stories and make them available for free through their websites. These agencies also generate revenue through information service contracts with state agencies and private businesses. These contracts seriously undermine the

editorial independence of the news agencies, noted one of the panelists.

As another of the panelists explained, the content offered by the smaller agencies is not comprehensive. "They collect and disseminate news, but they do not cover the full spectrum of public interests. They do cover public protests when people take to the streets with slogans, because it is difficult to ignore them. But they do not give a voice to people with alternative opinions," he said.

In October 2013, one of new agencies, Rosbalt, lost its official status as a media outlet for violating a March 2013 law that prohibits media from using obscene language. The Russian media oversight agency, Roscomnadzor, lodged a court complaint against Rosbalt after the news agency made available on its website two YouTube videos with obscene language, one with a new Pussy Riot song. The court satisfied the complaint and canceled Rosbalt's media registration, even though the news agency censored obscene words before putting videos on its website and promptly removed both videos upon Roscomnadzor request. The head of Roscomnadzor welcomed the court decision, and said that it established an important precedent by maintaining that online media are legally responsible for all materials on their websites.

Private media produce their own news and information programming. Journalists of national media outlets often use local media outlet websites, as well as blogs and social networks, as news sources. In small cities, private media outlets are usually the only sources of independent local news and the only resort for local citizens trying to protect their rights.

Media ownership is relatively transparent. The Russian Federal Agency for Press and Mass Communication and Roscomnadzor maintain searchable online databases of Russian print and broadcast media. It is not very difficult to find information about media ownership, but most media consumers do not pay attention to this sort of information, noted several panelists.

The concentration of media assets is high and increased considerably in 2013. "The majority of media belong to the state, which is the largest media owner. And major non-state media belong to several large holding companies," noted one panelist. In March, SUP Media and Afisha-Rambler merged to form a new media holding that includes two major Russian news sites, Gazeta.ru and Lenta.ru, the publishing house Afisha, and the blog service LiveJournal.com. In November, ProfMedia, one of the five largest media holdings in Russia, was sold to Gazprom-Media. Even prior to this acquisition, Gazprom-Media was the largest media holding company in Russia. Its media assets include the

television channels NTV and TNT, satellite television channel NTV Plus, talk radio stations Echo of Moscow and City-FM, video hosting portal Rutube, and the publishing house 7 Days. Gazprom-Media is owned by Gazprombank and Bank Rossiya, which also owns the television channels REN TV and Channel Five, *Izvestia* daily newspaper, and a 25 percent of share of the state television Channel One and STS-Media.

Major media outlets are more and more conservative in their coverage of social issues, but social and niche media still present a broad spectrum of social interests. For example, the Russian Society of Deaf People publishes a monthly national magazine that is available online, as well as local newspapers in Moscow, St. Petersburg, and Chelyabinsk. Russian is a multi-ethnic country, and the state supports media in the languages of various ethnic groups.

Russia has a geographically oriented media system: national media focus on international and national news, regional media focus on regional news, and local media focus on local news. As result, people usually do not have much information about situations in regions other than their own. State television channels Channel One and Russia 1 are available to the majority of the population and broadcast the official point of view of the central Russian authorities. Another problem is the biased selection of news by state media, according to one of the panelists. "They cover local, national, and international news that fit the world view approved by authorities. The authorities get much better media service than other media consumers," the panelist said.

#### OBJECTIVE 4: BUSINESS MANAGEMENT

Russia Objective Score: 1.28

The Russian media market is heavily distorted by unfair competition between state and private media, and skewed toward the state media for advertising and circulation sales revenue. Generous budget funding for state media crushes their editorial independence as well as the quality of journalism. As noted by one panelist, an editor of a Moscow-based newspaper: "A majority of media outlets are not true business enterprises; they do not need advertising, as they have enough funding. State funding destroys media. First, the content is censored. Second, state media managers are not interested in making their media more attractive to advertisers and audience."

The business operations of most media outlets are not efficient. "We don't have business models that would support the editorial independence of news media," commented one of the panelists, a media business specialist.

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Russia has a small group of independent media that manage to be self-sustaining, but they are forced to minimize costs by reducing their staff and paying uncompetitive salaries.

Media outlets prepare and follow business plans, but their plans rarely reach beyond a year and do not include long-term planning or investment. The majority of media do not have personnel policies, and it is quite common for top managers and owners to hire relatives and friends to fill managerial positions. Media outlets rarely invest in professional development of their management staff.

#### MEDIA ARE WELL-MANAGED ENTERPRISES, ALLOWING EDITORIAL INDEPENDENCE.

##### BUSINESS MANAGEMENT INDICATORS:

- > Media outlets operate as efficient and self-sustaining enterprises.
- > 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.
- > Government subsidies and advertising are distributed fairly, governed by law, and neither subvert editorial independence nor distort the market.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor the product to the needs and interests of the audience.
- > Broadcast ratings, circulation figures, and Internet statistics are reliably and independently produced.

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During the first nine months of 2013, the Russian economy grew only by 1.3 percent. The ongoing economic crisis, changes in patterns of media consumption, and the shrinking press distribution system all put heavy pressure on media managers and owners. According to one panelist, “A trend of 2013 is that top-level managers and media owners are heavily frustrated. People break down emotionally and often try to leave the media business. Many of these people entered the media business long ago, and because of their age, they long for stability and have a hard time adapting to rapid changes. In addition, the Russian business mentality tends to presume quick profits, so nobody is ready for long-term investment—e.g. in the distribution and circulation control systems—that are necessary today.”

State media are inefficient as businesses, but often offer salaries well above the average level. All Russian state corporations are often criticized for low efficiency and excessive salaries incommensurate with their revenues. “Efficient use of taxpayer money? This has nothing to do with our reality!” exclaimed one of the panelists.

In 2013, the media sector lost several sources of revenue. Media were prohibited from carrying alcohol and tobacco advertising, which was an important source of revenue for lifestyle magazines. Meanwhile, the distribution of print media was seriously hit by a decline in the number of press kiosk all over the country; in the past five years, the number of press kiosks decreased from 42,000 to 31,000. Also in 2013, the partwork market (including collectible books, music, and video series sold by media outlets) reached saturation, and its profitability fell sharply.

Over the first nine months of 2013, the Russian advertising market grew by 11.4 percent. But not all types of media benefitted equally from this growth. While television and radio advertising revenue increased by 11 percent and 16 percent, respectively, newspapers lost 6 percent of advertising revenue. The Internet advertising segment increased by 29 percent.

The Russian advertising market is a buyer’s market, allowing advertisers to negotiate considerable discounts. According to one panelist, “Advertisers and advertising agencies have smaller budgets. And even though most print media maintained their rates, many sell advertising space at a 70–80 percent discount, because advertisers are unable to pay more. Damping prices in the advertising market is a reality, and the practice has increased in 2013.” To minimize the costs of managing client accounts, advertising agencies prefer to work with major print media and television. Smaller media outlets are losing their advertising revenue as a result.

The Russian Law on Advertising limits the amount of advertising to 15 minutes per hour on television, 20 percent of airtime per day on the radio, and 40 percent of space in non-advertising print publications. Independent print media draw 30 to 40 percent of their revenue from advertisements placed in their paper editions, 30 to 40 percent from newsstand sales, and 20 percent from subscriptions. Despite a few success stories for online media projects (such as *Vedomosti*, which pulls 25 percent of its revenue from subscriptions to its online versions), their revenue remains very low.

During the first 10 months of 2013, Russia spent about RUB 94 billion (\$2.6 billion) from the federal budget. That included nearly RUB 57 billion (\$1.6 billion) to support federal television and radio channels, and about RUB 5.3 billion (\$147.9 million) billion to support print media outlets. Over the same period, media expenditures of regional budgets were about RUB 32 billion (\$893.5 million). For comparison, television, radio and print advertising revenue in the first nine months of 2013 totaled about RUB 138 billion (\$3.9 billion).

Media expenditures make up about 1 to 2 percent of regional budgets. The money supports the production of public interest publications and programming and the operation of municipal media, and covers expenses related to the publication of regulatory acts passed by regional authorities. For example, Sakhalin region authorities provide support for more than 20 unprofitable municipal newspapers and television companies, as well as the minority-language media and the regional television company.

The distribution of government subsidies and advertising is not fair, according to the panelists, and state funding distorts the market. The distribution of municipal subsidies is not transparent. A media outlet might have several information service contracts with different municipal departments, so it is difficult to know the total amount of money authorities channel to media, noted one panelist.

However, according to another panelist, state contracts and grants are available to all media outlets, including independent media. “All media can get this money—not only the most loyal outlets. Distribution of grant and service contracts is apolitical. And this year, media have considerably improved their capacity to write grant applications and participate in state tenders,” the panelist said.

Federal and regional authorities both offer grant programs to support public interest media projects. For example, in 2013, the Rostov region budget allocated RUB 5.5 million

(about \$153,600) for this purpose. Half of the money was earmarked for grants to print media and the other for broadcast media. Money was distributed on a competitive basis. Print media received 18 grants, including three to private media outlets, while the rest went to state and municipal newspapers. Broadcast media received 11 grants, three of which were awarded to a regional branch of the federal Russian TV and Radio Company to support the production of programs broadcast in regional time slots.

Most private media do not use market research because they cannot afford research services. Many print media outlets that used to order marketing research have had to drop the services because of decreasing revenues. Some media outlets try to conduct some audience research themselves.

TNS Russia measures broadcast ratings for both television and radio. National television ratings are based on measurements in 29 large cities and conducted using peplemeter technology. Members of the advertising market recognize rating numbers and use them to guide advertisement placement decisions. Radio measurement is conducted in 65 cities of at least 100,000 people. The National Readership Survey, also conducted by TNS Russia, covers 68 cities with populations of 100,000 people and more. Russia has 166 cities with a population of at least 100,000 people, and 931 smaller cities. The existing measurement system makes media outlets in many smaller cities invisible to the national advertising market and undermines their ability to generate revenue.

## OBJECTIVE 5: SUPPORTING INSTITUTIONS

Russia Objective Score: 1.81

Russia has a broad spectrum of institutions that support the media. Some of these institutions are ineffective, while others have a limited capacity and too little resources to make a considerable impact.

A number of trade associations represent the interests of media owners and managers. The associations include the National Association of TV and Radio Broadcasters, the Media Union, the Guild of Public Press Publishers, the Alliance of Managers of Russian Regional Media, and the Alliance of Independent Regional Publishers. "These organizations are quite young; they've been around for just six to nine years, and they are still not strong enough to effectively lobby in the media's interest," said one of the panelists. "But they are protecting their members and trying to create favorable conditions for the media industry."

In 2013, the Russian Union of Journalists (RUJ) celebrated its 95th anniversary. RUJ has more than 100,000 members, and a Big Jury that oversees journalists' adherence to professional ethical norms. RUJ conducts a number of journalism competitions and regular events, e.g. Journalism Congresses and an annual memorial day for journalists that died in service.

Still, the majority of panelists said that they feel that RUJ could do more to protect journalists' rights and promote quality journalism. The deputy minister of Communications and Mass Media expressed a similar opinion in a public letter to the Russian prime minister. The letter recommended that the prime minister decline the invitation to attend the 10th RUJ Congress, because "...at present the Russian Union of Journalists does not represent the consolidated position of the media industry on principal matters. Journalists don't see the need to join the union, and in the eyes of media professionals the union has lost the status of a professional association that protects their interests. Chief editors and staff of leading federal and regional media shun membership in the union."

NGOs that support free speech and independent media are "active and efficient, but very rare," as one of the panelists put it. The Russian authorities are now more effectively limiting access of Russian NGOs to international funding. Independent media already feel the results—for example, NGOs that once offered free training to media professionals now must charge participants. The Russian government expanded its own grant programs, but grant recipients are often forced to pay kickbacks to grant managing agencies.

### SUPPORTING INSTITUTIONS FUNCTION IN THE PROFESSIONAL INTERESTS OF INDEPENDENT MEDIA.

#### SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of media owners and managers and provide member services.
- > Professional associations work to protect journalists' rights and promote quality journalism.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs exist providing substantial practical experience.
- > Short-term training and in-service training institutions and programs allow journalists to upgrade skills or acquire new skills.
- > Sources of media equipment, newsprint, and printing facilities are apolitical, not monopolized, and not restricted.
- > Channels of media distribution (kiosks, transmitters, cable, Internet, mobile) are apolitical, not monopolized, and not restricted.
- > Information and communication technology infrastructure sufficiently meets the needs of media and citizens.

As one panelist said, “Media practitioners, faculty, and students are unanimous that university programs are too theoretical and don’t provide sufficient practical experience. Students are sent to do internships at partner media outlets, but their staff is too busy to coach them. And there are hardly any opportunities for practical experience inside universities.”

Media NGOs have managed to adapt to abrupt changes in the NGO policy. A good example is the Institute for Press Development–Siberia, an NGO that provides training for journalists, media managers, and citizen reporters. At the end of 2012, Russia enacted a law requiring NGOs engaging in political activities funded by foreign grants to register as “foreign agents.” During the spring of 2013, the Russian Prosecution Services conducted a series of reviews of NGOs that had received international grants. Based on the results of the review, prosecutors issued a warning to the Institute for Press Development–Siberia. Prosecutors found that institute did not engage in either extremist or political activities, but they also ruled that the institute’s bylaws allowed for political activity. As the institute had a previous history of receiving foreign grants, prosecutors warned that before the institute actually engaged in political activities, it must register as a foreign agent. In September 2013, the Russian president ordered a state grant program for human rights projects of Russian NGOs to be implemented in 2014. The Institute for Press Development–Siberia participated in the competition and was among the winners.

NGOs that support free speech and independent media collaborate regularly and work with other media support institutions. For example, the Center for Protection of the Rights of Media, the Glasnost Defense Foundation, and RUJ coordinate their work providing legal support and education to journalists and media outlets. The Center for Protection of the Rights of Media has started to work with the Journalism Department of Moscow State University, providing training on media law issues to faculty members.

Panelists had split views on the quality of university journalism programs. Some said that the existing programs do not prepare young people properly to enter the profession. As one panelist said, “Media practitioners, faculty, and students are unanimous that university

programs are too theoretical and don’t provide sufficient practical experience. Students are sent to do internships at partner media outlets, but their staff is too busy to coach them. And there are hardly any opportunities for practical experience inside universities.” Another panelist, who teaches part-time in one of the regional universities, commented that “university programs are heavily regulated by state authorities. The faculty workload is constantly increasing. Universities are required to increase the number of students in classes and are prohibited from having the small groups necessary for practice-oriented education.”

A faculty member of the Journalism Department of the Moscow State University expressed a different opinion: “Academic programs are very varied. The leading universities provide a high-quality journalism education, and this quality has considerably increased over the past several years. Media outlets readily hire our graduates to replace retiring journalists. At the same time, there are many small journalism schools that do a poor job. Major schools prepare solid professionals. Unfortunately, because of the small size of the national media market and its degradation, many graduates cannot find media jobs and have to work in the contiguous areas such as communications, strategic communications, advertising, and creative industries.”

The Journalism Department of the Moscow State University conducted a small study on employment of its graduates. The results showed about 25 percent of graduates took public relations jobs. About a quarter went to work in television, as screenwriters, designers, and in other similar positions, while 15 percent took jobs completely unrelated to journalism. Only 35 percent took jobs in newspapers, magazines, and news agencies, with only 10–15 percent in news media.

Free short-term training opportunities almost disappeared after the government began restricting international grant opportunities. Some organizations and independent consultants offer seminars and coaching for editorial, sales, and management staff of media outlets on a paid basis, but not many media use their services. One of the panelists attributed that to the lack of sound personnel policies in most media; they prefer to hire specialists from the outside, rather than invest in the professional development of the staff they already have.

Sources of media equipment and printing facilities are apolitical, not monopolized, and unrestricted. Decreasing circulation numbers has led to greater competition in the printing market. Independent local newspapers always can find a printing facility in neighboring regions that are not controlled by the authorities of their home region.

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The newsprint market is quite monopolized; there are only four enterprises that manufacture newsprint. But the monopoly does not affect media outlets, as newsprint production considerably exceeds the needs of the domestic market. For example, in 2012 Russia produced 2 million tons of newsprint, but only 25 percent of this paper was consumed inside the country.

Press distribution is the most problematic segment of the Russian media market. The number of press kiosks is decreasing rapidly, as high rent costs and the lack of tax breaks makes kiosks only marginally profitable, and drives them out of business. For example, in the cities of Belgorod and Cheboksary, the authorities sharply raised the rent for sales kiosks, forcing about half to close. In St. Petersburg, the municipal authorities developed new rules for the placement of sales kiosks, which led to the closure of one-third of existing kiosks. In Saratov, as a result of similar changes in municipal regulation, only 150 press kiosks out of 400 remained, while in Barnaul 57 out of 158 remained.

The subscription delivery system is also very inefficient. Russian Mail, the main subscription service provider, is expensive and very slow, and a majority of alternative subscription distributors went bankrupt in 2013. The head of the National Circulation Service said to *Kommersant* that Russian Mail was “killing” press subscription, adding, “who needs a daily newspaper that is delivered one—or sometimes even two to three—days after it goes on sale on the newsstands? What’s the point of subscribing to a magazine if you can read it online two weeks before it is delivered to your mailbox?”

Over the past three years, subscriptions dropped from 30 to 27.2 million copies. The only factor slowing this decline are so-called social subscriptions, in which local authorities pay for subscriptions to municipal newspapers and then give them to local citizens as a benefit.

The panelists also expressed concern that the Russian authorities have found an effective way to control the Internet: ordering Internet providers to block access to certain websites. For example, in April 2013, the Prosecutor’s Office of the Ulianovsk region reviewed the content of online news sites, and identified 15 sites that offered information “about methods of giving bribes, about circumstances when bribes are required, [and] about ways of avoiding punishment for corruption crimes.” Prosecutors lodged a court complaint on the grounds that these websites were engaging in propaganda of corruption, and the court ordered a local Internet provider, a subsidiary of national Rostelecom, to block access to these websites. They included national news website *Gazeta.ru* and national tabloid *Komsomolskaya Pravda’s* Internet outlet.

The use of ICT technologies in the media sector is growing rapidly. Major media outlets can afford more sophisticated technologies, but even some small local media use Internet streaming and podcasting. Internet access in general, including mobile Internet access, is also growing. According to TNS Russia, about 30 percent of people use mobile Internet, and more than 9 percent access the Internet from tablet computers.

Still, ICT capacity differs significantly between cities and rural areas. According to one of the panelists, “The situation in megalopolises is very good. But the further you go from major cities, the worse it gets. In smaller cities there is only one Internet provider—Domolink, a subsidiary of Rostelecom.”

## List of Panel Participants

*Due to laws restricting NGO activity and contacts with U.S.-based NGOs, the participants in the Russia study will remain anonymous. This chapter was developed by a Russian journalist in December 2013 after a series of structured interviews with colleagues in the media sector.*