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RUSSIA

In 2016, in preparation for the September Duma legislature elections, Russian authorities continued to build up pressure on independent media. In March 2016, national NTV aired a documentary, “In Debt to the State Department,” which claimed that the US government dictates the editorial policies of several regional independent private media outlets. In June, the private national RBC media holding let go of its editor-in-chief and her deputies after they ran a series of investigative reports about senior Russian officials and their family members.

Economic decline triggered by European Union (EU) and US sanctions slowed down, and the Russian advertising market started to recover in the past year. But while television and Internet advertising increased, newspapers continued losing advertising revenue. Print media generally continued to lose circulation revenue because of rising paper prices and a diminishing number of kiosks.

Russia has many media outlets that are owned by national, regional, and local authorities and state-affiliated businesses; these serve government interests. Such outlets outnumber the independent media that serve the public interest. As a 2016 Mediastandart Foundation survey confirmed, the vast majority of Russian journalists feel that they are not free and independent, and believe that media owners undermine the independence of journalists.

Although state subsidies to the media decreased, this funding has continued to be a substantial source of revenue for media outlets, influencing the content of media coverage. According to the Mediastandart Foundation research, in 55 of Russia’s 85 regions the media rarely if ever criticize the work of regional governors.

Overall, the situation in Russia’s media sector is the worst since the 1990s, according to Alexey Kudrin, Russia’s former minister of finance and current head of the Civic Initiative Committee. At the Civic Initiative Award ceremony on December 20, 2016, he stated, “We study the state of media. In the regions, the number of independent media is progressively declining. The same happens on the federal level—major corporations and state institutions exercise influence on the media.”

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 2016 after a series of structured interviews with colleagues in the media sector.

# RUSSIA at a glance

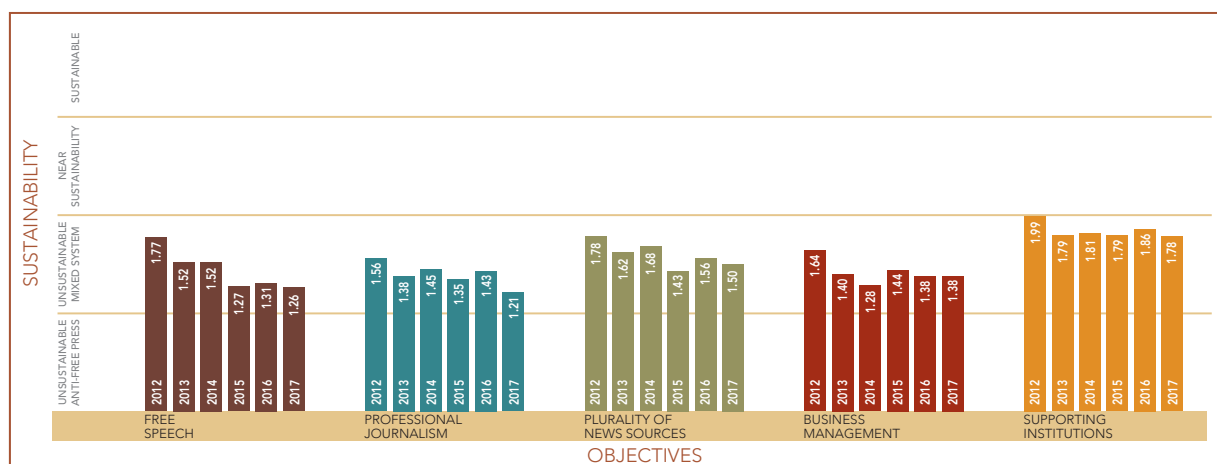
## GENERAL

- > **Population:** 142,355,415 (July 2016 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% (2006 est.) 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; Russia officially recognizes Orthodox Christianity, Islam, Judaism, and Buddhism as traditional religions (2006 est., CIA World Factbook)
- > **Languages (% of population):** Russian (official) 85.7%, Tatar 3.2%, Chechen 1%, other 10.1% (2010 est., CIA World Factbook)
- > **GNI (2015-Atlas):** \$1.675 trillion (World Bank Development Indicators, 2017)
- > **GNI per capita (2015-PPP):** \$23,770 (World Bank Development Indicators, 2017)
- > **Literacy rate:** 99.7% (male 99.7%, female 99.6%) (2015 est., CIA World Factbook)
- > **President or top authority:** President Vladimir Putin (since May 7, 2012)

## MEDIA-SPECIFIC

- > **Number of active media outlets:** Print: 25,781 newspapers, 31,714 magazines; Radio Stations: 3,182; Television Stations: 3,761 (Federal Agency for Press and Mass Communication, 2015)
- > **Newspaper circulation statistics:** Top three general interest daily newspapers by circulation: *Metro* (1.899 million), *Rossiyskaya Gazeta* (896,700), *Moskovski Komsomolets* (738,600) (TNS Russia National Readership Survey, May – October 2015)
- > **Broadcast ratings:** Top three national TV channels by audience Russia 1 (14.5%), Channel One (13.4%), NTV (10.3%) (TNS Russia TV Index, 2015)
- > **News agencies:** ITAR-TASS (state), Russia Today (state), Interfax (private)
- > **Annual advertising revenue in media sector:** RUB 209 billion (\$3.68 billion, Association of Russian Communication Agencies, 2014)
- > **Internet Users:** 104.553 million (July 2015 est., CIA World Factbook)

## MEDIA SUSTAINABILITY INDEX: RUSSIA



## MEDIA SUSTAINABILITY INDEX 2017: OVERALL AVERAGE SCORES



### CHANGE SINCE 2016

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

**Unsustainable, Anti-Free Press (0–1):** Country minimally 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 <https://www.irex.org/msi>

## OBJECTIVE 1: FREEDOM OF SPEECH

### Russia Objective Score: 1.26

As written, Russian laws guarantee freedom of speech and of the media. In practice, Russian society does not value free speech and citizens have little trust in media. The Russian authorities, for their part, see the uncontrolled flow of information as a threat. Therefore, Russia only minimally meets the indicator measuring the extent and enforcement of legal and social protections of free speech.

The Russian constitution guarantees all citizens free speech and the right to seek, receive, produce, and disseminate information. The constitution also grants media freedom and prohibits censorship. Furthermore, Russia has ratified the European Convention on Human Rights, which establishes the freedom of expression and the universal right to receive and disseminate information. Russian media law also supports free speech and disallows censorship. Interfering with or obstructing the work of journalists is classified as a criminal offense.

In a 2016 interview,<sup>1</sup> Alexey Simonov, head of the Russian Glasnost Defense Foundation, commented on the newest changes to media-related law. “Pro forma, the Russian Constitution prohibits censorship, but a number of recently adopted legal acts limit free speech not only for journalists, but for bloggers and regular Internet users—mostly those with

<sup>1</sup> Александр Валиев. Есть ли в России свобода слова. RFI. <http://ru.rfi.fr/rossiya/20160520-esli-pravda-vyglyadit-surovo-zachem-strane-svoboda-slova>

### 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 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 offended parties 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.

social media accounts. Now they have to keep in mind legal provisions that prohibit extremist statements, [and] statements that promote hostility and division, as well as untraditional sexual relations, or offend feelings of religious people, along with a number of other laws that limit the freedom of opinion and speech,” he said.

“We live in a society that tired quickly of freedom, of free speech,” noted Vitaliy Korotich, one of the pioneers of Russian independent journalism in an interview with the Echo of Moscow radio station in June 2016.<sup>2</sup> According to the study commissioned in 2016 by Mediastandart Foundation, 81 percent of Russian journalists believe that they are not free or independent, and 77 percent believe that in Russia the journalism profession is undervalued and has been discredited, and that citizens do not trust journalists.

That last finding corresponds with the results of public opinion studies. According to a Levada-center survey, only 27 percent of Russians think that media deserve trust, while 63 percent of people distrust the media partially or completely. These data also reflect the general imbalance of institutional trust in Russian society. While the Russian president enjoys the trust of 74 percent of the population, only 26 percent of Russians trust the government, 22 percent trust the national legislature, and 22 percent trust the courts.

The Federal Communications, Information Technology, and Mass Media Oversight Agency (Roscomnadzor) oversees the licensing of broadcast media and registration of print media. Print publications with runs of more than 999 copies are required to register with the agency, but the registration is simple and does not set any specific barriers for media outlets entering the market.

The broadcast licensing process is competitive and mostly transparent, although licensing decisions are not always apolitical. For example, in 2016 Roscomnadzor rejected the application of Tomsk media company TV-2 to renew its broadcast license for “Europe Plus Tomsk” music radio. The rejection was on the grounds that Victor Muchnik, one of the shareholders of TV-2, failed to provide enough evidence that he does not hold dual citizenship.

Muchnik described the Roscomnadzor decision as politically motivated. “I can only guess, so this is my own interpretation. First, ‘Europe Plus Tomsk’ was established by the TV-2 company. Second, I’m a shareholder of this company, and Roscomnadzor knows me quite well in connection with the TV-2 television channel. As you know, a year and a half ago, the TV-2 television channel lost its broadcast frequency as a result of unlawful joint activities of Roscomnadzor and RTRS that broke anti-monopoly legislation, and forced the television company to close. We

<sup>2</sup> Свобода слова или пропаганда: что выбирает общество? Echo of Moscow, June 17, 2016. <http://echo.msk.ru/programs/year2016/1784546-echo/>

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see this as political pressure, as killing one of the best regional television companies in Russia. And all this is clearly politically driven—confirmed by the fact that over that year and a half we were trying to get a cable license for TV-2 from Roscomnadzor. But all our applications were rejected on the grounds that I have double citizenship—which I don’t.”<sup>3</sup>

Internet sites can also register as media. Since 2014 every blogger and site with a daily audience of at least 3,000 has been required to register with Roscomnadzor.

Market entry and tax structure for media are comparable to other industries, and overall, conditions in Russia are relatively conducive for industry. This is evidenced by The World Bank Doing Business project, which reports on domestic small and medium-size companies in 190 countries and the regulations followed through their life cycles. The project ranks Russia 40th in the ease of doing business and 26th in the ease of starting a business.

The media also enjoy some tax breaks. If the volume of advertising in a publication does not exceed 40 percent of space, the outlet is entitled to a reduced VAT rate of 10 percent, rather than the regular national VAT rate of 18 percent.

Since 2016, the media industry has also faced a specific limitation: foreigners are not allowed to launch Russian media outlets and cannot own more than 20 percent of shares.

According to the Glasnost Defense Foundation, in the course of 2016, three Russian media professionals were murdered, 54 journalists and bloggers were assaulted, and 44 media professionals received threats. Crimes against media professionals are not always investigated vigorously. For example, according to the international human rights group Agora, investigative authorities closed the inquiry of the case of journalist Timur Kuashev in 2016. He was found dead in 2014 near the city of Nalchik in the North Caucasus. Officially, the case was closed because investigators did not find any toxins in his body. But according to the panelists, Kuashev’s colleagues and relatives believe that investigators ignored the injection

mark on his body, as well as the numerous threats he received before his death.

Russia media law equally protects editorial independence of all media: state, public, and private—on paper. In reality, state media espouse propaganda supporting the point of view of Russian authorities. In 2016, pro-government media launched an information campaign promoting the idea that several regional independent media outlets were actually serving the interests of the US administration. One such program aired in March on NTV, the third-most popular Russian television channel (belonging to GazpromMedia, a subsidiary of state Gazprom company). The documentary, “In Debt to the State Department,” claimed that independent regional media outlets receive funding from the US Department of State, and in turn this sets their editorial policies. A similar message aired in December, during NTV’s coverage of a workshop for regional media conducted in Moscow by the Swedish organization Fojo Media Institute.

Libel is considered a criminal offense. While libel is not punishable by prison sentences, offenders face 160-480 hours of community service, or fines from RUB 0.5 million to 5 million (\$8,635-\$86,350). The average salary in Russia is about RUB 40,000 (\$690) per month. Libel cases against journalists are rare, but often they are politically driven. One example from 2016 is Julia Vasilieva, editor-in-chief of *Kurgan* and the online magazine *Ochvidets-Media*. She was found guilty of libel for posting false and defamatory editorial material on the Ura.ru website about the press secretary of the Kurgan governor. She was fined RUB 150,000 (\$2,590). Many people in the media sector saw this court decision as poorly substantiated.

Panelists gave two other examples: In Kursk, the prosecutor’s office initiated a libel case against Olga Lo, editor-in-chief of the local *Narodny Journalist*, after she published an appeal to the Russian president criticizing Russian foreign and national policy. And in Saratov, journalist Sergey Vilkov faced libel charges for publishing documents on social media suggesting that a member of the Saratov regional legislature had criminal affiliations.

Still, libel cases are less common than defamation cases lodged against the media. According to the Glasnost Defense Foundation, in January 2016 Russian courts heard 8 defamation cases against the media. Three of the cases went in favor of plaintiffs, and awarded them RUB 1,136,000 (\$19,618). In September 2016, the media lost five of 10 defamation cases and were ordered to pay the plaintiffs moral damages of RUB 2,893,769 (nearly \$50,000).

Russian laws grant journalists preferential access to information: public officials are required to respond to their requests for information within seven days, while they are allowed 30 days to respond to citizens’ requests. Still, journalists face difficulties

<sup>3</sup> Александр Валнев. Есть ли в России свобода слова. RFI. <http://ru.rfi.fr/rossiya/20160520-esli-pravda-vyglyadit-surovo-zachem-strane-svoboda-slova>

in accessing public information. For example, state agencies accept only written requests for information, and often provide only perfunctory responses. In 2016, the Glasnost Defense Foundation recorded a sharp increase in the number of cases of journalists denied access to information—613, compared to 405 in 2015. Panelists gave some examples: in February 2016, Dozhd TV journalists reported that they were forced to leave the congress of the political party Pravoje Delo; and in August, Znak.com reporters were barred from a briefing with Russian Vice-Prime Minister Igor Shuvalov. They had informed his assistant right before the conference of their intent to ask Shuvalov about the results of a Foundation to Fight Corruption investigation into his property holdings.

On the eve of the 2016 Duma elections, Russia adopted a law that raises the bar for journalists seeking accreditation to observe the voting process. The law states that only reporters that have worked on staff for a media outlet for at least two months are eligible.

So far, Russian media have not faced any restrictions in access to or use of any news or news sources. Russia significantly meets the corresponding indicator, for now, but this may change. In December 2016, Russia adopted a new Information Security Doctrine. The key claimed threats that the doctrine addresses include transboundary information exchange, foreign special services that use the Internet to destabilize the political and social situation in Russia, and a growing number of foreign publications that write biased assessments of Russian policies.

Entry to the journalism profession remains free. Acceptance in journalism schools is based on merit, and not controlled by state authorities. A journalism education is not a prerequisite for obtaining media jobs, however. For example, in the pool of practicing journalists that participated in Mediastandart Foundation's 2016 study, 44 percent did not have a journalism degree.

## OBJECTIVE 2: PROFESSIONAL JOURNALISM

Russia Objective Score: 1.21

Russian media are divided into two uneven groups. A majority of media are owned by the state and state-affiliated businesses, and serve their interests. These media do not adhere to internationally accepted professional and ethical standards.

"If we take Russia in general, 87-88 percent of media belongs to the state or enterprises affiliated with authorities. This is not just Russian television or other large monsters. This includes a huge number of media that are owned by regional state agencies, governors, mayors, etc. And all of these media are paid to promote only official ideas and ideology. There are no discussions, no critiques, nothing that media is known for in

other countries," said Pavel Gusev, editor-in-chief of the private newspaper *Moskovskiy Komsomolets*, in an interview with NSN.<sup>4</sup>

"The thing is that we don't follow the basic principles of modern journalism... Comments and facts should be presented separately, but in our case comments are mixed with facts or what is presented as facts, and this mixture becomes effective propaganda," said Vitaliy Korotich, a pioneer of Russian independent journalism, on the Echo of Moscow radio station. Echo of Moscow anchor Kseniya Larina also commented: "Today the key criteria for 'professionalism'—I use this word in quotes—is loyalty, loyalty. That's it, nothing else. This explains why people [in the media] are unprofessional, illiterate, ignorant, and superficial."<sup>5</sup>

The results of Mediastandart's 2016 study<sup>6</sup> confirm the lack of professional standards. Sixty-six percent of the journalists that participated in the study thought that journalists are sometimes employed in public relations, advertising, and government agencies.

At the same time, a second, small group of independent media follow professional standards. Journalists working for these media outlets try to get all sides to a story, avoid subjectivity, conduct background research, and consult with experts as necessary.

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In 1994, the Congress of Russian Journalists adopted The Code of Russian Journalists' Professional Ethics, based on international norms of journalistic ethics. According to the Mediastandart Foundation study, 79 percent of journalists believe that professional ethical standards should be followed. But while the independent media commonly and carefully adhere to the ethical standards, state media often ignore these principles.

<sup>4</sup> Павел Гусев: «Государство заставило частные СМИ идти к нему на поклон!». January 16, 2017. <http://www.gipp.ru/viewer.php?id=61713>

<sup>5</sup> Свобода слова или пропаганда: что выбирает общество? Echo of Moscow, June 17, 2016. <http://echo.msk.ru/programs/year2016/1784546-echo/>

<sup>6</sup> Journalists on the State of the Profession: Survey Results Mediastandart Foundation.

## 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).

The Mediastandard Foundation study showed that journalists think that pressure from media owners is a more important factor than self-censorship. Eighty-four percent of journalists reported that media owners had a considerable, and considerably negative, impact on editorial freedom. More than half of the journalists responding to the survey (58 percent) said the negative effect of self-censorship is considerable or very considerable.

Even the independent media sector is not free from self-censorship. As Korotich commented in a radio interview, "When I visit some liberal print and radio outlets, journalists immediately start saying that their media outlet may be shut down if they cover certain topics. You see, people have an internal feeling that telling the truth is risky. This is a very dangerous feeling that emerged and has consolidated over time."<sup>7</sup>

Journalists cover key events and issues, although critical coverage of senior government officials may lead to negative consequences for editors and reporters. In one example from 2016, the media holding RBC let go its editor-in-chief, Elizaveta Osetinskaya, and her deputies. They published a series of investigative reports about the staff of the presidential administration, as well as some of the president's family and friends. RBC management explained the changes in editorial management by citing differences in opinion about RBC development strategy.

Another case from 2016 is Alexander Nabatov, the chief of the information department of *Delovoy Omsk*. He was fired after he made critical remarks about the governor of the Omsk region

<sup>7</sup> Свобода слова или пропаганда: что выбирает общество? Echo of Moscow, June 17, 2016. <http://echo.msk.ru/programs/year2016/1784546-echo/>

on social media. Reportedly, the decision to fire the journalist was made by the newspaper owner.

Mediastandard Foundation's 2016 study analyzed the content of 1,000 of the most popular regional media, covering the period of November 2015 to April 2016 and including 85 of Russia's regions. The study showed that in 15 of the regions, media had no critical coverage at all of governors. In 40 regions, the coverage was considered minimal; in only seven regions, coverage was considered substantial. "State subsidies to regional media often come with the condition to refrain from negative coverage of the governor, though they are allowed to criticize other officials," said the head of Mediastandard Foundation to *Vedomosti*.<sup>8</sup>

As media revenues have declined, so have the pay rates of journalists and editors. In 2016, salaries fell about 30 percent compared to salaries before the economic crisis hit. (On average, over the same period, pay levels for Russians overall dipped 7-10 percent.) In capital cities, monthly salaries for editors-in-chief of major media outlets run about RUB 300,000-400,000 (\$5,180-\$6,908). For editors-in-chief of smaller media, pay ranges from RUB 120,000 to 150,000 (\$2,072-\$2,590). Reporters just entering the profession earn RUB 30,000-50,000 (\$518-\$863).

In cities with a population of more than a million people, pay levels are about 30-40 percent lower; in smaller cities with a half-million people, they are 60 percent lower.<sup>9</sup> In small cities, the media outlets often pay journalists around RUB 10,000-15,000 (\$173-\$259) per month, which is insufficient for a decent living. The relatively low level of pay in local and regional media forces journalists to seek additional income, move to bigger cities, or leave journalism and take jobs in public relations.

The amount of news, as well as analytical programs and talk shows, increased on three major national television channels. Many political talk shows air during prime time. Guest usually represent a broad spectrum of political views, including those of the opposition. But talk shows still do not allow for balanced discussion, and moderators push the official agenda. Leonid Gozman, head of the oppositional political party Union of Right Forces and a regular guest on these talk shows, commented to *Golos Ameriki*: "I also wondered initially why they would give us air time. Then I realized that they've come up with a new concept that, in brief, can be described as follows: around 90 percent of the population are normal (and more or less support Kremlin policy), but there are few 'black sheep' and 'traitors' who are agents of the US State Department, etc. Hence they

<sup>8</sup> Региональным СМИ при получении финансирования часто ставят условие не писать негативно о губернаторе, хотя критика других чиновников может быть. May 9, 2016. <http://www.vedomosti.ru/politics/articles/2016/05/10/640433-gubernatori-15-regionov-ne-podvergayutsya-mediinoi-kritike>

<sup>9</sup> Насколько востребованы журналисты в Москве? February 9, 2017. <http://www.gipp.ru/viewer.php?id=62119>

invite someone who then becomes the focus for anger of the majority of guests.”<sup>10</sup> One of the panelists also commented on the low value of talk shows: “Information and analytical programs have become entertainment. This is just a glossed-up form of propaganda. Political talk shows should analyze problems, but these talk shows turn into an emotionally charged farce. This is pseudo-journalism.”

Facilities and equipment for gathering, producing, and distributing news are still modern and efficient. But declining revenues force media outlet to cut expenses, and they are not able to upgrade existing equipment.

Russia does have national and regional business media, but other niche reporting exists only in major media outlets. Smaller media tend to mainly employ generalists. Investigative reporting is rare overall, but some media outlets regularly produce quality investigative reporting. They include the Moscow-based *Novaya* and St. Petersburg-based *Fontanka.ru*. For example, in 2016 *Fontanka.ru* published the results of an investigation into the operation of a private Russian military unit in Syria.

Local media also carry out their own investigations occasionally. In 2016, Kaliningrad’s *Novy Karavan* investigated the fate of refugees from Ukraine that entered the Kaliningrad region in 2014. None managed to obtain official refugee status, the paper reported.

### OBJECTIVE 3: PLURALITY OF NEWS

Russia Objective Score: 1.50

Russia has numerous media outlets, but state and state-affiliated businesses own the majority, and present only the point of view of Russian authorities. A majority of Russians depend upon three major television channels, which are directly or indirectly owned by the state, as their main sources of information. Only a few consumers draw on existing sources of alternative information.

As of February 2016, Russia had more than 83,000 media outlets registered with Roscomnadzor. Thirty-seven percent are magazines, 28 percent are newspapers, 11 percent are online media, 10 percent are television channels and programs, seven percent are radio, and two percent are news agencies. Still, most people cite television as their main source of information. According to the Levada-Center survey conducted in June 2016, 86 percent of people get their news from television; 33 percent from the Internet; 23 percent from social media; 22 percent from radio; and 19 percent from newspapers.

About 60 percent of Russian citizens watch television news on a daily basis, and another 31 percent watch the news at least

News sources that present alternative viewpoints are significantly less popular. Only 5 percent of people watch news on Dozhd television at least once a week, 15 percent watch Euronews television at least one a week, and 7 percent follow news on Echo of Moscow (radio and/or online) at least once a week.

once a week. Among television channels that people use as sources of news, the state-owned channels stand out as most popular. Half of Russian citizens watch news and analytical programs on Channel One, Russia 1, and NTV, which present only the pro-state point of view. Another 36 percent watch those programs at least once a week. News sources that present alternative viewpoints are significantly less popular. Only 5 percent of people watch news on Dozhd television at least once a week, 15 percent watch Euronews television at least one a week, and 7 percent follow news on Echo of Moscow (radio and/or online) at least once a week.

Citizens’ access to domestic or international media is not restricted by law. Due to widespread high-speed and inexpensive Internet access, including mobile, Russian people can read online versions of foreign media. Language can be a barrier, although online translators help to address this challenge.

Public TV of Russia (OTR), which launched in 2012, has apolitical programming, and focuses mostly on social and educational topics. The idea to establish an endowment that would support OTR operation did not work; it receives most of its funding from the state. According to the 2016 report of the Russian Chamber of Auditors, in 2013-2014 only 0.2 percent of OTR funding came from donations.

Major national news agencies include the state-owned Russia Today and TASS. Both operate as international news agencies and produce national and international news. Russia Today is included in the government’s roster of strategic enterprises, which includes state bodies that produce goods and services that are crucial for national security and the morals, health, and protection of citizens’ rights and interests.

Both agencies provide news, including photos and videos, by subscription and on an *ad hoc* basis to national and international clients. For example, TASS has more than 5,000 foreign and domestic subscribers, including more 1,000 media outlets, 250 bank and financial companies, 2,000 industrial facilities, and many research companies, educational institutions,

<sup>10</sup> Российские ток-шоу как оружие пропаганды. <http://www.golos-ameriki.ru/a/vv-on-russian-tv-propaganda/3486439.html>



## 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.

and libraries. Both agencies are funded also by state subsidies. In 2016, Russia Today received RUB 6.75 billion (\$116.57 billion), and TASS received RUB 1.81 billion (\$31.08 billion).

Both agencies offer news websites that are open to the public, and they maintain active social media presences. In October 2016, the number of users following Russia Today on social media exceeded 9 million. Russia Today is also one of the leading Russian media in terms of news re-posts on social media. For example, in October 2016 1.13 million posts on social media featured news from Russia Today.

Russia also has a number of national private news agencies, including Interfax, RBC, Regnum, and Rosbalt, and about 200 regional news agencies. Some regions have several news agencies—there are nine in the Volgograd region, eight in the Saratov region, and seven in the Omsk region. The majority of regional news agencies are owned by regional authorities or businesses affiliated with authorities. Usually owners will heavily subsidize, but these agencies also bring in some revenue by providing public relations support to regional authorities and businesses. Independent journalists have launched a few editorially independent agencies, e.g. Znak.com in the Urals and TV-2 in Tomsk. Due to their presence, Russia meets the corresponding indicator more than minimally.

Private media produce their own news, which other media outlets pick up sometimes. For example, in early 2017 Meduza published an online story about the sexual abuse of students in a Moscow school, and other media then covered the story. In smaller cities, private independent media are often the only sources of local news, because local municipal newspapers publish only official information. Many private media have been operating and producing news since the 1990s, as well.

Information about those registered media outlets is transparent and easily available on the Roscomnadzor website. Media ownership is less transparent.

Effective as of January 1, 2016, foreign entities are not allowed to own more than 20 percent of the shares of a Russian media outlet. According to the international human rights group Agora, to meet these requirements, 821 media had to change their ownership structure, including *Vedomosti*, the major business newspaper; the Russian edition of *Forbes* magazine; and popular online media Lenta.ru and Gazeta.ru.

State and state-affiliated media, which make up most of the Russia media sector, do not cover a broad spectrum of social interests. Gusev observed, "As a result, people opt for social media where they can communicate and talk. But social media is not mass media, it is rather a large scrapyard where people use filthy language and insult each other. Still, social media also offers opportunities for special conversations and expression of multiple viewpoints. We alienate people from media when we turn state mass media into propaganda conduits."<sup>11</sup>

Russia is a multicultural country: it has more than 190 nationalities and its people speak 150 different languages. A majority of the population (98.2 percent) speaks Russian, 23 percent regularly use another 38 languages, and less than 1 percent of the population uses the remaining 114 languages. The most popular minority languages are Chechen, Avar, Dargin, Chuvash, Bashkir, and Tatar. As for the media, 98 percent of media outlets are in Russian, and only two percent use minority languages. Research published in 2016 by specialists of the Journalism Department of the Moscow State University indicates that the number and diversity of minority language media in Russia are steadily growing in all media segments. This is true not only for general minority-language news, but niche news as well. Researchers attribute this proliferation of minority-language media to active state support.

The structure of Russia's media sector is similar to the country's governance structure: there are national, regional, and local/municipal governments and media. National media focus on international and national issues, regional media focus on regional issues, and local newspapers cover local news. Local news makes it to the national-level media only when major accidents strike or for significant events.

## OBJECTIVE 4: BUSINESS MANAGEMENT

Russia Objective Score: 1.38

Russia has two types of media outlets. One large group of media outlets is owned by state or state-affiliated businesses

<sup>11</sup> Павел Гусев: «Государство заставило частные СМИ идти к нему на поклон!». January 16, 2017. <http://www.gipp.ru/viewer.php?id=61713>

that serve interests of their owners. Bigger media outlets of this type have sophisticated management systems and hire professional managers, while smaller municipal newspapers have rudimentary management systems.

A much smaller group of private media outlets serves the public interest. Their owners usually have journalism backgrounds, believe in independent journalism, and are involved closely in operational and editorial management. Media outlets of this type are serious about management quality and usually invest in professional development of their management personnel, according to the panelists.

Media of both types compete for audience, advertising revenue, and—in the case of print media—subscription and newsstand sales revenue. But while owners of state-affiliated media outlets provide substantial subsidies, they must be self-sustainable to survive. For example, in 2015 VGTRK (All-Russian State TV and Radio Company), one of the largest Russian media holding companies with the status of national strategic enterprise, made RUB 26.6 billion (nearly \$460 million) in advertising and other revenue, and received RUB 24.8 billion (around \$428 million) in state subsidies. “Without state subsidies, federal media outlets would not survive. They have already lost survival skills; their economic model is different,” Gusev said in an interview.<sup>12</sup> At the same time, independent media outlets manage to survive despite the declining advertising market and growing paper and printing costs, indicating high efficiency.

This past year was very difficult for independent media outlets, especially print. Advertising revenue grew for online, television, and radio segments (24, 13, and seven percent respectively in the first nine months of 2016), but newspapers lost 13 percent of

<sup>12</sup> Павел Гусев: «Государство заставило частные СМИ идти к нему на поклон!». January 16, 2017. <http://www.gipp.ru/viewer.php?id=61713>

## 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.

“Without state subsidies, federal media outlets would not survive. They have already lost survival skills; their economic model is different,” Gusev said in an interview.

their advertising revenue. Gusev commented, “The advertising market is destroyed, economic conditions that could support small and medium business are destroyed, state subsidies supporting subscriptions were discontinued. The state has done everything it can to make private media bow down.”<sup>13</sup>

Despite the difficult economic situation, independent media manage to maintain editorial independence. They diversify their media assets, strengthen their online presence, and benefit from growing Internet advertising revenue. *National Vedomosti* business daily, Dozhd television station, and *Slon* newspaper all introduced paywalls.

The Russian advertising market, while well developed, skews in favor of television channels and the Internet. According to the Russian Association of Communication Agencies, out of RUB 240-250 billion (\$4.16-4.33 billion) spent on advertising between January and September 2016, RUB 100 billion (\$1.73 billion) went to television channels, and RUB 83-96 billion (\$1.44-1.66 billion) went to Internet advertising. Over the same period, radio stations received RUB 10 billion (\$172.7 million), and only about RUB 3.5 billion (\$60.44 million) went to newspapers. Nationally-reaching media soak up much available advertising revenue. The regional advertising market from January to September 2016 only reached about RUB 29-30 billion (\$500.8-\$518 million) and lost four percent compared to 2015. Media outlets operating in cities with a population less than 100,000 people are mostly ignored by major advertisers and media advertising agencies—and consequently by media measurement companies.

The largest Russian advertisers include international FCMG companies, such as Procter & Gamble, PepsiCo, Mars, and international pharmaceutical companies including Novartis and OTCPharm. The biggest national advertisers are mobile networks, national banks (e.g. state VTB and Sberbank), and national retail networks.

Though national retail chains keep increasing their advertising budgets, their continuing expansion to small Russian cities is undermining both advertising and circulation sales revenues of local media outlets. Small local businesses, which represent the majority of the advertisers in local media, are increasingly being put out of business by the chains. Local media lose that

<sup>13</sup> IBID

advertising and it is not replaced by the chains, who prefer placing advertising in national media; additionally, they do not allow local print media on the newsstands in their stores.

The 2016 national legislative electoral campaign brought Russian media an additional RUB 1.68 billion (\$29 million) in advertising, which made up just a sliver of advertising revenue in the third quarter.

Media law restricts the amount of advertising in Russian media. Advertisements cannot exceed 15 minutes per hour on television, 20 percent of airtime per day on the radio, or 40 percent of space in non-advertising print publications. According to the Guild of Press Publishers, advertising fills about 18 percent of the space in regional newspapers. If a print media outlet stays within the legal limit, it can apply a 10 percent VAT to advertising revenue—a reduction from the standard 18 percent.

In 2016, the Russian government began an initiative to increase the advertisement space limit in print media to 45 percent, to help them boost revenue. The media community found this initiative useless. “It looks meaningless, given that print media are not allowed to run ads for alcohol, cigarettes, food supplements, and medicine. The advertising market is declining, and because of these restrictions media cannot generate enough revenue to support production of editorial materials and that reduces the number of pages,” said Vladimir Gest, deputy general director of Komsomlskaya Pravda Publishing House, to *PlanetaSMI.ru*.<sup>14</sup>

Cuts in the state budget, because of a declining economy and tax revenues, resulted in less state support to media. According to *Vedomosti*, the 2015 state support to media from the federal budget amounted to RUB 94.6 billion (\$1.63 billion), which is 14.3 percent less than in 2014. In 2016, state support to the media from the federal budget fell further, to RUB 61 billion (\$1.05 billion). Regional authorities, in Kaliningrad and Rostov for example, also provide subsidies and place advertorials to media outlets in their regions.

According to research conducted by NGO Infocultura, 60 to 70 percent of state support to media comes in the form of direct subsidies, with the rest coming from information service contracts and grants. Distribution of government subsidies and advertising is not considered fair, but rather favors state media and media loyal to authorities, according to the panelists.

Russian media outlets understand the importance of market research, but only the large outlets can afford it. Major media outlets covered by media measurement companies also have an option to buy and use demographic data and consumer patterns data, which are collected in the course of interviews used to measure audience figures.

<sup>14</sup> Увеличение объема рекламы в печати до 45%: спасение или бессмыслица? October 24, 2016. [http://anri.org.ru/news/item.php?SECTION\\_ID=15&ELEMENT\\_ID=15420](http://anri.org.ru/news/item.php?SECTION_ID=15&ELEMENT_ID=15420)

Until 2016, British marketing company WPP owned TNS Russia, the major media measurement company. In June 2016, Russia adopted a law that requires all media measurement companies to license their operations, and renders ineligible any company with more than 20 percent foreign ownership. At the same time, the state All-Russian Center for Public Opinion Research (VCIOM) established VCIOM-Media, with the intent to establish its own system to measure television ratings. In July 2016, WPP agreed to sell an 80-percent share in TNS Russia to VCIOM. The company changed the name of its Russian division to TNS/MediaScope and received a license from Roscomnadzor.

TNS/MediaScope remains the key company in the Russian television rating measurement market. One of the major concerns raised regularly in relation to its broadcast ratings is that it does not “see” people living in the cities with populations less than 100,000—which amounts to nearly half of Russia’s population. At present, Mediascope has 5,400 peplemeters in 77 out of 169 cities with a population more than 100,000. Data coming from this panel are used as the basis for advertising sales on major Russian television channels. TNS/MediaScope is also an important player in the market of radio and press measurement.

In addition, TNS/MediaScope measures online media use. In Russia, the principal consumers of media measurement data are advertisers, and their interests drive decisions about measuring or not measuring an audience of a certain outlet. This a major reason why media measurement companies largely ignore small markets and local media operating in those markets.

Circulation numbers remain nontransparent. The National Circulation Service agency conducts circulation audits, but as of January 2017, only 127 media use its services.

## OBJECTIVE 5: SUPPORTING INSTITUTIONS

Score: 1.78

Russia has all kinds of supporting institutions for journalism, but their positive impact on the quality of Russian journalism is limited.

Major national trade associations are the National Association of TV and Radio Broadcasters (NAT) and the Guild of Press Publishers (GIPP). As of January 2017, GIPP listed 272 members. Data on NAT membership is unavailable. Both associations cooperate with international trade associations, conduct trade fairs, publish industrial magazines, provide analytical information and training services to their members, and try to lobby with the Russian government to advance the interests of their members.

The Alliance of Heads of Russian Regional Media (ARS-PRESS) brings together directors and regional media editors-in-chief.

The Alliance of Independent Regional Publishers (ANRI) is open only to private media outlets based outside Moscow that publish high-quality general interest newspapers and adhere to the principle of editorial independence. As of January 2017, ANRI membership included 61 publishing houses. Both associations organize trade events, provide training services to members, lobby on behalf of their members, and advocate for media independence and professionalism.

Because of declining revenue, a number of print media had to discontinue their memberships in GIPP and ANRI. At the same time, they experienced declines in availability of the state grants they use for organizing trade events. In the face of those challenges, GIPP and ANRI elected to combine efforts. In March 2016, they jointly protested the government's effort to present independent regional media outlets as agents of the US State Department, after the NTV channel broadcasted a documentary "In Debt to the State Department." And in December, the two associations co-conducted the National Advertising Forum.

The Russian journalism community is not well organized, and demonstrations of professional solidarity are rare. According to the 2016 Mediastandart Foundation study, 32 percent of Russian journalists reported that they have never heard about joint activities of journalists to advance their professional interests. Another 51 percent said that those activities are uncommon.

The Russian Union of Journalists (RUJ) is not very active. At a last-minute, extraordinary congress in August 2016, RUJ Secretary Leonid Nikitinskiy said, "Nobody says that the Russian Union of Journalists did not do anything over the past years. Due to the efforts of RUJ chair Vsevolod Bogdanov, we helped veterans and children of journalists who were killed, set monuments, and met several times a year, which is, of course, important. At the same time, RUJ's voice was hardly heard when the state Duma was adopting laws destroying journalism—it did not protest. Hence, the authorities do not pay any attention to us. In many cases, we did not support our colleagues who were and are persecuted in the regions and on the federal level. As a result, we did not come to be a center of attraction to young colleagues and journalists in new media, and they have no respect for RUJ."

The official purpose of the RUJ congress was to modernize the union. A number of acting RUJ secretaries stood against the congress and eventually stepped down from their positions, and 11 new secretaries were elected.

The congress defined a new strategy for RUJ development that includes the establishment of new media development centers, active cooperation with the authorities and regional divisions of RUJ, outreach to young journalists, and fundraising. "We've realized that it is important to work with the authorities, state, and parliament—not on the basis of threats, but rather on a healthy basis," said Vsevolod Bogdanov, RUJ chair. "We have

Russian journalism degree programs are still overloaded with theory and do not include sufficient practice-oriented training. Professors often have little practical experience, especially with modern media technologies.

decided that we should definitely get some state support. We are not going to engage in politics in the sense that we will support some party or vote. We will perform our journalist function, and we will decide which party deserves the trust of society, and which has made something useful for people living in our country."

According to the panelists, many members of the journalism community viewed the congress as tantamount to RUJ's surrender to authorities. Others saw it as a necessary step towards union modernization.

NGOs that support free speech are few, and all major ones (Glasnost Defense Foundation, the Center for Protection of the Rights of Media, Institute for Press Development–Siberia, and Free Speech Support Foundation) received a "foreign agent" designation but continue operations. Glasnost Defense Foundation monitors violations of media rights in Russia, and conducts educational programs. The Center for Protection of the Rights of Media provides free legal advice and support to media, while the Institute for Press Development–Siberia promotes civic investigative journalism.

The Center for Legal Support of Journalists has become an active player in the media sector. The center was established in 2014 by All-Russia People's Front, a broad coalition of NGOs supporting president Putin. It provides legal advice to regional media and lobbies for continuation and expansion for state support, including financial, to regional media. For example, partly due to the center's efforts, the subsidies for regional media in Russia's 2017 budget increased from RUB 56 million to 300 million (\$964,300-\$5.17 million).

In 2016, the Media Development Investment Fund Inc. (MDIF), an international NGO, was declared an "undesirable organization" in Russia. The Russian government introduced the "undesirable organization" status in 2015, labeling organizations that threaten constitutional order and national security, and mandating that they cease operations in Russia. People and enterprises that continue working with such organizations, formally or informally, are subject to administrative and criminal prosecution. MDIF has worked in Russia since 1998 and provides affordable loans and technical assistance to independent news

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## 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 in private hands, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

and information businesses. It has helped many editorially independent regional media reach financial sustainability.

According to Vuzoteka.ru, Russia has 153 journalism degree programs. Russian journalism degree programs are still overloaded with theory and do not include sufficient practice-oriented training. Professors often have little practical experience, especially with modern media technologies. "Programs are often old-fashioned. There are few schools that teach modern media skills," commented one panelist.

"Many young people enter journalism degree programs because they want to tell the truth or become famous," another panelist said. "Many also believe that journalism is a creative profession. After two-three years in school they realize that this is not true and become disappointed. They realize that journalism involves a lot of routine work, and that professional journalism is not about creative writing—although those who graduate are usually able to find media jobs."

Universities, NGOs, trade and professional associations, and private companies offer an assortment of short-term training opportunities. Within the framework of grant-supported projects, NGOs are still able to offer free training to a limited number of journalists. Others provide training on a paid basis, and use modern technologies (e.g. offering training via webinars) to reduce costs and make training more affordable to media outlets. Instruction covers all aspects of media operations, including journalism, newsroom management, multi-media applications, and media management. With revenue drying out, media outlets cannot afford to send staff to paid training programs.

In most cases, sources of media equipment, newsprint, and printing facilities are apolitical, not monopolized, and unrestricted. Still, panelists noted some instances in which printing facilities refuse to print newspaper and magazines. For example, in August 2016, the Moscow printing facility Pushkinskaya Ploshchad refused to print an issue of *The*

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*New Times* magazine. The issue contained materials about permutation in higher echelons of Russian authorities and candidates running for state Duma in the central district of Moscow. Before this incident, the magazine had been printed in this facility for eight years. Though Pushkinskay Ploshchad did not give the magazine any advance notice, *The New Times* quickly managed to find another printing facility and the issue came out on time.

According to the Association of Press Distribution, newsprint prices went up between 4.6 percent and 20 percent in 2016, hitting at a time of increased electricity prices affecting printers as well. Growing newsprint prices are seen widely as one of the major challenges to regional newspaper economic sustainability.

Roscomnadzor has a legal right to order Internet providers to block sites that do not comply with Russian legislation, and it can order without a court decision. For example, in 2016 providers were ordered to block the social network LinkedIn for not complying with the regulation that all personal data of Russian users should be stored in Russia. But so far, news media have not been affected deeply.

Distribution of print media remains problematic. The Russian Post Service, which is the main subscription operator in Russia, is ineffective and expensive. The number of press kiosks is also declining. For example, in the beginning of 2016, the Moscow Metro System eliminated all newsstands selling publications on

its premises (165 kiosks and 175 newspaper vending machines). After public outcry, Moscow Metro System's management agreed to allow press kiosks to return, but only 10 kiosks were opened. In Volgograd, the local authorities announced that in preparation for the World Cup football tournament, they intend to reduce the number of kiosks from 205 to 44. According to the Association of Press Distribution's 2016 statistics, problems with distribution press circulation caused a drop of 14 percent, and circulation revenue to fall by six percent.

Information and communication technology infrastructure is well developed. According to research by Akamai Technologies, in 2016 the average speed of Internet access in Russia was up to 12.2 Mbps—a 29 percent increase over 2015. Eighty-four million Russian adults (70 percent) use the Internet on a regular basis, and 56 million access the Internet from smartphones and tablets. 4G-LTE mobile networks are available in all major Russian cities. The cost for mobile Internet is low: RUB 117 (about \$2.00) for 1 Gb.