

MEDIA

SUSTAINABILITY

INDEX

2005



IREX

THE 2005 MEDIA SUSTAINABILITY INDEX (MSI) PANEL DETECTED ONLY ONE AREA OF IMPROVEMENT IN THE MEDIA SECTOR: BUSINESS MANAGEMENT AND PROFIT PROSPECTS AT MEDIA OUTLETS, INCLUDING INCREASED ADVERTISING REVENUES.

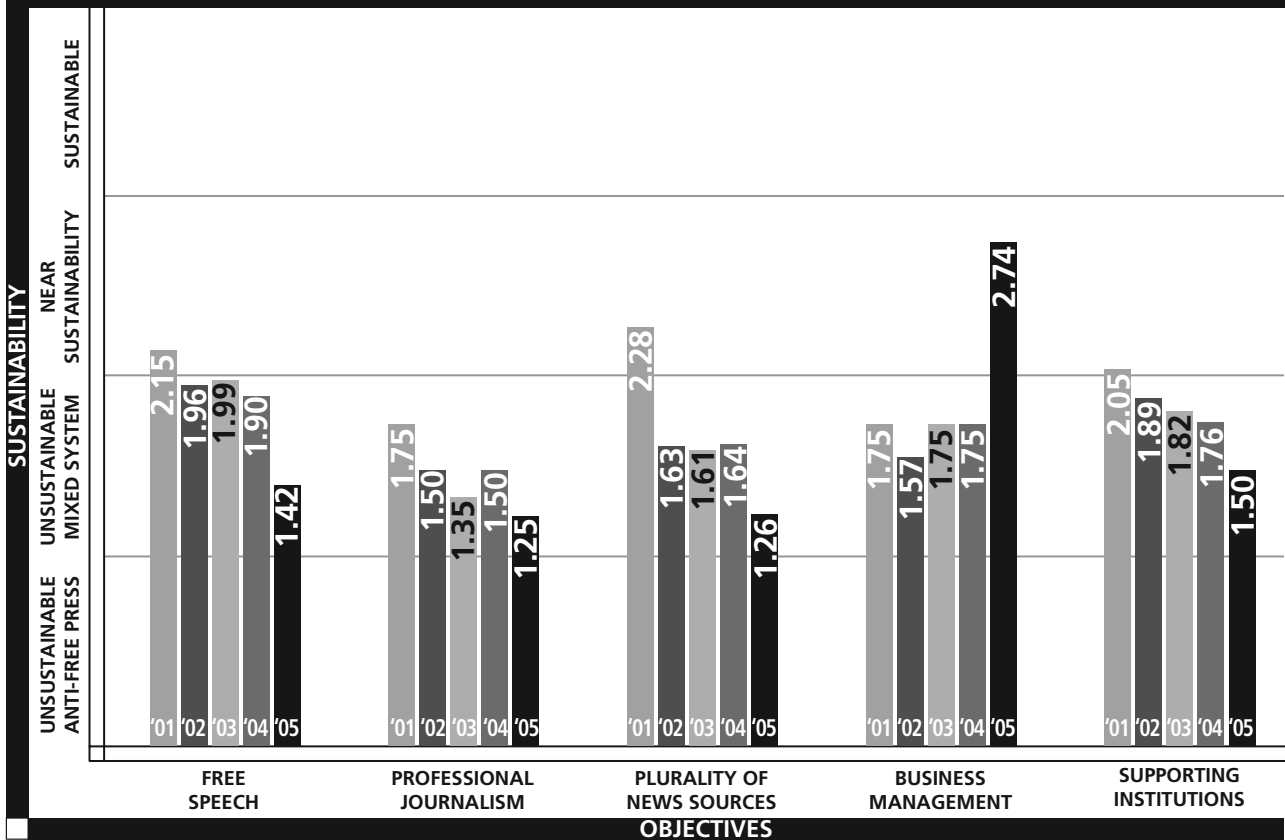


The space in which Russia's media could operate independently continued to constrict in 2005. The government attempted to introduce censorship at the federal level and in the regions, while self-censorship increased among journalists and their editors. Propaganda and control of content grew at the state television stations, as evidenced by the anti-Yuschenko campaign on the First Channel during the presidential elections in the Ukraine. Central authorities increased their power over the government radio-television company, and major businesses linked to political forces bought other media outlets. Despite valiant efforts, especially in regional cities, the powerful media increasingly became an arm of the government, a trend witnessed as the NTV channel and other outlets joined the authorities' campaign against YUKOS oil company head Mikhail Khodorkovsky and his colleagues.

The 2005 Media Sustainability Index (MSI) panel detected only one area of improvement in the media sector: business management and profit prospects at media outlets, including increased advertising revenues. But the panelists said this did not influence the quality and objectivity of information. On the contrary, it made media businesses be more careful to avoid attracting the authorities' attention. Thus, self-censorship increased and owners opted for more profitable and less politically risky options, replacing news-oriented editions with entertainment and "yellow" tabloids and scheduling more entertainment programs such as soap operas, reality shows, and concerts. Newspapers attracted the attention of big-business interests as potential political tools, and *Ogonek* magazine was purchased by Telekominvest in St. Petersburg and the national *Izvestia* newspaper by Gazprom.

The MSI panels expressed particular concern about legislative initiatives that seemed in conflict with constitutional provisions proclaiming freedom of speech. They pointed to regulation of journalists' accreditation at regional legislative meetings, as well as the president's proposal to the Duma to broaden functions of the Public Chamber and provide it with the right "to make conclusions about violations of free speech in the media" and to report them to "the registration, controlling and authoritative organs, to

MEDIA SUSTAINABILITY INDEX: RUSSIA



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.

the media that violated the rules, and to competent state organs or specialists.”

The worsening situation was reflected in lower MSI rankings in all aspects of the media sector except business management and a significant decline in the overall index for the country from the 1.70 level, where it had been in 2002, 2003, and 2004, to 1.49 in 2005.

OBJECTIVE 1: FREE SPEECH

Russia Objective Score: 1.42 / 4.00

Concern voiced by the MSI panelists about the erosion of free-speech rights reflects broader public opinion. The All-Russian Public Opinion Research Center’s survey for 2005 reports that more than half of the Russian population (53 percent) believes that the contemporary Russian media face problems in terms of freedom of speech, and 36 percent of respondents consider those problems significant. The survey also showed that 17 percent of respondents think that leading media outlets are controlled by the authorities.

The MSI participants agreed that the Russian legislation, at the constitutional level as well as within various laws, guarantees freedom of speech entirely in accordance with international human-rights standards. However, the panelists said the reality is different, with these guarantees respected less and less during recent years by the authorities as well as the community, mass media itself, and business. Andrei Richter, director of the Media Law and Policy Institute, noted that “media laws exist, but they are not observed due to how little respect there is for laws in general, the low authority of the media in the community, and the minimal interest of the community in defending free speech, in particular.” Participants agreed that the numerous violations of free press rights did not rouse public indignation. According to Mikhail Melnikov, a Russia analyst at the Center for Journalism in Extreme Situations in Moscow, “Journalists and the community very seldom make use of the formal and legal ways of protecting free speech.”

The issue of broadcasting licenses can be regarded as a vivid example of the lack of a fair and legal foundation for media activity. The issue of broadcasting licenses is governed primarily by political factors such as loyalty to central and local authorities and affiliation with powerful groups, according to the panelists. There is no law specifically on licensing, and the procedure is regulated by legislative acts and the Russian president’s decrees. The vast majority of the members of the licensing commission represent government

interests, and the work of the board is absolutely not transparent. There is no mechanism of public control and no possibility to appeal decisions. The participants gave numerous examples of injustices regarding license applications from regional broadcasters. Veronika Dmitrieva, Russia director for the Media Development Loan Fund, noted “three cases when independent companies won a contest and got broadcast licenses. But having paid considerable fees, two of them failed to get the second required communication license and, thus, could not continue working.”

The panelists said market entry for media outlets is similar to that in other business sectors. However, subsequently, “the private press is more controlled and under the influence of the government compared to business in other branches of the economy,” Mikhail Melnikov said.

The safety of journalists concerned the panel members. Participants mentioned many cases in which editorial staff were threatened or attacked. “None of the journalists’ assassinations as professionals has been fully discovered in Russia,” Melnikov noted. According to

Legal and social norms protect and promote free speech and access to public information.

FREE-SPEECH INDICATORS:

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

experts, the police do not take measures to determine whether attacks against journalists are motivated by their work, instead consistently dismissing them as ordinary crimes. Yevgeny Abov, vice president of the Guild of Press Publishers, noted, "Neither legislators nor other authorities understand journalists cases as special, meaning they could be considered as constitutional violations, but instead lump them in the chaos, carelessly and indifferently, with any other case."

Emphasizing that there is no true public media in Russia, the MSI panelists agreed that although the laws do not give any preferences to the governmental media outlets, in practice they have considerable privilege provided by administrative recourse such as for licenses and to gain access to information.

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A federal law, No. 131, on local government adopted in 2003 and going into full force from January 2006, gives municipal governments the right to establish print media only for publishing municipal legal acts and other

official information. This ended the financial support given to regional and city newspapers from the federal budget. But in practice, editorial offices of local newspapers were removed from the jurisdiction of municipal authorities and united with regional newspapers to form governmental media holdings at the level of the Russian regional administrations in 2004 and 2005. Such concentration provides local newspapers with guaranteed financial support from the regional budget, but at the same time diminishes the professional independence of the editorial offices and reduces the range of information sources in the regions. The law left a lot of ways for local authorities to control the media, including, for example, through government grants and as cofounders of outlets.

Another route for strengthening government media noted by the MSI panelists was the 2005 restructuring of the All-Russian State TV and Radio Company (VGTRK), which consists of the Rossiya, Kultura, and Sport channels as well as 89 regional television companies. This resulted in mass dismissals of journalists, cuts in regional broadcasting, and strengthening of central administration. The branches

lost most rights, the authority of regional heads was reduced, and production of regional television programs was diminished. Creative and financial planning were centralized in Moscow.

Russian legislation considers libel to be a subject for criminal, not civil, law. A plaintiff is not bound to prove falsity and intentional malice by the defendant. The MSI participants said officials from government and business continue to increase the number and size of suits brought against the media. The resolution of the Russian Federation Supreme Court plenary meeting in February 2005 stated that the sum of compensation for moral harm should be equal to the caused harm and should not infringe on freedom of the mass media. The resolution was a response to the widely discussed decision of the Moscow Court of Arbitration from October 2004 to award 300 million rubles (about \$10 million) to Alfa Bank in a case brought against the *Kommersant* newspaper for allegedly causing harm to the bank's reputation in a June 2004 article. The Federal Court of Arbitration reduced the sum to 40.5 million rubles. Media outlets are in danger of ruin as a result of such suits.

There is a range of laws that compel authorities to provide the media with information. For instance, Article 12 of the Federal Law on Information guarantees citizen rights to access state information resources other than security secrets. Article 38 of the Media Law gives media representatives the right to information access. Article 144 of the Criminal Code of the Russian Federation includes criminal penalties for preventing the legal professional activities of journalists. Nonetheless, panelists described growing numbers of violations by regional authorities, including depriving journalists of accreditation and ignoring their applications, refusing to provide public documents, and barring some journalists from official meetings while allowing loyal media to attend. The panelists described the paradoxical situation where media outlets are in effect government departments and have privileged information access, but relations between the media outlets and the authorities are essentially commercial. Andrey Allahverdov, editor-in-chief of the Foundation for Independent Radio Broadcasting, described how "when a journalist in one of the regions tries to report information about a deputy, it is suggested to him that the deputy's name can be mentioned on the state radio station either for a fee—or never."

The authorities do not restrict access to international news or news resources, although the market and distribution systems may have that effect.

There are no restrictions on joining the journalism profession. However, according to the panelists,

the government affects the selection process at the journalism departments of universities indirectly by raising or lowering the availability of places for free-of-charge studies. In addition, panelists estimated that about 80 percent of the curriculum at the university journalism departments is defined and standardized by the government.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Russia Objective Score: 1.25 / 4.00

Although there are positive examples of journalists sticking to ethical standards and working professionally at great risk, the MSI panelists said those standards are too often systematically violated. In particular, Russian media is frequently in the employ of interest groups. Sergei Bachinin, publisher of the *Vyatskiy Nablyudatel* independent newspaper from Vyatka, said, "On the professional level, understanding that a journalist must be objective is growing, but the hiring of the media is quite evident." Another growing problem cited by the panel is the fusing of journalism and PR, which begins from these subjects being taught together in one department at university faculties. As a result, a decline in the media professionalism ranking was recorded for the 2005 MSI in line with the broader general worsening of conditions for the media.

Panelists did differ on the extent of hidden advertising in the media. Print media experts reported that the situation is improving. "Hidden advertising appears less in the regional media of good quality," Veronika Dmitrieva said. "Publishers start to value the trust of their readers." Allahverdov, however, said it still is present in radio programming.

Self-censorship is growing, though Andrey Dmitrieva noted that it is difficult to determine whether this is the result of direct pressure or simply instinct. Media outlet owners, having established some success, are afraid to lose their businesses. Another factor is the threat of legal action and the tendency of courts to rule in favor of plaintiffs claiming damage to their honor and dignity. For their part, journalists self-censor for fear of losing their jobs.

The participants noted that there are certain forbidden themes for the media at the national level, including the ongoing conflict in Chechnya. There are even more such banned topics at the regional level, varying from area to area but often connected with the activities of major business, the army, and the authorities. "For example, in our region, the issue of

the wood sales that is related to the interests of the wood industry is forbidden," said Rusanna Savikyan from the All-Russian State Television and Radio Company in Kostroma.

The respondents found wage levels for journalists to be low in comparison with other industries. This, in turn, caused negative trends such as the sale of journalistic coverage, the migration of journalists to public-relations work, and the active, paid participation of journalists and the media in election campaigns.

The participants noted decline in the informational and analytical programming on radio and television. Shows tend not to rely on multiple sources to assess issues from various points of view, they said, and instead only consider the views of a single commentator on a problem.

Opposition voices and journalistic investigations have disappeared from national channels, replaced by the official view on issues such as the election campaign in the Ukraine and the prosecution of the YUKOS oil company. At the same time, according to the respondents, the number of soap operas, entertaining programs, and concerts has increased sharply. Andrey Allahverdov said: "It is more profitable from the point of view of attracting advertising and less dangerous politically. This approach is supported by the government, although not officially." Another factor

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).

noted by panelists is the aging of the audience for serious press.

Most television and radio stations have reasonably modern, efficient, technical facilities and equipment for news production and distribution. However, panelists said this equipment is not always used to produce high-quality materials. Particularly poorly developed are economic and political coverage, and journalistic investigations. Several factors contribute to this, the panelists said, including the failure of journalism departments to offer specialized training at the university level and the lack of encouragement from audiences, which do not tend to react strongly to the results of probing coverage.

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Russia Objective Score: 1.26 / 4.00

The availability of multiple media offering varied viewpoints declined during 2005, according to the MSI panel. Government media are biased in coverage of social and political situations on the national and regional levels, with only positive coverage allowed of some themes. At non-state media, as well, news content may reflect the views of the outlet owner. The panelists also underlined the limits on access to varied media sources that are imposed by economic realities. People have access to various media—print, television (including cable and satellite), radio, and Internet—in the capital and major cities. However, small towns and especially the countryside have available only one or two central channels and limited radio. There are no alternatives due to the expense or technical limits. Some villages also do not have newspapers delivered on a regular basis. According to the Public Opinion Foundation results for 2005, only 46 percent of newspaper subscribers live in rural areas.

Internet use is growing fast in Russia. According to the Public Opinion Foundation, the percentage of Internet users among those over 18 years old increased from 16 percent in 2004 to 19 percent, or 20.9 million people, in 2005. However, the number of users in each region is not equal: 43 percent of the Moscow population uses the Internet, 28 percent of population in Northwest Russia, 15.5 percent in the Privolzhsky region, 16 percent in the Urals, and 17 percent in the Far East. By contrast, there are regions that still do not have even telephone communication. According to figures of the Ministry of Communications, about 40,000 settlements lack telephone connections in Russia.

Panelists agreed that there is no restriction on access to local or foreign media. People can watch foreign

television, listen to radio, and read foreign online media and order foreign print editions. Their access is limited only by prices and knowledge of foreign languages.

Domestic coverage, however, is getting increasingly uniform. As one commentator put it, “The authorities dominate TV so dramatically that even the president pleaded to show the opposition.” The MSI panelists said the national television channels turn from news to propaganda despite President Vladimir Putin’s message to the Federal Council about the necessity of covering the full range of social and political movements in the country. The Ministry of Defense, meanwhile, has developed the Zvezda and Russia Today channels with the aim of teaching patriotism and changing the image of Russia abroad.

Public Opinion Foundation data for 2005 found that 40 percent of the population think that Russian journalists cover events in modern Russia without objectivity, 33 percent found objectivity, and 27 percent were unsure. For their part, the panelists agreed that neither national nor local print nor broadcast media perform a true public-service role in presenting anything more than the authorities’ point of view. They did, however, give positive reviews to the Kultura TV Channel,

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.

which receives government help to offer cultural and educational programs.

There are both national and regional independent informational agencies in Russia. There are also specialized news agencies that focus on business and economic, sports, and culture news. The Interfax Information Services Group is a large independent news agency specializing in news in Russia and NIS, while ITAR-TASS and RIA Novosti are the largest state information agencies.

Largely because of the price of subscriptions, most regional media instead use the Internet information agencies such as Regnum (www.regnum.ru), Polit.ru, Lenta.ru, Russian Business Consulting (www.rbc.ru), Political News Agency (www.apn.ru), and other agencies.

There is little transparency in media ownership required by law. Owners of media outlets are not known officially, but it is often easy to guess who they are. This "transparency" results from judging how information is manipulated. Large businesses continued to develop their media holdings all over Russia during 2005. For example, the industrial group Severstal controls leading media in Cherepovets and the Vologodsky region. This industrial group owns the Transmit radio station; television channels like TV-7, 12, and Provinsia; the Scat cable television studio; the *Rech* and *Kurier* newspapers, and others. GazProm Media, which belongs to the Gazprom conglomerate, is comprised of television companies NTV, TNT, and NTV Plus; radio stations Echo Moskvi, Radio Troika, Pervoe Popolyarnoe Radio, Do-Radio, and Sport-FM; the 7 Days publishing house; *Itogi* magazine, *Karavan Istoriy*, *Shtab-Kvartira*, *Seven Days* television digest, the *Tribune* newspaper, two cinemas, a film production company, and an advertising agency. During 2005, it acquired 50.19 percent of shares of the prominent national newspaper *Izvestia*.

The situation worsened for media in national languages during 2005 because of the restructuring of the All-Russian State Television and Radio Company (VGTRK). By bringing the regional television and radio companies into central administration, regional production and staff decreased dramatically. This had a serious impact on programs transmitted in national languages in many of the republics, reducing or eliminating much of them. Reduction of financial support of the print media outlets by local authorities also decreased publishing in national languages. The noncommercial character of much of the media in national languages made it vulnerable to these cutbacks, panelists said.

OBJECTIVE 4: BUSINESS MANAGEMENT

Russia Objective Score: 2.74 / 4.00

The skills of media managers and the volume of their businesses are expected to continue to expand, representing the only positive trend in the media sector recorded by the MSI panel. However, although many media companies are striving to become effective businesses, the quantity and professionalism of specialists in the field of management, marketing, and related fields continue to be problematic. As a result, media companies taking random "what if we try this" approaches and media outlets sponsored by politicians or government exist along with highly professional media operations.

Television dominates in the informational sphere in Russia, but online media have been gradually approaching the second place. Internet profit doubled from 2003 to 2004, when it reached \$600 million. It may grow to \$1 billion by 2006, according to industry analysts.

All respondents pointed to continuing growth of the advertising market in Russia. From 2000, advertising in the media has grown by about a third each year. In 2004, according to data from the Communication Agencies Association and the Guild of Press Publishers,

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.

the volume was \$3.85 billion. In the first half of 2005, it grew 28 percent, compared with the same period in 2004, and is expected to exceed \$4.5 billion for 2005 and, potentially, \$5.2 billion in 2006. International advertising agencies remain focused mainly on nationwide television channels, but there has been improvement in the distribution of advertising revenues to regional outlets in recent years, the industry officials said. Television and newspapers outdo radio in terms of advertising. "Radio is not taken as an effective advertising venue," Andrey Allahverdov noted.

Advertising revenue as a percentage of the whole profit corresponds to general standards in commercial media, the panelists said, although some print media outlets may be overly reliant on circulation. Media managers may tend to seek to grow profits by expanding their distribution rather than doing more intensive work with advertisers and existing loyal audiences.

According to Dmitry Surnin, the director of the Eurasia Foundation's media programs, the publishers received a response from the Federal Anti-Monopoly Service, which brought action against the Sverdlovsk Oblast's resolution to use about 12 million rubles from its budget to buy newsprint for municipal newspapers.

There are private printing houses in Russia, which cover some of the market needs. However, a substantial percentage of presses still belong to the government despite a privatization program because it has proven difficult to find buyers and investors, Yevgeny Abov

said. As result, there has been little capital available for updating printing technology. Some newspaper companies are forced to print far from their circulation areas due to political pressures, poor quality, or high rates at the local presses. Although industry monitors say that more newsprint is produced than needed by the market, the price per ton for domestic newsprint is substantially above the world average while custom duties make importing even more costly.

The biggest players in print media distribution are Rospechat, DM Press, and Logos Media. There are some large regional distribution companies related to publishing houses, such as Nizhegorodkaya Pressa, but they are frequently not interested in distributing competitive editions, even if they are more popular.

A few newspapers have developed their own independent distribution systems. The government continues to dominate the subscription services market through the Interregional Subscription Agency. Panelists said this has stifled growth of newspaper circulation because of high prices and conflicts between the publishing companies and the agency. Another problem dampening interest in newspaper subscriptions is the poor condition of mailboxes in apartment blocks, leaving magazines and newspapers prone to theft after delivery.

Media get revenue from numerous sources, but in most cases, the experts emphasized, it is not enough for intensive development of their organizations. Increasingly, media outlets pay serious attention to advertising and try to work actively with advertising companies. Even governmental media that exist thanks to budget subsidies try to attract local advertisers, competing with independent media. Sometimes administrations "strongly recommend" that local outlets advertise in the local government newspaper, not only because it puts economic pressure on independent newspapers in the area but also because the administration looks at its newspaper as an additional source of income.

The government's use of tax revenues to support its media continues to be substantial. For example, in 2005, the budget of the Yamalo-Nenetsky Autonomous Region provided the regional media with 390 million rubles, the Vologodskaya Oblast spent 17 million rubles, and the Altaisky Krai 3.5 million rubles, according to government statistics provided by the MSI panelists. Three independent publishers from the Urals region distributed an open letter of protest against state support to local media during 2005. According to Dmitry Surnin, the director of the Eurasia Foundation's media programs, the publishers received a response from the Federal Anti-Monopoly Service, which brought action against the Sverdlovsk Oblast's resolution to use about 12 million rubles from its budget to buy newsprint for municipal newspapers.

In some cities, the authorities—in what a panelist called "fits of honesty"—announce tenders for grant support to local media outlets. Independent media are allowed to apply but rarely win. Some public-service programming produced by independent media receives government support, such as material for campaigns against drug use.

Audience and market research is developing rapidly. However, MSI participants emphasized that survey companies remain corrupted and nontransparent and even large, well-known firms have damaged their

reputations among media outlets. Media managers at more sophisticated outlets have some experience in using marketing surveys to improve the quality of news content. Television stations, including regional channels, are the most active customers for research, while it is rare when regional radio stations or newspapers can afford these services.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Russia Objective Score: 1.50 / 4.00

Various professional associations serve the interests of media outlets and journalists, but they do not yet fully protect members. Among the better known are the Russian Union of Journalists, the Guild of Press Publishers, the National Association of Television and Radio, the Media Lawyers Union, and the Association of Independent Regional Publishers.

In some cases they compete, while at other times they unite to face common challenges. The essential issue, MSI panelists said, is that lobbying and advocacy in the media sector are not developed well enough. "It takes a lot of time to receive answers from the ministries," said Dmitry Merezhko of the Association of Independent Regional Publishers. "Besides, the media market is a bit wild. We are in the process of growth. Newspapers rather compete than defend common interests. A publisher sometimes refuses to defend industry interests. He could say, 'If you die, I will come to the market myself.'" One example presented by panelists involved free-advertising newspapers that do not want to help commercial newspapers defend their interests in discussions with the postal service. "They tell commercial newspapers to fight, but as for them, they do not need this," Dmitry Merezhko said.

The Russian Union of Journalists has not taken its position as an authentic defender of journalists' rights, the panelists said. "There are certain regional managers in the branches of the Union of Journalists, for instance in Perm and Ekaterinburg, that bravely defend free speech, but these are only fragments not an optimistic picture," Mikhail Melnikov said. Journalists also have not formed an effective trade union.

Several nongovernmental organizations (NGOs), including Internews-Russia, the Eurasia Foundation's media program, the Foundation for Independent Radio Broadcasting, and the Center for Journalism in Extreme Situations, work effectively in providing support to developing the media through consultations, training, and advocacy, panelists said. However, government authorities have begun to question NGOs that work

with international donors. Doubts about the motivation of foreign funders were raised by President Putin and Nikolai Patrushev, head of the Federal Security Bureau. As a result, the government's committee on technical assistance declined during 2005 to register grants given by international donors to some organizations providing professional development and other services to independent media outlets, including the Association of Independent Regional Publishers, the New Eurasia Foundation, and Internews-Russia.

Many state and private universities have journalism faculties that operate in accordance with educational standards that do not meet market requirements. An essential number of hours is devoted to public relations, and the programs for journalists do not include enough practical exercises. An advertisement from a publisher reading, "We would like to hire a journalist. Graduates of Journalism Faculties are asked not to apply" demonstrated the severity of the situation.

Pressure of the authority on the media infrastructure—printing houses and distribution channels—is not heavy in some regions. But in other regions, including Bashkortostan and Mariy El, it is serious. In these regions, newspapers are refused printing services, and their print runs are seized. As for information distribution through the Internet, the government has declared the necessity of taking control of this channel, but no action has been taken outside of isolated security cases.

Supporting institutions function in the professional interests of independent media.

SUPPORTING INSTITUTIONS INDICATORS:

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

Panel Participants

Yevgeny Abov, Vice President, Guild of Press Publishers, Moscow

Andrey Allahverdov, Chief Editor, Foundation for Independent Radio Broadcasting

Sergei Bachinin, Publisher, Independent newspaper *Vyatsky Nabludatel*, Vyatka

Veronika Dmitrieva, Regional Director, Media Development Loan Fund, Moscow

Mikhail Melnikov, Russia Analyst, Center for Journalism in Extreme Situations, Moscow

Dmitry Merezhko, Executive Director, Association of Independent Regional Publishers, Moscow

Andrei Richter, Director, Media Law and Policy Institute, Moscow

Rusanna Savikyan, Journalist, VGTRK Radio Station, Kostroma

Dmitry Surnin, Media-Sector Portfolio Manager, Eurasia Foundation, Moscow

Olga Vdovina, Chief Manager of the Internet Project, Mediaguide.Ru, Moscow

Moderators

Anna Koshman, Director, Inter-Regional Institute of Media Consultants

Anna Averina, Media-Sector Consultant, Eurasia Foundation

RUSSIA AT A GLANCE

GENERAL

■ **Population:** 143,500,000
Goskomstat

■ **Capital city:** Moscow

■ **Ethnic groups (% of population):**
Russian 79.8%, Tatar 3.8%, Ukrainian 2.0%, Bashkir 1.2%, Chuvashi 1.1%
2002 Census

■ **Religions (% of population):**
Orthodox 86.5%, Moslem 10%, Armenian-Grygoryans 0.8%, Pagan 0.5%, Catholic 0.35%, Lutheran 0.3%, Buddhists 0.25%, Jewish 0.15%
Inter-Religion Council of Russia, 2002 Census

■ **Languages (% of population):**
Russian 98%

■ **GDP:** 2004: 16751.5 billion rubles (\$598.27 billion); 2005: 6% growth expected

■ **Literacy rate (% of population):**
99.6%

■ **President or top authority:**
President Vladimir Putin

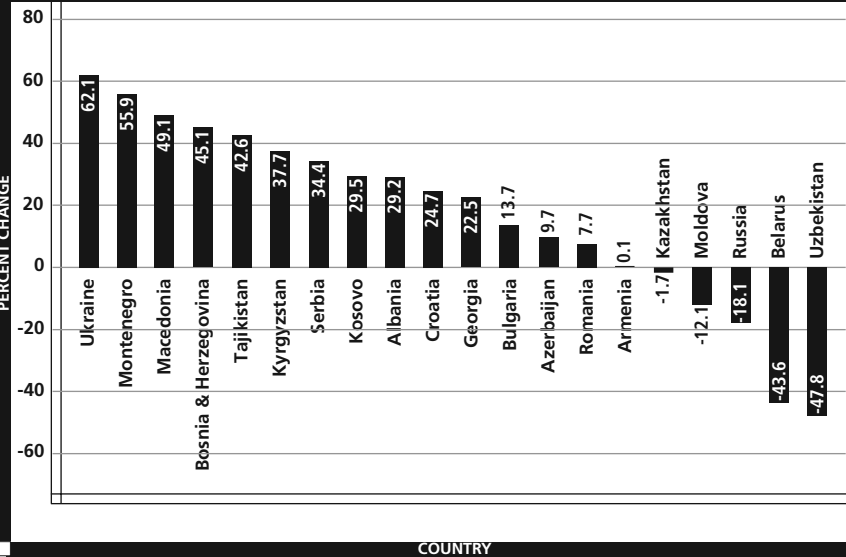
■ **Next scheduled elections:**
Presidential 2008, State Duma 2007

MEDIA-SPECIFIC

■ **Newspaper circulation statistics (total circulation and largest paper):**

- Total annual circulation of Russian newspapers: Over 8.5 billion copies
- Total annual circulation of national newspapers (400): 2.9 billion copies

MSI AVERAGE SCORES—PERCENT CHANGE 2001–2005



- Prof Media is the largest publishing house, with 90 newspapers and a total one-time circulation of 6,133 copies. *Federal Agency of Print and Mass Media, 2005*
- *Argumenti I fakti* national newspaper has the largest circulation, with 3,000,000 copies. www.mediaguide.ru

■ **Broadcast ratings (top three ranked stations):** Channel One, Russia, CTC TNS Gallup Media

■ **Number of print outlets, radio stations, television stations:**

- 62,971 media outlets: 50,621 print media outlets, including 26,000 newspapers, 16,500 magazines, and 12,350 broadcasting and Internet media
- 3,720 broadcasting licenses: 1,466 radio and 2,254 television

Federal Service of Inspectorate for Law Observance in Mass Media and Culture Heritage Protection as of October 1, 2005

■ **Annual advertising revenue in media sector:**

- **Media (print, broadcasting, Internet):** more than \$6 billion
- **Print:** \$1.9 billion (sales copies), \$1.25 billion (advertising) *Federal Agency of Print and Mass Media, 2005*

■ **Number of Internet users:** 20.9 million *Public Opinion Foundation*

■ **News agencies:** ITAR-TASS (state), RIA-Novosti (state), Interfax (private)

MEDIA SUSTAINABILITY INDEX: RUSSIA

