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RUSSIA

In 2008, Russian authorities maintained their control over the information sphere. The government's influence became obvious to observers during the Russian media coverage of the presidential campaign in the spring and the August military action in South Ossetia, Georgia. And for a long time, Russian media did not acknowledge that the global economic crisis is affecting the national economy.

The majority of Russian media outlets are owned or controlled by the state and affiliated entities, and therefore propagate the state's interests and positions on issues. They receive state funding and the authorities use their power to increase the reach of their circulations. At the same time, state media outlets compete with independent media in the advertising market. "[Last year] left me with a very bad feeling, because there was an absolutely obvious drift towards undisguised propaganda," said one panel participant. "There are less and less independent media. And authorities do not even put any special efforts towards this—they just create economic conditions where some media cannot survive."

The majority of Russian citizens either do not value freedom of speech or view it as useless because critical publications do not affect any changes. Crimes against journalists are not prosecuted vigorously. As a result, many journalists are either afraid or see no sense in being "watchdogs" for the public interest, and resort to self-censorship.

Nonetheless, Russia still has a small cadre of independent media—mostly in the regions—that are committed to internationally recognized professional and ethical journalism standards. These media outlets operate as well managed, efficient businesses that generate most of their revenue from advertising sales. The expansion of Russia's advertising markets has enabled these media outlets to grow. In 2008, many of them launched informational Internet sites and media projects in neighboring regions.

Russian media experienced the effect of the global economic crisis only in November 2008, when their advertising revenues dropped sharply. As a result, several media outlets, both state-owned and private, laid off some of their staff. Given the delayed impact of the global economic crisis in Russia, MSI panelists were not prepared to evaluate the full effect of crisis on the Russian media sector, so their scores mostly represent the situation before the crisis struck.

Overall, the score for Russia showed little change, inching up from 1.78 to 1.88 this year. There was some modest improvement to Objective 1, free speech, and Objective 2, professional journalism, which helped drive the increase. Objective 4, business management, also experienced slight growth and moved back to the early stages of "near sustainability." However, it must be noted that all objectives aside from Objective 4 remain below their 2001 baseline scores.

RUSSIA AT A GLANCE

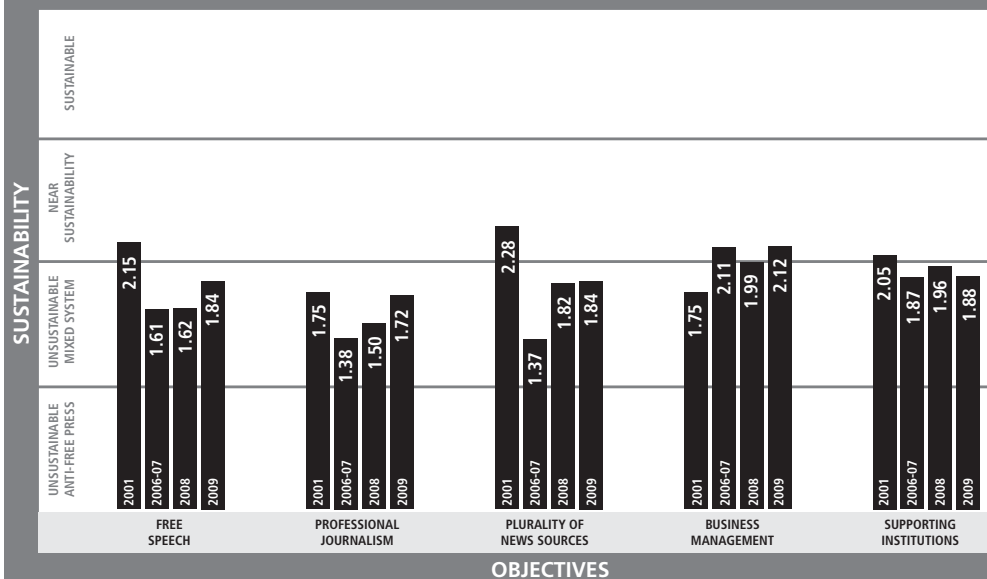
GENERAL

- > **Population:** 140,702,096 (July 2008 est. *CIA World Factbook*)
- > **Capital city:** Moscow
- > **Ethnic groups (% of population):** Russian 79.8%, Tatar 3.8%, Ukrainian 2%, Bashkir 1.2%, Chuvash 1.1%, other or unspecified 12.1% (2002 census *CIA Factbook*)
- > **Religions (% of population):** Orthodox 86.5%, Muslim 10%, Armenian-Grygoryans 0.8%, Pagan 0.5%, Catholic 0.35%, Lutheran 0.3%, Budhist 0.25%, Jewish 0.15% (2002 Census)
- > **Languages (% of population):** Russian, many minority languages
- > **GNI (2007-Atlas):** \$1.071 trillion (World Bank Development Indicators, 2008)
- > **GNI per capita (2007-PPP):** \$14,400 (World Bank Development Indicators, 2008)
- > **Literacy rate:** 99.4% (male 99.7%, female 99.2%) (2002 census, *CIA World Factbook*)
- > **President or top authority:** President Dmitriy Anatolyevich Medvedev (since May 7, 2008)

MEDIA-SPECIFIC

- > **Number of active print outlets, radio stations, television stations:** Print: 35,500 newspapers, 23,500 magazines; Radio: N/A; Television Stations: N/A (Federal Agency of Print and Mass Communications, 2008)
- > **Newspaper circulation statistics:** 7.8 billion total newspaper copies, 1.9 billion total magazine copies (Federal Agency of Print and Mass Communications, 2008)
- > **Broadcast ratings:** top three television station: Channel One (21%), Rossiya (16.3%), NTV (13.7%) (TNS Gallup Media)
- > **News agencies:** ITAR-TASS (state), RIA-Novosti (state), Interfax (private)
- > **Annual advertising revenue in media sector:** \$6.36 billion (Association of Communication Agencies of Russia, 2008)
- > **Internet usage:** 30,000,000 (2007 est., *CIA World Factbook*)

MEDIA SUSTAINABILITY INDEX: RUSSIA



Annual scores for 2002 through 2005 are available online at http://www.irex.org/programs/MSI_EUR/archive.asp

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.

OBJECTIVE 1: FREEDOM OF SPEECH

Russia Objective Score: 1.84

This year, modestly higher scores in most indicators resulted in a moderate increase in Objective 1's score. Only indicators 5 (preferential legal treatment for, and guaranteed legal independence of, state media), 7 (access to information), and 8 (media access to foreign news sources) remained static. Furthermore, Indicator 9 (free entry into the journalism profession) experienced a slide in score. Despite the higher score overall, panelists pointed to the persistence of some problems with free speech in Russia; as a result, Indicator 4 (crimes against journalists) and Indicator 5 both lagged behind the objective score by about three-quarters of a point. Indicator 8 was alone in receiving a score remarkably better—in this case more than a point—than the objective score.

Russian society and media have effectively split. The government controls outright or, through various connections, heavily influences the majority of media outlets, and these champion government positions. The majority of the Russian people find this situation acceptable. Oleg Panfilov, director of the Center for Journalism in Extreme Situations, estimates that only 6 percent of Russian citizens are interested in alternative information, and they find it on the Internet and from the few remaining independent media, which are mostly print.

In 2008, Russian authorities continued to expand the reach of state-owned print media. Natalia Znamenskaya, chief editor of *Zhukovskie Vesti*, noted that free copies of the national and governmental *Rossiyskaya Gazeta* were delivered to all local residents for several months, and the city administration required all heads of local enterprises to subscribe to a municipal newspaper owned by the administration as well as make 100 to 150 of their employees subscribe. "People are just swamped with state publications," Znamenskaya said. "People may not really read them, but they feel bad about the propaganda being imposed on them, and this erodes the trust in newspapers."

Several panelists noted that in 2008, the pressure on the independent media continued. Stanislav Glukhov, general director of the Grand Express Publishing House and chief editor of *Khabarovskiy Express*, said that "authorities tighten their grip slowly but surely. They keep separating loyal media outlets from non-loyal ones. The [non-loyal media] that try to introduce journalistic standards, build civic society, and grow with this society experience restricted access to information, economic pressure, and endless inspections by authorities."

In some cases, authorities start criminal investigations of the business operations of independent media outlets to put pressure on them. An example is the case of Tomsk TV-2, "the last independent TV company in Russia," according to Leonid Nikitinskiy, commentator for *Novaya Gazeta* newspaper. The station aired several reports about work methods used by Tomsk police officers, and in response, authorities started a new investigation into a five-year old criminal fraud case against the company related to purchase of its office.

Panelists had varying opinions on the Russian court system. "Russian legislation provides optimum protection for all rights related to free speech," said Fedor Kravchenko, an attorney with the Bar of Media Lawyers. But Znamenskaya said, "We do not have independent courts that would ensure enforcement of media laws or any other laws. Often the courts serve political interests."

The practice of freedom of speech differs considerably among Russian regions. According to Boris Timoshenko, head of monitoring for Glasnost Defense Foundation, "There are less and less light spots" on the map of Russia. The situation is best in Novosibirsk region, the city of Yekaterinburg and the region of Sverdlovsk,¹ Saint Petersburg, and Tomsk (the above example notwithstanding). The worst situations are in Bashkortostan, Kalmykiy, Kemerovo region, and in central Russia.

"In the regions, local authorities are afraid to be disagreeable to the central ones, so they try to suppress any attempts to speak openly about many topics," said Andrey Ponomarev, editor of Echo of Rostov radio station.

In general, the licensing of broadcast media is competitive. However, as Kravchenko noted, if a state company takes part in a competition along with private ones, it always wins. "It is not a problem to get a license. But one cannot be sure that this license won't be suspended for unclear reasons. In this regard, the arbitrariness of authorities almost reaches 100 percent—both in theory and in practice," he said.

Authorities issue broadcast media outlets hundreds of warning notices for non-compliance with approved regulations, even though the rules for compliance are still unclear.

Market entry conditions and tax structure for media outlets are comparable to other industries. Kravchenko commented that Russian tax legislation is not quite clear, so media outlets sometimes try to use its ambiguity to "optimize" their taxes, which is risky for any business. In addition, tax inspections are used by authorities as an instrument for putting pressure on

¹ For example, Boris Kirshin, chief editor of *Chelyabinsk Rabochiy* (Chelyabinsk, Sverdlovsk region), scored the free speech indicator about twice as high as the average returned by the other panelists.

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media outlets, although some NGOs and other businesses are subjected to this as well.

Several panelists commented on the unfair competition between state-owned and private print media outlets. "In the market of print publications, there is a huge segment of state-owned media that have state funding and at the same time sell advertising space, naturally at discount prices. They are able to sell ad space for nothing. And this draws advertisers [away] from private media," said Maria Eismont, director of the New Eurasia Foundation's Russian Independent Media Program.

According to the Glasnost Defense Foundation's 2008 statistics, five journalists were murdered in Russia, 58 were assaulted, and two are missing. Panelists felt that crimes against journalists were prosecuted poorly and Znamenskaya said that this belief is shared by Russian citizens. *Zhukovskiye*

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.

Vesti surveyed its readers on the possible outcome of the investigation of the assault of journalist Mikhail Beketov from the city of Khimki, near Moscow. Beketov, who published a series of articles about plans to cut down a local protected forest to build a federal highway, was beaten almost to death in November 2008. "Nobody believes that [this crime] will be investigated. Everybody believes that this will be a long process that will not bring any results," Znamenskaya said.

Timoshenko noted, "Usually there are 70 to 90 assaults a year, and this year, initially there was a significant drop," indicating that the number of violent crimes against journalists may be on the decline. Timoshenko attributed this to the fact that journalists are already scared and do not make themselves targets for assault. He also said that although methods of violent influence are now used only in extraordinary situations, the media environment is still hostile. "There is a paradox: on the one hand the manners have gotten milder—there is less physical violence—but on the other hand, a journalist is besieged from all sides and the free space he has for maneuvering is disappearing," he commented.

A similar opinion was expressed by Glukhov, who was sentenced to a year in jail and put on probation for disseminating libel against a member of the Khabarovsk Kray legislature. He detailed his ordeal for the panelists. "Before I was beaten up and stabbed, my print house was set on fire three times. So they used physical methods. Now they use judicial ones. And they are more effective, actually. Journalists feel the consequences of being under investigation. These are searches. The newspaper office was searched three times, my apartment was searched. All computers used for accounting were seized. I did not give the name of the author of the article, and they were looking for his name in the payment documents. And they took all accounting documentation. They kept it for a month, and did not even look at it. They told me, 'You should not be writing wrong things,'" he said.

Boris Timoshenko said that law enforcement authorities never look for anyone but the person who actually committed the crime, and investigation of crimes against journalists tends to focus initially on domestic or economic motives. The possibility that the crime is related to the professional activities of journalists is always considered last.

Crimes against journalists do not cause wide public outcry, although there are some positive examples. Veronika Dmitrieva, regional program director for CIS of the Media Development Loan Fund, described the recent case of a juror in a murder trial coming forward and stating to the media that the jurors were forced to sign an agreement to keep the proceedings closed to journalists. This case "evidences that there is still public interest in independent journalism and in investigation and prosecution of these crimes," she said. A

meeting held by 200 residents of Khimki in support of Mikhail Beketov is additional proof that some people care about independent journalists.

Libel is a criminal issue in Russia, and a journalist can be sentenced for up to three years in prison. In 2008, a group of Russian legislators proposed dropping libel from the criminal code and making it a civil law issue, but this amendment is still pending. At the same time, Russia's civil code includes an article against defamation. In the criminal process a plaintiff has to prove libel, but in a civil case the burden of proof is on the media outlet, which must prove that the information it published about a public official is true. However, court decisions are often not independent. According to Znamenskaya, no matter what evidence a media outlet presents, the ultimate court decision will be determined by the official's status and influence on the court.

Russian law guarantees editorial independence of state-funded media, but in reality, these media outlets engage in propaganda in support of state interests. Znamenskaya commented that in the city of Zhukovskiy (near Moscow), municipal newspaper journalists are government employees. "They hold positions of state executives; they receive benefits as state executives; they receive retirement benefits as state executives," she said. "State executives cannot be independent."

The law guarantees all media access to public information, but it is very difficult to obtain any information from state agencies. Znamenskaya and Glukhov said that authorities often do not let reporters from their respective newspapers attend official press events, and when newspapers send official requests for information they receive only meaningless formal replies. In many state agencies, staff can give interviews only upon permission from a superior, and it is almost impossible to get this permission.

State agencies have their own press offices, but these offices promote agency achievements and do not assist journalists in gaining access to agency information. Oleg Panfilov said that he believes that this mostly has to do with the level of legal knowledge of press office employees. Though access to public information is complicated, panelists who work as chief editors commented that they learned how to get public information anyway.

Media have unrestricted access to international news and news sources. People who do not know a second language can read online translations into Russian of international publications, e.g., on the website InoPressa.

Entry into the journalism profession is free. "Anyone who gets the job at the newsroom becomes a journalist," said Glukhov. "Even if a media outlet considers a person to be

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its freelance reporter, this person by law will have a status of a journalist." Leonid Nikitinskiy, commentator for *Novaya Gazeta*, noted that the absence of restrictions for entering into the profession has a downside. "This undermines the prestige of the journalism profession," he said. "I would prefer that there were some qualification rules."

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Russia Objective Score: 1.72

Professional journalism experienced a modest rise in score this year due to notable increases in indicators 2 (ethics), 5 (pay levels for journalists), and 6 (balance of entertainment and news programming). Despite the increased score, it was still the lowest of the five objectives and several key indicators remained at or below the objective average. Indicator 3, self-censorship, was on the bottom, more than a half-point behind. Indicator 7, technical equipment, again this year lifted the average significantly, with a score about one point higher.

Even independent media do not always produce fair, objective, and well-sourced reporting. According to Znamenskaya, the reason is the relatively recent advent of journalism meeting international standards in Russia. "In Russia, we do not have a history of practicing true journalism," she said. "Before 1991, we were doing propaganda. And propaganda does not require using several sources. You have a task and you have to fulfill it. The journalism profession was born in 1991, so it is not even 20 [years old] yet. It is still in the making. We have only the first generation of people who know that journalism is about different sources, different commentary, and different points of view," she said.

Boris Kirshin, general director and chief editor of *Chelyabinskii Rabochiy*, added that journalists often do

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not use several sources because they have to work on many stories at once.

Still, there are examples when media—even small local newspapers in the regions—adhere to professional journalism standards and cause outrage among their readers. According to Maria Eismont, during the August 2008 Russian military campaign in South Ossetia, newspapers that included the Georgian point of view in their coverage "immediately experienced the storm of hateful and outraged comments from their readers, because the public completely supported all activities of Russian authorities, and the majority of the media were under the spell of overall propaganda and state policy," she said.

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).

Russian media have a theoretical understanding of ethical journalistic standards, but putting theory into practice remains elusive. According to Ponomarev, journalism departments teach ethical standards to their students, "but as soon as a person enters the profession, he recognizes that if he follows these standards in our country, he will not be able get information and make this information interesting," he said.

Ethical standards are followed by a small number of independent private media outlets—the same outlets that follow overall professional standards. "I have a corporate code of ethics in the newsroom. We adopted it by a joint meeting of staff. A new reporter coming to the newsroom has to confirm in writing that he read the code and agrees to follow it," said Znamenskaya. According to Anna Koshman, executive director of the Alliance of Independent Regional Publishers, 46 of the publishing houses that are members of the alliance have their own ethical codes and try to follow them. Russian ethical standards are very similar to the international standards upon which they are based. For example, journalists working at *Zhukovskie Vesti* used *The New York Times* code of ethics as the model for their own code.

For the majority of media outlets, however, "materials 'made to order' are an unwritten standard," according to Kirshin. These materials are viewed as a version of advertising, but many media outlets publish these materials without labeling them as advertising.

Media members accept kickbacks for coverage only if the newsroom has an atmosphere conducive to them. "If the chief editor considers this practice acceptable, journalists will do this. If [the editor] finds it unacceptable, then they won't," said Eismont. For example, Znamenskaya said she would never allow this in her newsroom.

Journalists and editors regularly practice self-censorship. "I have to practice it almost every day," Ponomarev said. "I'm unable to broadcast a lot of information, though it is checked and true, because I can be punished by the administration, local authorities, representatives of authorities, and law enforcement agencies."

Znamenskaya believes that media practice self-censorship because they are scared by crimes against journalists that are not investigated, and they experience economic pressure from authorities. Kirshin noted, "For older journalists, self-censorship is a sort of Soviet remnant. Younger journalists practice it under the pressure of media managers, who have to yield to various political and business interests."

Journalists' pay levels depend considerably upon the level of development in the media outlets where they work. According to Koshman, strong print media pay average salaries for their regions, and these salaries are higher than

those of teachers and doctors. Znamenskaya reported that at her newspaper, journalists are paid about the same as the staff at the local municipal newspaper, but her reporters work harder. However, in general, the pay level of journalists in Russia is low.

Russia has a small number of informational newspapers in which entertainment does not eclipse news and information. In other media, especially on television, entertainment has effectively ousted news and information. Entertainment materials are easier and cheaper to produce than quality news, and they are popular with audiences and advertisers. In addition, according to Kravchenko, "When a media outlet makes entertainment materials, it does not attract the attention of authorities and is less likely to become a target for the state-imposed pressure."

Several panelists noted that the economic crisis that started in Russia in fall 2008 stimulated interest in news and information. Several newspapers covering the crisis saw increased circulation.

In general, Russian media outlets have modern and efficient facilities and equipment for gathering and producing news. The quality of facilities and equipment depends upon the financial well-being of the media outlet or its owners.

Panelists had different opinions regarding the current state of investigative reporting. Nikitinskiy said that court and economic reporting is gradually improving, though this trend cannot be considered stable yet. But Ponomarev said that fewer new journalists are conducting investigative reporting, due to the decline in quality of education in general and journalists' training in particular.

Znamenskaya agreed. "There are extremely few people who do investigative reporting. Why? Because today, investigative reporting is risky. But worst of all, readers do not care about it. As one journalist told me, 'It does not make any sense to stretch yourself doing investigative reporting, because nothing will happen after your report is read. There will be no follow-up, except for my death,'" she said.

OBJECTIVE 3: PLURALITY OF NEWS

Russia Objective Score: 1.84

Little change occurred in this objective. Modest increases in Indicators 2 (citizen access to media) and 6 (transparency of ownership) were offset by several minor decreases elsewhere. Overall, the scores of most of the indicators were clustered close to the overall objective score. The exceptions were Indicator 2, which scored about three-quarters of a point

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higher, and Indicator 3 (state media are non-partisan), which scored well over one point lower.

Russia has many news sources, but the majority of them are owned or controlled by the state. For example, Kirshin estimated that 93 percent of Russian media outlets are in some way influenced by the authorities. Znamenskaya said, "There are only four independent newspapers in the whole Moscow region. The rest are a network of state or state-affiliated newspapers." Tamerlan Aliev, aide to the president of Chechnya, said that in Chechnya there is no longer any newspaper that is not funded by the state. In the panelists' opinion, this severely limits plurality of opinions in the media as a whole. Several panelists commented that Russian television is not a means of mass information anymore; it is rather an instrument of mass state propaganda.

Television is the principal media used by Russians. According to the results of a survey² conducted in September 2008 by the Public Opinion Foundation, 96 percent of Russians watch television and 44 percent use it as a source of news. An near totality—91 percent—of Russians are able to watch both state television channels (Channel One and Russia), 76 percent are able to watch NTV, 59 percent access the Culture channel, 56 percent TBT, and 55 percent REN-TV. Far fewer—42 percent—can access local television channels, 16 percent have cable television, and 10 percent satellite television. The most popular television channels are the state channels Russia (48 percent of respondents watch it) and Channel One (44 percent).

Of Russians aged 12 and older, 62.7 percent listen to the radio, according to TNS Gallup Media.

According to the Federal Agency of Press and Mass Communications, the number of officially registered newspapers is 35,500, but experts estimate that only 15,000 actually operate. There are 400 national newspapers; the rest are regional and local. The majority of regional and about 80 percent of local newspapers are established by state and municipal authorities. The Federal Agency of Press reports that newspapers are the principal producers of information content in the country. According to the All-Russian Center for Studying Public Opinion, 26 percent of Russian citizens do not read newspapers at all, 28 percent read national

² This survey included 1500 respondents in 100 locations in 44 regions.

Both in Moscow and in the regions, the majority of media outlets are owned by large business conglomerates. Owners regularly influence editorial policy to avoid conflict with authorities.

newspapers, 25 percent read regional newspapers, and 36 percent read district and city newspapers.

According to the Public Opinion Foundation data, in 2008, Russia's Internet audience increased from 27 percent to 30 percent of the adult population, and daily Internet usage increased from 12 to 14 percent. In Moscow, 58 percent of adults are Internet users and 76 percent of them log on every day. In the regions, 23 to 38 percent of the adult population are Internet users, and from 31 to 51 percent of users log on daily. Most Russian Internet users log on from home (71 percent overall; 90 percent in Moscow and from 60 to 80 percent in the regions), 41 percent log on from the workplace (53 percent in Moscow and from 36 percent to 42 percent in the regions), and 10 percent log on using mobile devices.

According to a survey conducted by the IBM Institute for Business Value, the majority of Russian Internet users search for news. Ninety-three percent of users aged 15 to 24 and 98 percent of users aged 40 to 60 reported reading news online. One in two Internet users creates his or her own information content.

However, panelists had opinions that differed from the above statistics. In one of his public presentations, Oleg Tylevich,

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.

Internet projects director of Media-3 Holding Company, said that at present, the Internet is turning from a source of information into a way of communication. Eismont also said that most Russian Internet users go online not to search for news but to communicate with each other in social networks.

According to panelists, many private regional publishing houses launched new print publications in neighboring regions in 2008. Koshman highlighted one more trend that emerged: many print media, including regional ones, launched websites. Regional newspaper websites hold second or third position in lists of the most popular Internet news sources in their regions. Thus, the number of news sources available to people in the regions has increased. On the other hand, as a result of the economic crisis that hit Russia in the fall of 2008, a number of nationwide publications (for example, *Rossiyskaya Gazeta*), closed their regional offices. Eismont said that many corporate newspapers have also closed because of the crisis.

Russia has many news sources, and panelists said that most people can afford them. Smaller cities and rural areas have fewer available news sources than major cities. Residents of big cities still have more access to the Internet, but the outlook has improved elsewhere as well, since most rural schools in Russia now have access to the Internet. Blogs are also more typical for larger cities. Mobile data platforms are still not widespread.

Access to domestic and international media is not restricted. Foreign newspapers are not sold in Russia, but people can read them online.

There is no public media in Russia as traditionally defined in other areas of the world (for example, Western Europe and the United States), and state media are absolutely engaged politically. "State media reflect the position of only one political party [Unified Russia] and serve state interests. They are under strict censorship," said Koshman.

Several panelists commented that state media is not a true means of information dissemination but rather an instrument of state propaganda. "It is unlikely that state media will present any point of view that is not supported by the power structure," said Kravchenko.

Out of three major Russian news agencies, two—ITAR-TASS and RIA Novosti—are state-owned and receive state funding. "Leading agencies belong to the state. I think that they can produce quality information on general events, but political information is for sure heavily censored," said Koshman. Privately owned Interfax is the third major news agency.

The major news agencies disseminate information, photo and video materials, and infographics by subscription. Most

nationwide media use these services, but for many regional media they are too expensive. In the regions there are also news agencies, e.g. Rosbalt, that disseminate information for free through their websites. Federal and some regional media (e.g. Boris Kirshin's newspaper *Chelyabinskiy Rabochiy*) use international news agencies, but in general such services are too expensive for regional media.

Independent broadcast media produce their own news programs, but other than REN-TV, Echo of Moscow radio station, and Tomsk's TV-2, Russia has very few independent outlets. "There are no independent radio and TV stations in our city," said Znamenskaya, who is from Zhukovskiy, near Moscow.

The majority of private radio and television broadcasters in the regions are partners of federal television and radio stations, and rebroadcast their programs and produce only local news. Dmitrieva, regional director for Russia and CIS at the Media Development Loan Fund, commented that the quality of this news often is very poor.

Both in Moscow and in the regions, the majority of media outlets are owned by large business conglomerates. Owners regularly influence editorial policy to avoid conflict with authorities. Information about media ownership is not transparent; however, according to Dmitrieva, it is possible to find out who owns a media outlet. For example, information about acquisitions of media companies can be found online. Eismont has said that in small cities, people know everything about everybody, so readers know who owns local newspapers. Znamenskaya noted that she usually learns who owns a newspaper from its content. "I can know this from the way information is presented—'well, this person was mentioned three times on three pages. This must be his newspaper.'"

Foreign investment in Russian media is small, and foreign publishers prefer to invest in glossy magazines rather than newspapers. Koshman attributes this to high political risks and the major differences between western and Russian models of newspaper business.

Russia has minority-language media, and many of them are funded by state. Some minority communities publish their own newspapers, e.g. there are Chinese newspapers in Moscow. The state funds media for people with disabilities as well. At the same time, Russian society at large remains quite intolerant. This restricts the range of public interests reflected in mainstream media. "Editors and managers of media outlets follow public stereotypes. They are not leaders that change public opinion. They do not try to...make people more tolerant to minorities and promote their interest in minority issues," commented Dmitrieva.

OBJECTIVE 4: BUSINESS MANAGEMENT

Russia Objective Score: 2.12

The score for Objective 4 increased only slightly compared to last year, but did exceed a 2.00 again, having dipped just below last year. Few indicators changed significantly, although several received scores slightly higher than last year. Indicator 4, balance of advertising revenue compared to other sources, showed a modest gain. All indicators received scores very close to the overall objective score.

Over the last several years, Russia's advertising market has been growing rapidly, and as a result, both private and state-owned media have become profitable. At the same time, according to a number of panelists, competition in the Russian media market is unfair. State-owned media outlets are active in the advertising market but state funding enables them to sell advertising at drastically reduced prices, thus undercutting the advertising rates of private media. According to the Federal Agency of Press and Mass Communications, the budget of the city of Moscow for the year 2008 allocated RUB 4.8 billion for municipal television and RUB 697 million for municipal print media. In the Tatarstan 2008 budget, RUB 3.4 billion was allocated for state-owned media, including RUB 630 million for print media. The 2008 budget of Bashkortostan allocated RUB 1 billion for state-owned media outlets, including RUB 448 million for print media. Independent private media outlets also have to compete with corporate newspapers that are published as public relations tools for large enterprises.

Eismont said that, in her opinion, financial success is unrelated to editorial independence of a media outlet and its adherence

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.

to journalistic professional standards. "Advertising markets were growing. This allowed many editors, publishers, and owners of media outlets to generate revenue and invest in the development of content and quality journalism. On the other hand, many other media outlets that had neither ethical nor professional values were getting the wrong impression that they were good, professional media," she observed.

Russia started to feel the effects of the global economic crisis in the fall of 2008. In the media sector, outlets in major cities were the first affected by the crisis—in November, their advertising revenue dropped sharply. Koshman said, "The crisis spread like a wave. First it was felt in Moscow and St. Petersburg, then in larger cities, and it still did not reach small cities. The larger the city and the closer it is to the capital, the more advertising budgets have already been removed."

As their revenue dropped, many independent media outlets had to lay off a number of employees or freeze their salaries. For example, Znamenskaya reported that the staff of her newspaper expected salary increases at the end of 2008. As a result of the crisis, her newspaper has already lost two pages per week of job posting ads. At a meeting, Znamenskaya offered her staff a choice: "Either we lay off several people and then increase salaries for the rest, or we tighten our belts and keep everybody." People decided to do without the salary increase to keep everyone on board.

Many national state newspapers closed their regional offices. According to Dmitrieva, "Our partners in the regions say that state-owned newspapers are closing en masse. *Rossiyskaya Gazeta* closed its regional offices and laid off all staff. They were paying very high salaries, which also had a negative effect on independent publishers. A lot of oligarchic media outlets closed. This makes a life a bit easier for independent publishers, because unhealthy competition will ease."

Over the past several years, managers of independent private media actively learned to manage their business. Many companies established financial management systems and human resources departments. "People realized what it means to manage business," said Dmitrieva. "So even now, during the crisis, they try to optimize their business—they take it seriously. They cut costs, but they do it mindfully."

According to the panelists, government media outlets are not managed properly. "In the state media, budgets are stolen, the costs are overstated, and people work inefficiently," said Znamenskaya.

Before the fall of 2008, private independent media outlets typically had multiple sources of revenue. Private media outlets received about 80 percent of their revenue from advertising sales and 20 percent from circulation sales. There were many advertisers, so none of them could actually

affect editorial decisions. In November 2008, however, many advertisers started to withdraw their ads to cut costs, and revenue of media outlets dropped.

In 2007, the Russian advertising market totaled RUB 228.7 billion, according to the Association of Communication Agencies of Russia, and it was expected to grow further in 2008.³ Koshman commented that the market was not balanced: the lion's share of advertising budgets went to television stations (almost 50 percent in 2007, while worldwide television gets only 38 percent of advertising revenue). Major national advertisers focus mostly on large cities with populations of one million or more, and very little money is spent on advertising in cities with fewer than 500,000 residents.

Advertising agencies place ads in all kinds of media outlets. Kravchenko noted that the television advertising market is still rather monopolized by the Video International advertising agency. Znamenskaya commented that due to advertising agencies, her newspaper runs advertisements from major companies that do not work with small newspapers. However, business from ad agencies has its downside, she said. "Several times, staffers at the advertising agencies asked for kickbacks for placing ads in our newspaper." She was also asked for kickbacks by managers of advertising departments of companies that work directly with newspapers.

Russian legislation regulates the amount of advertising in the media, and the Federal Antimonopoly Service strictly controls compliance by media. In print media focusing on information and news, advertising must not occupy more than 40 percent of space, while in broadcast media, advertising must not exceed 20 percent of air time. But according to Sofia Dubinskaya, executive director of the Alliance of the Heads of Russian Regional Media, many advertising articles are not marked as advertising, and the Federal Antimonopoly Service has no authority over such placements.

Private media outlets do not receive government subsidies. Several panelists have noted that private media have fewer opportunities to access government funds than state-owned ones: when authorities hold tenders for publication of official information or competitions for social project grants in the media, state media outlets mostly win.

Market research is growing in popularity. Nationwide media commission the services of marketing agencies, while regional media outlets usually do market research themselves. For example, Znamenskaya noted that her newspaper conducts phone surveys and holds focus groups.

³ MSI scores given by panelists relating to Russia's advertising market refer to its state before the global economic crisis began to affect Russia.

Russia has an established system of audience measurement. TNS Gallup Media and Comcon are two major players in this area. In the regions, these two companies work through local partners. Panelists commented that the system has its deficiencies. "In many cities there are no media measurements. As a result, local media lose access to national advertisers. The system of media measurements is also criticized for the quality of surveys conducted in the [regional] cities," said Koshman.

Glukhov said that when he initially subscribed to TNS Gallup Media and received his first report, he saw on the list of measured newspapers *Khabarovskie Izvestiya*, which had already been closed for four years by that time, but according to the survey report, people were still reading it. Znamenskaya has said that TNS Gallup Media does not measure media in small cities at all. According to Koshman, successful private media outlets started conducting their own audience measurements, and the quality of these measurements is increasing.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Russia Objective Score: 1.88

In 2008, the state of institutions supporting independent media did not change, so the scores for the corresponding indicators remained mostly static. A modest gain in Indicator 4 (academic journalism programs) was offset by a similar slide in Indicator 2 (professional associations). All indicators received scores close to the overall objective score.

Russia has several trade associations of media owners and managers, such as the National Association of Television and Radio Broadcasters, the Guild of Press Publishers, the Alliance of Independent Regional Publishers, and the Alliance of the Heads of Russian Regional Media. "Of course, we are trying to protect the interests [of our members] by means of lobbying, participating in various coordinating councils and meetings," said Koshman, executive director of the Alliance of Independent Regional Publishers (AIRP). "We try to express their position, voice it, make it heard. But it is difficult for me to assess how effectively it is reflected in the new laws and in improvement of the situation."

Znamenskaya, an AIRP member, said that AIRP is the only organization that really protects the interests of publishers and journalists.

Dmitrieva said that trade associations remain in the development stage. "Associations are still rather weak. They need time, they need more money, they cannot do much with membership fees. They need to hire more people. Harden

Dmitrieva said that trade associations remain in the development stage. "Associations are still rather weak. They need time, they need more money, they cannot do much with membership fees. They need to hire more people. Harden more. This is not their fault—the industry is still young, and they were established quite recently."

more. This is not their fault—the industry is still young, and they were established quite recently," she said.

Russia has a national union of journalists, but panelists felt that its performance in championing journalists is poor. "Besides rare instances when leaders of the professional community help individual journalists, we can say that associations do not protect the rights of journalists," commented Kravchenko.

Russia has NGOs that support free speech and independent media, but they are few in number and do not have significant resources. "We have to recognize a certain collapse of NGOs that to some extent happened under government pressure. On the other hand, the stream of money that in the beginning of the 1990s enabled NGOs to prosper has diminished. Now they are often restricted financially," said Kravchenko.

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.

Boris Timoshenko of the Glasnost Defense Foundation commented that NGOs cannot help journalists if they do not want to be helped. "At present, many [journalists] do not want to fight for their interests," he said. "They say it is useless—just a waste of time, money, efforts and everything—and it is better to give up and keep working."

Boris Timoshenko of the Glasnost Defense Foundation agreed. "Before, we could provide more effective assistance because we had more resources," he said.

He also commented that NGOs cannot help journalists if they do not want to be helped. "At present, many [journalists] do not want to fight for their interests," he said. "They say it is useless—just a waste of time, money, efforts and everything—and it is better to give up and keep working."

Several panelists commented that currently NGOs are experiencing internal crises. "I think that the development of [NGOs] stopped. There is nothing new. ...Nobody cares that the situation has fundamentally changed; that there is a financial crisis. Everybody wants to keep doing what they were already doing for ages: seminars on ethics and covering social problems. Sorry, if you did not manage to teach professional ethics to people, you won't teach them now. ...Media moved ahead—they made a great step forward. But NGOs have stayed at the same level," said Dmitrieva.

The panelists did not have positive opinions of academic journalism programs. "I'm absolutely dissatisfied with the quality of training of the graduates of the journalism departments. Usually we start training people in the newsroom from zero. And almost all regional editors face this problem," said Znamenskaya.

Koshman agreed. "Many regional newspapers try not to hire graduates of journalism departments. I know many publications that think that it is easier to train people who have no journalism education than to re-train people who were studying the wrong things for five years."

Journalism departments do not include sufficient practical training, and graduates do not have good general knowledge or a broad understanding of societal issues. "Recently I talked to a graduate of the Journalism Department of Moscow State University. She is absolutely narrow-minded. She is a journalist but deliberates like an average man in the street. I think that

journalism departments should broaden the mental horizons of their students," said Dmitrieva.

Panilov, a professor at Moscow State University, is also frustrated with his journalism students. "I've been teaching at the university for four years already, and I just feel like quitting," he said. "It is useless. I work with third-year students, and my students are already cynics. Out of 20 students, only two or three people say that they will work as journalists. The rest openly say that they will go into PR, which pays better."

Short-term journalism training courses, provided mostly by NGOs, are occasionally held. They are often given free of charge, but the NGOs ask media outlets to cover travel and per diem expenses of attendees. Training for media managers and advertising sales staff is provided on a fee basis. Before the economic crisis impacted Russia, this training was quite popular.

The printing industry has been developing actively over the past several years. At present, according to the Federal Agency of Press and Mass Communications, Russia has more than 16,000 printing facilities, both private and state-owned. Some independent media outlets have their own printing facilities. Printing facilities are not politically selective in providing services for media outlets, although there are some economic restrictions. Znamenskaya noted that many print houses refuse to print small print runs.

Media distribution networks are owned both by state and private enterprises. Glukhov said that in the regions, if local authorities dislike a newspaper, the state-owned network of kiosks will take fewer copies of this newspaper and almost hide them among other publications on display. Most often, though, distributors put economic pressure on media outlets by asking for a payment for "entry" into the distribution system. Znamenskaya commented that salespeople at the kiosks are not interested in selling newspapers because sales of non-media products (e.g. stationery, soap, etc.) generate more revenue. Thus, many independent editors start their own distribution facilities and newsstand networks as well as their own incentive programs for salespeople at the newsstands of distribution companies.

According to the Federal Agency of Press and Mass Communications, press distribution is not a profitable business because of the low newspaper prices. "The system is corrupt, and entry is complicated. We have considerably fewer newsstands per capita than in developed countries," said Koshman. (According to the Federal Agency of Press, Russia has one newsstand for every 3,000 people.)

The government-run postal service holds a monopoly on subscription delivery. Moreover, subscription prices are high, even though they are partially subsidized by the state. The price

of a subscription copy of a newspaper is about 40 to 60 percent higher than the price of the same copy on the newsstand.

Access to the Internet is unrestricted. Broadcasting is allowed only with a license from the Ministry of Telecommunications. The state controls many transmitters through a special government agency, but private broadcasters often have their own transmitters.

List of Panel Participants

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Oleg Panfilov, director, Center for Journalism in Extreme Situations, Moscow

Boris Timoshenko, head of monitoring, Glasnost Defense Foundation, Moscow

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Natalia Znamenskaya, chief editor, *Zhukovskiye Vesti* newspaper, Zhukovskiy

Boris Kirshin, general director and chief editor, *Chelyabinskiy Rabochiy* newspaper, Chelyabinsk

Stanislav Glukhov, general director and chief editor, *Khabarovskiy Express* newspaper, Khabarovsk

Andrey Ponomarev, editor, Echo of Rostov Radio Station, Rostov-on-Don

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Conflicting panelist schedules prevented a panel discussion from being held in Moscow. However, individual phone interviews with panel participants were conducted between January 1 and January 17, 2009.