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RUSSIA

Public protests against cases of fraud during parliamentary elections in December 2011 had a profound impact on the content of media coverage in 2012. While federal television channels completely ignored the opposition before the end of 2011, in 2012 they covered all major events organized by the opposition. Opposition leaders, who used to be *persona non grata* on national television, became regular newsmakers.

In March 2012, Vladimir Putin was elected president of Russia after a four-year hiatus from the post. The events that followed polarized Russian society and media. They included the criminal prosecution of the modern art group Pussy Riot for staging a demonstration in one of Moscow's main orthodox cathedrals, the return of a libel clause to the Criminal Code, a series of rapidly adopted new laws imposing heavier penalties for unauthorized public gatherings, tighter control over NGOs receiving foreign grants, a blacklist of websites deemed damaging for the health and development of minors, and a ban on adoption of Russian orphans by US citizens. In polls, Russians were divided on whether these moves were meant to preserve stability, stop the protests, or silence the opposition.

State-affiliated media were often used as instruments of pro-government and anti-opposition propaganda, such as the federal NTV channel's "Anatomy of Protest" programs, which purported to prove foreign sponsorship and pay for opposition protestors. The TV Press Club, an informal community of journalists who cover television, called these and similar programs on the leading channel, Channel One, notable for their "propagandist zeal, use of disinformation, facts juggling, and promoting intolerance to dissent."

At the same time, many journalists of the few independent media outlets brought their own objectivity under question by openly supporting and even organizing the opposition during 2012. Prominent journalists were laid off from major outlets throughout the year, which was widely regarded as an attempt by the state to assert control.

The overall MSI score for Russia, as well as the scores for all five objectives, fell this year. The majority of panelists felt that the overall situation in Russian media deteriorated.

One of the laws adopted in 2012 expanded the scope of treasonable offenses to include any citizen who provides information—not merely state secrets—to an international or foreign organization. This could be interpreted as state treason if Russian authorities determine that the information undermines national security, which is also vaguely defined. So to minimize the potential risk to their safety, participants in the Russia MSI study was made anonymous for the first time in 12 years. Interestingly, the moderator noted that newly-recruited MSI panelists were more eager to participate than ever. These indicators of Russia's rapidly evolving media environment may be the most telling of all.

# RUSSIA at a glance

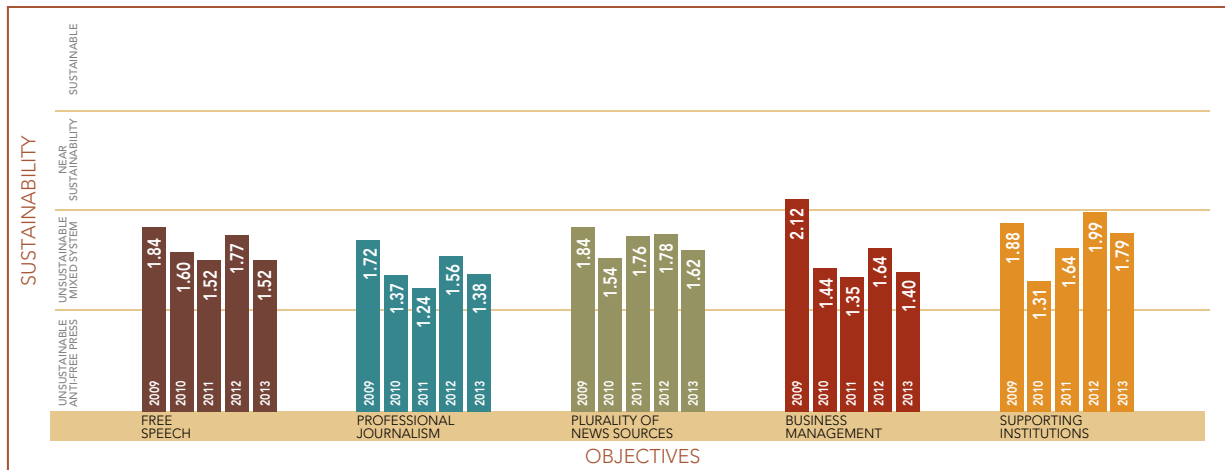
## GENERAL

- > Population: 142,517,670 (July 2012 est., *CIA World Factbook*)
- > Capital city: Moscow
- > Ethnic groups (percent of population): Russian 79.8%, Tatar 3.8%, Ukrainian 2%, Bashkir 1.2%, Chuvash 1.1%, other or unspecified 12.1% (2002 census, *CIA World Factbook*)
- > Religions (percent of population): Orthodox 86.5%, Muslim 10%, Armenian-Grygoryans 0.8%, Pagan 0.5%, Lutheran 0.3%, Buddhist 0.25%, Jewish 0.15% (2002 census, *CIA World Factbook*)
- > Languages: Russian (official), many minority languages (*CIA World Factbook*)
- > GNI (2011-Atlas): \$1.476 trillion (World Bank Development Indicators, 2012)
- > GNI per capita (2011-PPP): \$20,050 (World Bank Development Indicators, 2012)
- > Literacy rate: 99.4% (male: 99.7%, female: 99.2% (2002 census, *CIA World Factbook*)
- > President or top authority: President Vladimir Vladimirovich Putin (elected on March 4, 2012)

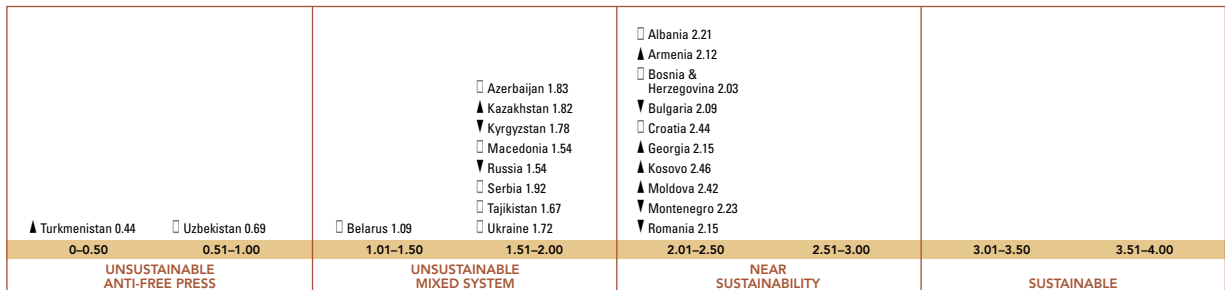
## MEDIA-SPECIFIC

- > Number of active print outlets, radio stations, television stations, Internet news portals: Newspapers: N/A; Magazines: 33.7 thousand registered, 2.5 thousand published on a regular basis; 2,669 active radio licenses; 3,366 television licenses (Federal Agency for Press and Mass Communication, 2012)
- > Newspaper circulation statistics: Top three daily newspapers by six-month audience: *Metro* 1 932.1 thousand (3.2%); *Rossiyskaya Gazeta* 1 060.3 thousand (1.8%); *Moskovskiy Komsomolets* 1 048.1 thousand (1.7%) (TNS Russia, May-October 2012)
- > Broadcast ratings: Top three television channels: NTV (14.1%), Russia 1 (13.9%), Channel One (13.8%) (TNS Russia, December 2012)
- > News agencies: National ITAR-TASS (state), RIA Novosti (state), Interfax (private)
- > Annual advertising revenue in media sector: 263 billion rubles (about US\$ 8.8 billion) (Association of Communication Agencies of Russia, 2011)
- > Internet Usage: 40.853 million (2009 est. *CIA World Factbook*)

## MEDIA SUSTAINABILITY INDEX: RUSSIA



## MEDIA SUSTAINABILITY INDEX 2013: OVERALL AVERAGE SCORES



### CHANGE SINCE 2012

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

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

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

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

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

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

## OBJECTIVE 1: FREEDOM OF SPEECH

Russia Objective Score: 1.52

Freedom-of-speech rights were pulled in opposite directions during 2012. Legal protections for free-speech rights, state media independence, libel laws, and public information sharing all deteriorated markedly, dragging Russia's overall Objective 1 score to its lowest level since 2005, as the authorities attempted to reassert control over the media environment after Putin's re-ascendance to the presidency. Attempts to improve the business environment were felt in the media industry, as the panel registered some improvements in licensing and market entry. Still, these indicators remain well below sustainability.

Russia's constitution guarantees free speech. But it also vests practically unlimited power to the president as the guarantor of the constitution and the most active political actor in the country, which many believe facilitated the past several orchestrated power transfers to preselected successors.

During the 2000s, the Russian executive authorities built a strong vertical base of power in the country and took control over the majority of Russian media, especially federal television channels, turning them into instruments of state propaganda. Private media whose owners believed

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

#### FREE-SPEECH INDICATORS:

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

Many journalists and editors of independent media supported the protests, which noticeably undermined the balance of their coverage.

in free speech, journalism as a public service, and fair, objective, and well-sourced reporting were a minority, but a stable one. They managed to survive both the pressure of authorities and economic crises at the end of the 2000s.

Putin's decision to return to the presidency in 2012 threw this system out of balance. Thousands of citizens came out to protest the cases of fraud during parliamentary and presidential elections. On the one hand, this forced federal television to expand coverage and to start talking about opposition politicians who previously were *personas non grata* on television. On the other hand, many journalists and editors of independent media supported the protests, which noticeably undermined the balance of their coverage.

After the presidential election in March the authorities tried to curb the protests. Journalists were often arrested during events organized by the opposition. A series of laws that are widely believed to be anti-opposition were passed. This further increased the shift of independent media toward the opposition. The law prohibiting US citizens to adopt Russian orphans, enacted in December 2012 as a response to the US Magnitsky Act, outraged many journalists. Newspaper *Novaya Gazeta* collected one hundred thousand signatures against this law and submitted them to the Russian parliament. After the law was passed, *Novaya Gazeta* called upon its readers to sign another petition to dissolve parliament.

The year 2012 was marked by a series of changes in management of federal, regional, and local media outlets and ensuing layoffs of journalists and editors. Many media professionals believe this was happening because the authorities were trying to tighten control over the media. Journalist Olga Bakushinskaya made the following commentary upon her layoff from TVC channel after an appointment of a new top manager who previously worked at the Russian State TV and Radio Company: "It is not about [government] taking control over one more TV channel—it is about taking control over all mass media like it was in the Soviet times when there were no *Dozhd*, no *Echo*, no *Novaya Vremya*, and when all media were using materials from *Pravda*," she said, contrasting the current leading independent sources and the old Soviet mouthpiece. "This is very sad for journalists who want to be fair and cover things that actually happen rather than things that authorities

want to see. I think that we are going to have very hard times for these journalists.”

Social protections of free speech are very weak. The value of free speech in Russian society has diminished; free speech is perceived as part of an anti-patriotic, anti-state position, commented one of the panelists. Many people prefer to have less freedom in exchange for more social protections, noted another panelist.

Licensing is required only for broadcast television and radio stations. In 2012, licensing regulations were changed, and licensing procedures became more transparent and convenient, said one of the panelists. Other media must register with the Federal Agency for Press and Mass Communications. The registration process is simple and clear.

Control of compliance with licensing terms can be used as a means of pressuring independent media. Independent television channels are regularly accused of violating the terms of their license and must go to court to protect their right to keep the license. In March 2012, for example, overseeing authorities accused Tomsk TV channel TV-2 of broadcasting not only in Tomsk, as specified in the license, but in nearby towns and villages as well. Earlier authorities accused TV-2 of violating other terms of the license, but TV-2 was able to protect itself in court. The fact that independent broadcasters are able to protect their licenses in court indicates that the Russian legal system is actually working in this area, noted one panelist.

Media organizations are required to register as a business or institution, but requirements for media are the same as for other businesses. Media outlets often believe that they deserve special benefits, such as grants and state subsidies, on the grounds that they provide a valuable social service. And when these benefits are provided, this distorts the market, noted one panelist. The market is also distorted by the heavy presence of state-owned media that receive funding from the state but still compete with independent media for advertising revenue. In 2012, Channel One, a federal television channel with 49 percent of its shares owned by the state, published its financial reports for 2008-2010. According to these reports, for example, in 2010 Channel One generated 24.4 billion rubles of revenue, mostly from advertising, while its expenses amounted to 25.8 billion rubles. Channel One received 3.4 billion rubles of state subsidies. State subsidies enable Channel One to provide content that no private television channel can afford.<sup>1</sup>

<sup>1</sup> “Первый канал” показал господдержку. March 26, 2012. Available at <http://kommersant.ru/doc/1901056>.

One panelist voiced concern that the authorities used inspections by oversight agencies to pressure independent media. In February 2012, for example, the prosecutor’s office sent a request to independent television channel *Dozhd* asking it to provide information on who was funding the broadcast of protest meetings in December 2012. The request was instigated by a letter from a member of the Russian parliament. Also in February 2012, Russian businessman Alexander Lebedev, an owner of *Novaya Gazeta*, had to stop funding this newspaper. Lebedev supports the newspaper’s using the profit from his main business, the National Reserve Bank, which itself was hampered by investigations from the Russian Central Bank.

The panelists thought that crimes against media professionals were not rare and were not prosecuted vigorously. Even violent cases that attracted a lot of public attention, such as the murder of Anna Politkovskaya from *Novaya Gazeta* newspaper and the violent attack on Oleg Kashin from *Kommersant* newspaper, take years to be investigated, and the quality of investigators’ work raises many concerns.

Crimes against journalists don’t cause public outcry. Law-enforcement agencies are not eager to protect journalists. Article 144 of the Criminal Code, which calls for the prosecution of people who impede the professional activities of journalists, is hardly ever used. Law-enforcement authorities regularly ignore journalists’ reports of being threatened, though threats often precede violent crimes, noted one of the panelists. In 2012, journalists covering public protests were often arrested, and even bitten, by police.

Until 2012, it seemed that only investigative reporters and journalists of stridently independent media were the targets of violent crimes. However, the murder of Kazbek Gekkiev, the reporter and news anchor of the Russian State TV and Radio Company branch in Kabardino-Balkaria, one of the regions in the Northern Caucasus, changed that, which is very worrisome, noted one of the panelists. Now even state journalists are not safe.

The existing media laws don’t differentiate between state and private media and protect the editorial independence of all media. In reality, state media often serve as an instrument for propaganda of the interests of the authorities. When at the end of 2011 President Dmitry Medvedev called to establish public television in Russia, it meant that the authorities officially recognized that the existing state television channels were not serving the public interest, noted one of the panelists. (Russian public television is expected to start broadcasting in 2013.)

While in December 2011 libel and defamation clauses were dropped from the Criminal Code, in August 2012 libel again was made a Criminal Code case. The new version of the libel clause does not provide for jail sentences, but the amount of the minimum fine was increased from 200,000 RUB (about US\$6,700) to 500,000 RUB (about US\$16,700). People found guilty of libel against judges, state investigators, and criminal prosecutors can be fined from one to five million rubles (about US\$33,000 to US\$167,000). As of publication, the new libel clause has not yet been applied.

The law grants access to public information to all journalists, as well as regular citizens. "In reality, we have easy access only when the authorities want us to know something," noted one of the panelists. In some cities, even a head of a local state daycare facility would not talk to a journalist without permission of the press office of the city administration, commented another panelist.

The law does not limit access to and use of local and international news and news sources. But local media outlets often have limited access to foreign news because they don't have staff who know foreign languages and cannot afford to pay for translations, commented one of the panelists.

Entry into the journalism profession is free, and a journalism degree is not a prerequisite. Accreditation to events is a common practice, and sometimes the authorities use it to limit access of independent media to official press conferences and other events.

## OBJECTIVE 2: PROFESSIONAL JOURNALISM

Russia Objective Score: 1.38

Professionalism suffered as journalists took sides in the general power struggle in Russia. Objectivity was brought under question at the country's independent media institutions, as leaders openly joined the opposition. Self-censorship became more pervasive, as dismissals at state media outlets and restrictive laws in society signaled to journalists that anti-government positions are again intolerable to the authorities. A minor improvement was observed in the coverage of key issues, as state television began to broadcast opposition rallies, albeit with a strict bias.

The majority of Russian media serve the interests of federal, regional, or municipal authorities rather than the interests of the public, and their reporting is often partisan and unbalanced. These media are often used as instruments of state propaganda. For example, in 2012 online tabloids were used to leak negative information about political opposition,

"Self-censorship is the main problem of Russian media. I believe that it happens because there are few young people among heads of media companies. Most often they are people who remember Soviet times and bear a Soviet imprint of living in a constant fear of superiors," commented one of the younger panelists.

noted one of the panelists. NTV produced a number of supposedly investigative documentaries under the title "Anatomy of Protest" that promoted the idea that people participated in protest activities because they were paid and that opposition leaders were receiving funding from abroad. These documentaries were heavily critiqued by independent media for the use of forged footage and distortion of facts. The authorities were using NTV as an ideological weapon against the opposition, noted a panelist.

Fair and objective reporting existed only in a small number of independent media. Russian authorities have always regarded these media as oppositional ones. In 2012, many of these media supported the political opposition, which resulted in the loss of editorial balance. Journalists took the side of civil society and lost their objectivity, said one panelist.

## JOURNALISM MEETS PROFESSIONAL STANDARDS OF QUALITY.

### PROFESSIONAL JOURNALISM INDICATORS:

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

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Journalists and editors were using their blogs and social-network accounts as well as editorial materials to voice their opinion on various events and public issues, and often their commentaries were quite emotional and harsh. A number of journalists—for example, Oleg Kashin, then special correspondent of *Kommersant* newspaper, and Filipp Dzyadko, chief editor of *Bolshoi Gorod* magazine and a program anchor at Dozhd TV channel—ran for and were elected to the Opposition Coordination Council. This shift of independent journalists toward civic and political activism can be attributed, to some extent, to the fact that the interests of an active intellectual part of the Russian population—which in 2012 was labeled “creative class” and “angered city dwellers”—are not properly reflected in the political spectrum and in media, and journalists tried to fill this gap.

The Russian Union of Journalists has a Code of Professional Ethics for Russian Journalists, which is in line with international standards. But this code is hardly ever used, and the majority of practicing journalists are likely not aware of its existence, and follow their personal ethical standards, noted one of the panelists. Refreshments and presents for journalists at press conferences and trips for journalists paid by companies seeking coverage are common practices in Russia. Many state agencies run competitions for journalists, giving awards for the “best” coverage of their operations. At the same time, there is a small number of independent media outlets that have adopted their own ethical codes and rigorously enforce them.

Journalists and editors of state-affiliated media often practice self-censorship. “Self-censorship is the main problem of Russian media. I believe that it happens because there are few young people among heads of media companies. Most often they are people who remember Soviet times and bear a Soviet imprint of living in a constant fear of superiors,” commented one of the younger panelists. This fear makes older editors and journalists exercise a lot of caution and limit the scope of issues covered by their media.

Independent media cover a broader range of events and issues than state media. In 2012, the situation improved somewhat. Opposition leaders started to appear on federal television channels, where they had previously been *personas non grata*. State television channels started to cover protest events, even though their coverage was partisan, noted one of the panelists. While all other aspects of professionalism in the media worsened in 2012, expanded coverage of opposition events on state television constituted the only improvement in this objective—and one of the only improvements Russia made on any indicator.

In general, the pay levels for journalists and other media professionals are rather low. As a result, journalism has become a women’s profession, especially in the regions, noted one of the panelists. There is a considerable disparity in levels of pay between media outlets in major and smaller cities and between state-affiliated and independent media. When journalists get some professional experience in local media, they often try to move to a bigger city or take a job in the PR sector, where salaries are higher than in the media sector. But there are also examples of journalists consciously choosing to work in independent media despite lower salaries because this better fits their personal values and interests, noted one of the panelists, an editor of an independent newspaper.

Entertainment programming has eclipsed news and information programming on most television channels and radio stations. The remaining information programs are often moved to later hours, when fewer people watch television. One panelist expressed concern that some programs that position themselves as informative are, in fact, shameless propaganda.

Data on the 20 channels owned by the federal government showed that dramas, entertainment, and movies constituted 19 percent, 14 percent, and 20 percent, respectively, of airtime and commanded 28 percent, 20 percent, and 18 percent, respectively, of ratings. Behind them was news at 15 percent of airtime and 12 percent of ratings. Public-interest, documentary, and educational programs made up 15 percent of airtime and 14 percent of ratings.

These data confirm the opinion of panelists that entertainment content prevails on television. They also indicate that actual consumption of television programming is further skewed toward entertainment content: people choose drama series and entertainment programs over news.

The panelists believed that existing facilities and equipment are sufficient for gathering, producing, and distributing news. Still, there is a serious disparity between Moscow and the rest of the country. The situation in the television sector, which is more dependent on equipment, is most critical. In terms of technical capacity, regional television stations are five to 10 years behind Moscow, and the situation is only getting worse because there are no new investments, commented one of the panelists.

Russia has a sufficiently well-developed segment of business media. There is a federal business television channel, RBC-TV. There are a number of business radio stations, including Business FM and Finam FM. In many regional capitals, there are local business newspapers, such as *Delovoy St. Petersburg*, *Gorod N* in Rostov-on-Don, and *Delovaya Gazeta Yug* in Krasnodar.

Very few major general news media have journalists who specialize in covering specific beats; media outlets in the regions have small staff and cannot have niche reporters. The panelists thought that true investigative reporting is practically non-existent. Quality niche reporting exists, but it is very rare, and people don't have much access to it, commented one panelist.

### OBJECTIVE 3: PLURALITY OF NEWS

Russia Objective Score: 1.62

While the plurality of news fell, as did other objectives, its fall was the slightest of the five. Only open access to media sources and the preponderance of private media who produce their own content approached sustainability, while all other indicators scored poorly.

Russian citizens have access to numerous news sources. For example, in 2011 a Russian household had access to an average of 35 television channels, according to government data. In 2012, 52 percent of the population had access to the Internet, and 40 percent of people used it on a daily basis, according to the Public Opinion Foundation (in Russian, FOM), a public-opinion research company. There are thousands of newspapers, magazines, and radio stations.

FOM also found that television remains the most popular source of information: 91 percent of Russian adults regularly watch the news on television. The second most common source of news is print media, a source for 40 percent of

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

#### PLURALITY OF NEWS SOURCES INDICATORS:

- > Plurality of public and private news sources (e.g., print, broadcast, Internet, mobile) exist and offer multiple viewpoints.
- > Citizens' access to domestic or international media is not restricted by law, economics, or other means.
- > State or public media reflect the views of the political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for media outlets.
- > Private media produce their own news.
- > Transparency of media ownership allows consumers to judge the objectivity of news; media ownership is not concentrated in a few conglomerates.
- > A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources
- > The media provide news coverage and information about local, national, and international issues.

citizens, with 30 percent turning to news websites and 10 percent to forums, blogs, and social networks. About 28 percent listen to the news on the radio.

But the large number of news media does not mean that citizens have access to multiple viewpoints. Most television channels present the same viewpoint—that of the government; only REN TV and Dozhd offer different opinions, but they are available to very few citizens, noted one of the panelists. REN TV is broadcast only in major cities through a network of partner stations, and its daily average audience is 4.5% of the population, according to TNS Gallup Media. As a comparison, pro-government Channel One and Russia 1 are closer to 15%. Dozhd, the only network to air debates between avowedly opposition candidates during the presidential campaign, is only available online, through a few cable providers, and on mobile devices.

Independent talk radio station Echo of Moscow has an audience of about 4.8% of adults, while state-run competitors Radio of Russia and Mayak receive about 15% combined.

Not every city has an independent newspaper that offers different points of view on local events. Municipal newspapers that are available in most cities present only the point of view of local authorities. Real variety of viewpoints exists only on the Internet, especially in blogs and social networks. Still, television is the most trusted source of information; 57 percent of Russian citizens trust television news, compared with 11 percent who trust news published online and 5 percent who trust print media, according to the FOM study.

Gazprom-Media's majority stake in Echo of Moscow shows that ownership does not always dictate editorial policy.

The government does not impose any direct restrictions on media consumers. People are not required to register with the government to access the Internet, own a satellite dish, or use any other type of media. Russian Post offers subscription to more than three thousand print publications. There are companies that offer subscriptions to foreign press.

At the same time, citizens' access to media is somewhat restricted economically, with 13 percent of Russian citizens living below the poverty line (in 2012, the line was US\$193.40/month), and the financial situation of about half of the population is very tight, according to a statement by Putin in mid-2012. Economic disparity leads to a disparity in terms of access to media. For example, an average urban household that has paid subscriptions to cable television has access to 59 channels, while an average household that



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doesn't have such a subscription can access only 18 channels, according to FOM.

People in bigger cities have more access to news sources than people in smaller cities and in rural areas. This happens mostly for economic reasons. Small local markets cannot support local media. Salaries in smaller cities are lower than in bigger ones, so people are less likely to be able to afford subscriptions to print publications, cable television, or Internet access. For example, in Moscow and St. Petersburg, two major Russian cities, 70-71 percent of citizens have Internet access, according to FOM. In the rest of the country, Internet use is much lower: 52-59 percent in urban areas and 37 percent in rural areas.

Russia has three major national social networks: VKontakte, Odnoklassniki.ru, and Mail.ru (My World). A growing number of people are using Facebook (about 25 percent of those who use social networks) and Twitter. According to eMarketer, in 2012 37.5 percent of the Russian population was using social networks. The government does not impose any restrictions on the use of social networks and even encourages government officials to use social media to communicate with citizens.

At the end of 2011, President Medvedev suggested the launching of a public television channel in Russia, and the concept was developed in 2012. In November 2012, OTR launched its pilot website ([otr-online.ru](http://otr-online.ru)). Broadcasting is scheduled to start in 2013.

In 2012, two state television channels, Channel One and Russia 1, remained the main free sources of news for Russian citizens: they are available for 99 percent of the population. But, in the opinion of panelists, these two channels serve to promote government interests. Similar concerns are voiced by journalists who believe that media should serve the public interest. On November 12, 2012, during a meeting of the Presidential Council for Human Rights, several journalists, who are members of this council, raised concern about the high level of violence and low

morale of news coverage, as well as information and entertainment content on the federal and state television channels. Popular television journalist Leonid Parfenov noted that this was the result of the government's complete control over federal television channels: "Everybody knows that discussions about the children of Christina Orbakaite [a pop singer] are allowed on air, while discussions about political and public-interest issues are not allowed. TV is pro-government, and it does not care about people who don't vote. Over the last 10 years, real public-interest and political journalism were absent from the air. Top authorities are treated like the dead—you can say only good things about them or nothing." In response, President Putin said that state influence over state-owned television channels was inevitable.

State-owned channel Russia K (formerly Culture) provides educational and cultural programming that is not provided by other television channels—both state-owned and private. News programs produced by Russia K, which is available for 90 percent of Russian citizens, according to FOM, cover only culture and science events. But from 6:30 to 10:00 am, Russia K broadcasts the Russian feed of Euronews, a more respected source based in the EU.

Two main news agencies—RIA Novosti and ITAR-TASS—are state-owned and receive subsidies from the federal budget. Bigger media outlets use the news produced by these agencies on a regular basis, while smaller outlets use it only occasionally. At the same time, both agencies run their own online news portals, which are open to all Internet users.

There are a number of regional independent news agencies, such as Rosbalt, Ura.ru, and Omskinform, which gather news and make it available through their websites for free. These agencies generate revenue through the so-called contracts for information support services with businesses and government agencies. Ura.ru, based in Ekaterinburg, seems to have proven the possibility of maintaining editorial independence, but it is still vulnerable to pressure from the authorities. In the fall of 2012, Russian investigative authorities launched several criminal cases against Ura.ru's chief editor and co-owner, Aksana Panova. One case was launched after a tax review, the first in the history of the agency since it was launched in 2006. Four other cases were launched based on complaints from people who said that Panova was extorting money from them by forcing them to sign contracts for information support services on threats of releasing some negative information. In one case, the alleged extortion took place two years ago; in another, six years ago. (Details of the two other cases were unavailable when this chapter was written.) Panova attributes this sudden scrutiny from the investigative authorities to Ura.ru coverage of the new governor of the Ekaterinburg region,

appointed in May 2012. At the end of November 2012, Panova and the majority of her team resigned from Ura.ru and started a new online project.

Private media produce their own news. There are a small number of national and local media outlets, mostly in print, whose owners believe that journalism should be fair, objective, and well-sourced and should serve the public interest. The content of these media is considerably different from the content of the state and state-affiliated private media. In smaller cities, these independent private media are often the only source of balanced coverage of local news.

The institution of community media does not exist in Russia. Their niche is filled by municipal newspapers that are funded by municipal authorities. But these newspapers usually don't reflect the full spectrum of community social interests and focus mostly on promoting the point of view of the local authorities.

Many online media and bloggers produce their own content. The news stories often appear first in blogs and on social-media sites, and then the regular media outlets disseminate them to broader audiences.

Media ownership is not transparent. Large media holdings often belong to offshore companies. But, according to the panelists, regular media consumers usually are not interested in who owns the media they use.

The degree of monopolization in the media sector is quite high. For example, most of the 20 federal television channels are controlled by six companies. And major television channels that produce news are controlled by three actors: the state, Gazprom-Media, which itself is a state-owned company, and the nominally private National Media Group (NMG). State-owned Russian State TV and Radio Company runs the television channels Russia 1, Russia 2, Russia K, and Russia 24, as well as RIA Novosti and several radio stations. The state also owns 49 percent of the shares of Channel One. Gazprom-Media controls NTV and TNT. The private Bank of Russia, whose chairman is a close acquaintance of President Putin, holds the majority of shares in NMG, which itself owns 25 percent of Channel One shares, as well as REN TV, Channel Five, and the entertainment channels Perets, STS, and Domashny. Only Channel One, Russia 1, and NTV are broadcast nationally, the others depend on cable providers and satellite owners. Thus, the television media scene remains dominated by Putin and his allies.

The press market in Russia is swamped by 50 national and 100 regional publishing houses.<sup>2</sup> Most newspapers are

<sup>2</sup> Russian Press: Current Situation, Trends and Prospects. Federal Agency for Press and Mass Communications. 2012. Available at <http://www.fapmc.ru/rospechat/activities/reports/2012/item3.html>.

Panova attributes this sudden scrutiny from the investigative authorities to Ura.ru coverage of the new governor of the Ekaterinburg region, appointed in May 2012.

distributed through city newsstand networks, though these outlets increasingly rely on their websites to reach their audience.

There are minority-language media, including press, radio, and television, and often they are supported by federal and regional authorities. For example, in 2012 the Federal Agency for Press and Mass Communications supported a series of trainings for regional television and radio companies broadcasting in languages of local ethnic groups. Private media outlets also make supplements in languages of local ethnic groups.

One panelist expressed concern that minority media had little impact on public discourse and on the preservation and advancement of minority cultures. There is hardly any online content in minority languages, so young people from non-Russian ethnic groups who consume media online are disconnected from their ethnic heritage.

The majority of reporters and editors, especially in the regions, are female. The panel attributed this to the low salaries offered in the sector, combined with the fact that men dominate in decision-making roles at all organizations, and they prefer men over women in their hiring decisions. As a result, women are left to the lower-paying, less desirable fields, such as journalism. Despite this, in the majority of the media, coverage is very patriarchal, supporting patriarchal institutions like the current authorities and the Orthodox Church. Blogs and social media remain the main venue for voicing the broad spectrum of social interests and concerns.

Due to its huge size, Russia has a three-layered media system: there are federal (national), regional, and local media outlets. Federal media cover mostly national and international issues. Regional media cover regional news, and coverage of local news is left to local media outlets. Local and regional news that makes it to the national media is often initially produced by regional and local media. In some cases, private newspapers in the regions, such as *Svobodny Kurs* in Barnaul, *Altaysky Kray*, cover local, regional, national, and international issues. But the majority of people get information about national and international issues from the federal television channels; information about local news comes from local media.

This system results in a serious imbalance of coverage, noted one of the panelists: coverage of federal media is focused on activities of federal authorities and events that “take place in downtown Moscow.” The coverage of international news is patchy. The news is dominated by information about Europe and the United States, while news from Africa, Asia, and Latin America is very rare and usually sensationalist in nature. The situation with local news is also problematic. In smaller cities, local news is covered only by newspapers that belong to the municipal authorities. These newspapers provide a lot of official information and very little news from other walks of life in a small city.

#### OBJECTIVE 4: BUSINESS MANAGEMENT

Russia Objective Score: 1.40

Scores for Objective 4 were largely down from the previous year, with extensive government manipulation of the media through subsidies and advertising distribution the main culprit of the modest fall in this objective’s average score. Advertising clients and agencies, while numerous and healthy, remain focused on Moscow and the largest population concentrations, leaving local outlets with little attention and vulnerable to pressure from local governments to alter their coverage.

Many Russian media outlets are not efficient and self-sustaining enterprises and survive only due to direct funding from owners—state authorities or private businesses. There are expert estimates that only about 10

percent of Russian media are profitable, commented one panelist. At the same time, there is a small group of private independent media that are efficient and well-managed enterprises. In the past, many of these private media outlets actively used training opportunities provided by international media-support programs to train their staff in business management, marketing, and sales. Some of them have established in-house training and coaching facilities for media managers.

Media research data, as well as commentary by the panelists, indicate that advertising sales revenue is the main source of income for Russian media outlets. For example, according to research commissioned by the Federal Agency for Press and Mass Communications, the typical sources of revenue for a municipal newspaper are sales of copies, subscription (10-30 percent of revenue), and advertising sales (30-60 percent of revenue). Other sources of revenue are subsidies and grants. The main sources of revenue for radio stations are sales of advertising time, sponsorship for programs, and special projects, as well as subsidies from state or private owners.<sup>3</sup>

According to one panelist, some private independent media limit the share of advertising revenue per advertiser so that no single advertiser can have a considerable impact over a media outlet. A common strategy used by owners of independent media companies in the regions is to have several media and to use the revenue generated by entertainment, advertisements, and public announcements in print and radio to support their flagship general-news newspaper.

In 2011, the advertising market in Russia was 263 billion RUB (about US\$8.8 billion); in the first nine months of 2012, it was 205 billion RUB (about US\$6.8 billion). The majority of this money goes to television channels: 131 billion RUB (US\$4.27 billion) in 2011 and 97 billion (US\$3.16 billion) in January-September 2012. Radio stations and newspapers get a small share of the advertising pie: 11.8 billion RUB (US\$380 million) and 8.8 billion RUB (US\$290 million) in 2011, respectively.

The biggest advertisers in Russia are consumer-goods companies, such as Procter & Gamble, L’Oréal, and Mars-Russia, according to Adindex. The major advertisers place advertisements based on market principles. But they are interested only in the bigger markets of national and regional capitals. As a result, advertising agencies also prefer to work with media outlets in the bigger markets. This limits the development of media markets in the smaller cities. Local media outlets rely mostly on local advertisers and work

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

##### BUSINESS MANAGEMENT INDICATORS:

- > Media outlets operate as efficient and self-sustaining enterprises.
- > Media receive revenue from a multitude of sources.
- > Advertising agencies and related industries support an advertising market.
- > Advertising revenue as a percentage of total revenue is in line with accepted standards.
- > Government subsidies and advertising are distributed fairly, governed by law, and neither subvert editorial independence nor distort the market.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor the product to the needs and interests of the audience.
- > Broadcast ratings, circulation figures, and Internet statistics are reliably and independently produced.

<sup>3</sup> *Radio in Russia: Current Situation, Trends and Prospects*. Federal Agency for Press and Mass Communications. 2012. Available at <http://www.fapmc.ru/rospechat/activities/reports/2012/item5.html>.

with them directly. Several panelists noted that the local authorities sometimes try to influence local advertisers so that they don't advertise with independent media outlets.

The Russian Law on Advertising limits the amount of advertising to 15 minutes per hour on television, 20 percent of airtime per day on the radio, and 40 percent of space in non-advertising print publications. Advertising publications can use up to 100 percent of their space for ads. Independent general-interest newspapers usually have no problem meeting 40 percent of their advertising limit, noted one of the panelists.

The Federal Agency for Press and Mass Communications has a grant program to support production of public-interest materials in Russian media. Every year about two thousand grants are awarded on a competitive basis and regardless of the size of the audience reached by applicants. For example, in April 2012 the agency awarded grants to 58 out of 62 grant applications submitted by print media; the total amount of allocated funds was 32 million rubles (about US\$1 million). The agency also supported 52 out of 136 grant applications for television, radio, and Internet projects, with a total amount of about 134 million rubles (about US\$4.5 million). The panelists believed that these grants were distributed fairly and that independent media outlets also benefited from the grant program.

Problems are created by direct subsidies to state-owned media outlets, enabling them to sell advertising at prices that amount to dumping, in the panel's opinion. This heavily distorts the advertising market, especially in the regions. Another concern voiced by the panelists was related to the so-called contracts for provision of information support services to local authorities. In many regions, these contracts are distributed fairly, on a competitive basis. In some cases, the authorities even prefer to place official information in independent media because citizens trust them more, and independent media outlets are able to maintain editorial independence. Still, there are cases when the authorities try to use these contracts as means to ensure positive coverage and to favor loyal media.

Major media companies, especially television channels, regularly use market research to tailor programming to the needs and interests of the audience. This does not necessarily lead to better-quality news coverage. For example, in 2012 NTV reached top ratings in Russia by increasing its coverage of criminal news and the number of criminal drama series.<sup>4</sup> Smaller media outlets also sometimes use market research. But while major media outlets usually

<sup>4</sup> Article on the trend available in Russian at <http://izvestia.ru/news/542320>.

Many Russian media outlets are not efficient and self-sustaining enterprises and survive only due to direct funding from owners—state authorities or private businesses. There are expert estimates that only about 10 percent of Russian media are profitable, commented one panelist.

hire the services of research companies, smaller ones do the research by themselves.

Broadcast ratings are measured by TNS Russia, part of the international TNS Group. Still, TNS Russia results are not recognized by some television channels. Channel One even established its own ratings measurement system and has opened its data to the public since November 2012. In 2012, the National Association of TV and Radio Broadcasters, Association of Communication Agencies of Russia, and not-for-profit partnership RusBrand jointly hired a group of international experts to review the quality of TNS Russia's ratings-measurement methodology. Experts concluded that the methodology was in line with international standards.<sup>5</sup>

Unfortunately, professional media measurements cover only major cities. There is no information on television and radio ratings and press readership in smaller cities and rural areas, which makes the measurements practically invisible to major advertisers and advertising agencies, commented several panelists.

The situation with circulation figures also remains problematic. According to the panelists, many media outlets overstate their print runs, but there is no other research on circulation or readership numbers that is readily available on the market.

## OBJECTIVE 5: SUPPORTING INSTITUTIONS

Russia Objective Score: 1.79

Supporting institutions deteriorated as part of a general offensive against civil society in the country, exemplified by the legal act that categorizes recipients of foreign funding as "foreign agents," the closure of USAID, and the continued dormancy of journalist unions. Civil society continues to fight for the rights of journalists to report freely; however, such support is carried out by a further limited number of

<sup>5</sup> TNS press release. December 21, 2012. Available at [www.tns-global.ru](http://www.tns-global.ru).

The termination of USAID in Russia in 2012, on the request of the Russian government, considerably limited the amount of grant support available to media trade associations, noted several panelists.

organizations and is increasingly political in tone, as civil society takes sides in the political battles throughout society.

There are several organizations that represent the interests of media owners and managers, including the National Association of TV and Radio Broadcasters, Media Union, Guild of Public Press Publishers, Alliance of Managers of Russian Regional Media, and Alliance of Independent Regional Publishers.

These associations make efforts to protect and support the business interests of their members. For example, many broadcasters are concerned about the quality of broadcast rating measurements. To address this, in 2012 the National Association of TV and Radio Broadcasters (NAT) partnered with trade associations representing advertising agencies and advertisers to hire a group of international experts to review the methodology used by TNS Russia, the principal broadcast ratings-measurement company in Russia. Upon the requests of its members, in 2012 NAT started to work with TNS Russia to develop a system of rating measurements that would cover all 83 regions in Russia. All NAT members were

invited to participate in the development of the conceptual framework for this system.

Trade associations provide a number of services to their members: conferences, trade publications, seminars, workshops, and training, including webinars, consultations, professional competitions, and awards. They work in cooperation with major international trade associations and regularly organize joint international events in Russia. For example, NAT annually conducts the International Congress and Fair of professional equipment for television, radio, and online broadcasting. The Guild of Public Press Publishers cooperates with the World Association of Newspapers and News Publishers, and one of their partnership projects is a Russian-language magazine on the publishing business.

At the same time, the ability of trade associations to lobby for the interests of media owners and managers is limited. The Guild of Public Press Publishers is the only successful trade association, noted one of the panelists. It is recognized by major publishing houses, and they use it as a platform for discussion and lobbying, such as to lobby for a reduction of import taxes on paper. The National Association of TV and Radio Broadcasters is not recognized by the major federal broadcasters, which have direct access to the authorities and do not need it to advocate for their interests. This considerably undermines the ability of the organization to fulfill its mandate.

Membership dues are not sufficient to support the events and projects run by media trade associations, so they must seek grant support both from Russian sources, including the grant program of the Federal Agency for Press and Mass Communications, and from international media-support programs. The termination of USAID in Russia in 2012, on the request of the Russian government, considerably limited the amount of grant support available to media trade associations, noted several panelists. For example, the Alliance of Independent Regional Publishers, membership in which is open only to regional print media that pursue nonpartisan independent editorial policy, had to reduce the amount of services it provided to its members.

The Russian Union of Journalists (RUJ) is the principal organization that represents the interests of Russian journalists. Most panelists said that they were unaware of RUJ activities. Young journalists are not joining RUJ because they don't see any benefits in being members. There are several active RUJ chapters in the regions, but this is due to the individual position of their heads rather than to the RUJ national leadership, noted the panelists.

There are very few NGOs that support free speech and independent media. For example, the Glasnost

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

##### SUPPORTING INSTITUTIONS INDICATORS:

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

Defense Foundation monitors and makes public the instances of violation of the rights of journalists. The Center for Protection of the Rights of Media provides legal consultations and court support to independent media. A number of NGOs, including the Foundation for Independent Radio Broadcasting and the Institute for Press Development of Siberia, provide training for journalists and media managers.

The operation of these NGOs is supported mostly by grants from international sources. In 2012, the Russian government continued to limit the availability of international funding to Russian NGOs. USAID was ordered to close its operations in Russia, which led to the closure of a number of media-support and human-rights programs. In December, Russian authorities passed the law that requires Russian NGOs receiving funding from foreign sources to register as “foreign agents,” with ominous implications, and threats any NGO receiving US funding with liquidation if it is found acting in conflict with Russian interests, broadly defined.

Most panelists were skeptical about the quality of journalism degree programs in Russia: they are outdated and don’t provide sufficient practice-oriented training. Several panelists were concerned that journalism departments offered training both to journalists and PR specialists, thus destroying the border between these two professions. One of the panelists noted that in the regions the majority of journalism graduates were taking jobs in PR, where salaries were higher.

Short-term training programs for journalists and other media professionals are few. Some panelists were concerned that media outlets were ready to pay to train only sales and management staff but not journalists. At the same time, there are few cases when independent private media outlets establish their own in-house training facilities for journalists and other media professionals.

Companies that supply media equipment are apolitical and not monopolized. The printing market has become competitive enough so that media that criticize the authorities do not have problems finding printing facilities.

In 2012, the press distribution system continued to be a serious challenge, especially for independent media outlets. One of the panelists, an editor of a weekly independent newspaper, said that the local newsstand network was selling his paper, but was ordering only enough copies to last a single day. The panelist believed the distributor did this under pressure from local authorities.

To overcome the distribution bottleneck, some independent media companies have established their own kiosk networks. In 2012, there were cases when authorities tried to destroy

these networks. For example, independent publishing house Altapress, based in the city of Barnaul, owns a share of Rospechat-Altai, which has 106 newsprint kiosks around the city. In April 2012, the administration of the city of Barnaul adopted a new kiosk location plan that called for removal of 102 of these kiosks. The authorities justified this plan by the need to reduce the amount of kiosks’ sales area from 700 square meters per one thousand citizens to 597, as required by local legislation. But, the same plan did not call for removal of any of the 68 newsprint kiosks owned by Rospechat-Altai’s competitor, Liga-Press. Rospechat-Altai appealed the decision of city authorities in court. The Federal Agency for Press and Mass Communications denounced this situation but said that it had no authority to reverse the decision of the city administration.

ICT infrastructure is rapidly growing. For example, in 2012 several mobile providers launched 4G networks. More than 22 percent of Russian citizens are using mobile Internet; 51% of them access the Internet with regular cellular phones, 43% with smartphones, and 6 percent with tablet computers, according to leading Internet firm Yandex. Still, there is a digital divide between major and smaller cities and rural areas, but it has to do more with economic reasons.

The Internet presence of media is also growing. Major television channels and many radio stations are available online. Even small media outlets are able to have some online presence. For example, 43 percent of municipal newspapers have their own websites or separate pages at municipal websites.<sup>6</sup> A number of independent regional newspapers and radio stations have established truly convergent newsrooms.

Each year, the panel eventually comes around to discussing Russian culture and its failure to nurture a free media. The panel agreed that the existing practices in the media are driven by values and context of Russia’s history. One participant noted that a media based on principles of free speech can only be sustainable in societies that believe that power is derived from the people—from the consent of the governed.

## List of Panel Participants

*Due to the newly-passed laws restricting NGO activity and contacts with US-based NGOs, the participants in the 2013 MSI Russia study will remain anonymous. This chapter was developed by a Russian journalist in December 2012 after a series of structured interviews with colleagues in the media sector.*

<sup>6</sup> *Russian Press: Current Situation, Trends and Prospects. Federal Agency for Press and Mass Communications. 2012. Available at <http://www.fapmc.ru/rospechat/activities/reports/2012/item3.html>.*