

MEDIA SUSTAINABILITY INDEX

2006/2007

**The Development
of Sustainable
Independent Media
in Europe and Eurasia**



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The Development of Sustainable Independent Media in Europe and Eurasia

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RUSSIA

The year 2006 was marked in Russia by further strengthening of government control over media in preparation for the Duma elections in 2007 and the presidential elections in 2008. *Kommersant*, one of the leading independent national newspapers, was acquired by the businessman Alisher Usmanov, director of Gazprominvestholding. The independent Ren-TV and the newspapers *Izvestia*, *Kommersant*, and *Komsomolskaya Pravda* “smoothly drifted towards the government” after these media outlets were acquired by businesses close to government. The murder of Anna Politkovskaya is widely believed to be connected to her criticism of authorities.

The government increased pressure on journalists criticizing authorities. There was the first precedent when a journalist served a prison sentence for libel. Attempts were made to take control over the Internet: there was the first court decision to confiscate a website on the grounds that it had not been registered at the Federal Agency for Print and Mass Media as required for all print media with print runs above 999 copies. Still, the Internet remained the least controlled media in Russia. Television remained the most controlled, with content reflective of that control.

Scores for the 2006 Media Sustainability Index (MSI) objectives are similar to 2005 results except that the score for the Business Management Objective dropped more substantially. Panelists said that information newspapers were benefiting less from the growth of the advertising market than from entertainment publications. And as newspapers were turning into profitable businesses, their publishers, who started as ardent journalists, would not risk their business by publishing critical information about authorities.

MSI panelists were particularly concerned that freedom of speech and the special mission of journalists to protect public interests were recognized neither by society nor by the professional journalist community. Panelists believed that the Russian Union of Journalists does not perform its mission of protecting journalists’ rights and uniting journalists to resist the growing pressure on the profession. As a result, the state of professional journalism was seen as declining.

RUSSIA AT A GLANCE

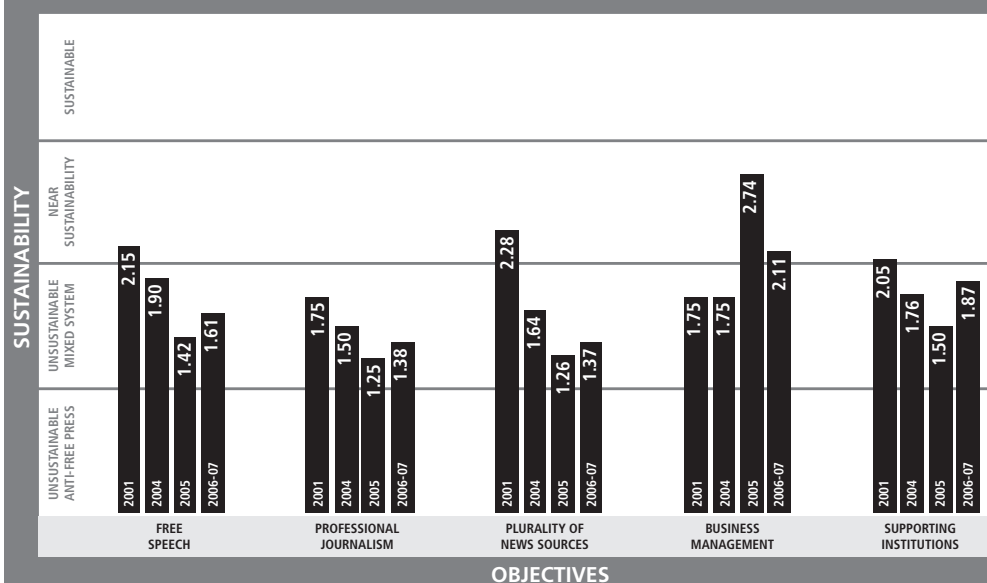
GENERAL

- > **Population:** 142,754,000 (Goskomstat)
- > **Capital city:** Moscow
- > **Ethnic groups (% of population):** Russian 79.8%, Tatar 3.8%, Ukrainian 2.0%, Bashkir 1.2%, Chuvashi 1.1%, Chechen 0.9%, Armenian 0.8% (Goskomstat)
- > **Religions (% of population):** Orthodox 86.5%, Muslim 10%, Armenian-Grygoryans 0.8%, Pagan 0.5%, Catholic 0.35%, Lutheran 0.3%, Buddhist 0.25%, Jewish 0.15% (2002 Census)
- > **Languages (% of population):** Russian 98%
- > **GNI (2006-Atlas):** \$822.4 billion (World Bank Development Indicators, 2007)
- > **GNI per capita (2006-PPP):** \$11,620 (World Bank Development Indicators, 2007)
- > **Literacy rate:** 99% (UNICEF)
- > **President or top authority:** President Vladimir Putin

MEDIA-SPECIFIC

- > **Number of active print outlets, radio stations, television stations:** 58,184 print media, 12,770 electronic media (Federal Agency of Print and Mass Media, 2007)
- > **Newspaper circulation statistics:**
 - Total daily circulation of Russian newspapers:** over 20 million
 - Total circulation in 2006:** over 8 billion copies (Federal Agency of Print and Mass Media, 2007). Largest daily newspaper: *Komsomolskaya Pravda* (Average issue readership is 6.6% of Russian population older than 10 years.); Largest weekly newspaper: *Argumenty i Fakty* (Average issue readership is 12.3% of Russian population older than 10 years.) (Comcon, 2007)
- > **Broadcast ratings:**
 - Television audience:** 95.4–96.5% of Russian population older than 10 years
 - Top ranked television stations:** Channel One, Russia, NTV (Comcon, 2007)
- > **News agencies:** ITAR-TASS (state), RIA-Novosti (state), Interfax (private)
- > **Annual advertising revenue in media sector:** TV: \$3.160 billion, radio: \$350 million, print: \$1.640 billion (newspapers: \$345 million, magazines: \$705 million, advertising publications: \$590 million), Internet: \$1.180 billion (Association of Russian Communication Agencies, 2007)
- > **Internet usage:** 21% of population (Institute of Statistical Research and Knowledge Economics of the Higher School of Economics, December 2007)

MEDIA SUSTAINABILITY INDEX: RUSSIA



Unsustainable, Anti-Free Press (0-1):

Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

Unsustainable Mixed System (1-2):

Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

Near Sustainability (2-3):

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

Sustainable (3-4):

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

OBJECTIVE 1: FREE SPEECH

Russia Objective Score: 1.61/4.00

MSI panelists have agreed that existing Russian constitutional and legal provisions protecting freedom of speech and access to information generally correspond to international standards. But in real life they are mostly ignored. MSI panelists noted that the year 2006 was marked by the drift of independent media—the private television channel REN-TV and the major national newspapers *Kommersant*, *Gazeta*, *Izvestia*, and *Komsomolskaya Pravda*—toward the government after they were bought by business structures close to state authorities.

Panelists expressed concern that freedom of speech was not valued both by Russian society in general and by the journalism community in particular. People regard journalism not as a profession with a mission to protect the public interest but as a writing service to authorities and major businesses. Findings of the All-Russian Public Opinion Research Center for 2006 revealed that the attitude toward the media was heavily dependent on trust of president Putin: 62 percent of people who trust the president are positive about the job done by media, while among Putin opponents only 28 percent of people are positive about media. This data also may be regarded as an indicator that media coverage is heavily pro-presidential. Lilia Molodetskaya, executive director of the Alliance of Independent Regional Publishers, has said that “readers believe that when a newspaper

criticizes central authorities, it does it for money.” According to the All-Russian Public Opinion Research Center survey, 73 percent of respondents thought that critical information about state officials and businessmen is used as part of political technologies, and 57 percent of respondents do not trust such information in media.

Panelists say that journalists themselves do not value freedom of speech. According to Andrei Allakhverdov, chief editor of the Foundation for Independent Radio Broadcasting, “recently heads and journalists of many large media, especially TV, openly say that they do not need freedom of speech and it is much better when you definitely know who controls you.”

Maria Eismont, director of the Russian Independent Media Program of the New Eurasia Foundation, said that still there were people in the media community ready to protect freedom of speech even at the expense of their jobs. As an example, she told the story of the private newspaper *Gorod* in Khanty-Mansiisk in Western Siberia. The chief editor and all journalists resigned after the general director did not allow the publishing of an article that stated that local police were investigating the misuse of budgetary funds, with the involvement of the mayor of Nyagan, allocated for the construction of a factory. Journalists tried to make public the reasons for their resignation through the newspaper website and the newspaper itself, but the site was immediately closed for redesign and the general director seized the print run and destroyed it. The journalists used their own funds to start a new newspaper. They also insisted that the local prosecutor’s office start a case against their former employer for censorship and seizure of the print run. Eismont said the prosecutor’s office initially resisted starting this case and did so only after numerous calls from newspapers from other regions that knew about this story.

The situation with licensing of broadcast media did not change from 2005. The majority of members of the licensing commission are government officials, and the work of the commission is not transparent.

Market entry and taxes for media are similar to those for other industries and are quite high. Advertising sales are subject to 18 percent value-added tax (VAT), and there is a 26.2 percent (or 14.2 percent if a company is small and uses a simplified accounting system) social tax on the salaries paid to company staff. Eismont, of the New Eurasia Foundation, believes that high taxes force private media outlets to hide part of their revenue, and this practice makes media more vulnerable to pressure from authorities and undermines their independence.

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.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Russia Objective Score: 1.38/4.00

MSI panelists agreed that crimes against journalists are quite common and are committed both by authorities and criminals. According to Mikhail Melnikov, analyst at the Center for Journalism in Extreme Situations, there are about 50–60 cases of criminal attacks on journalists every year that can be related to their professional activities. Melnikov continued, “It is sad, but these cases do not evoke public discussion. Society does not care.” Crimes against media are not prosecuted vigorously, and MSI panelists agreed that this has resulted from the poor situation with criminal investigation and prosecution in Russia in general, together with the fact that society does not perceive journalists as defendants of the public interest.

The murder of Anna Politkovskaya, a prominent journalist covering human-rights topics, was one of the landmark events of 2006. According to the All-Russian Public Opinion Research Center, 79 percent of the Russian adult population heard about it, and most people believed that Anna’s murder had to do with her professional activities, for “knowing too much.” Sixty-eight percent of respondents believed that people who organized Politkovskaya’s murder would not be found (among those who did not trust the Russian president this share was even higher—80 percent).

MSI panelists noted that in Russia private media were not necessarily independent from state authorities, and that authorities gave preferential treatment—in the form of subsidies and easier access to information—to media that are loyal to them.

In Russia, libel is a criminal issue. Boris Timoshenko, head of the Monitoring Department of the Glastnost Defense Foundation, said: “In the 1990s, the cases brought against journalists did not make it to court. Now a lot of cases have made it court, and there are a lot of sentences against journalists. There are already actual precedents that people go to jail, which is unacceptable in any civilized country.” In 2006, the first journalist in Russia was actually put in jail for libel.

Panelists agreed that access to information was not equally enforced for all media. Victor Serpionov, director of independent information news agency Rosbalt-South and the newspaper *Nash Rayon. Rostov*, said: “It is difficult to obtain information (from authorities) fast. Authorities do not reply to written requests at all, or press-services reply very slowly; sometimes it takes them several weeks to reply. They are quick only when working with loyal or federal newspapers.”

MSI panelists agreed that authorities did not take special effort to restrict access of media outlets to international news and news sources. Most media outlets, except for small municipal newspapers in the regions, have access to the Internet. Entry into the journalism profession is free, and the government imposes no restrictions.

MSI panelists expressed deep concern about the state of professional journalism in Russia. Mikhail Melnikov of the Center for Journalism in Extreme Situations even said: “Journalism is dying.”

Panelists agreed that reporting in Russian media was not fair, objective, and well-sourced. Allakhverdiv, of the Foundation for Independent Radio Broadcasting, said: “Objective programs and publications are rare. One can use fingers to count media that cherish objectivity. And to state media, the notion of “objectivity” does not apply to the smallest degree. This is pure propaganda, creation of an unsubstantiated positive image of the authorities, and creation of the image of enemy for NGOs (nongovernmental organizations), the West, Ukraine, Georgia.” Veronika Dmitrieva, of the Media Development Loan Fund, added that journalists of regional newspapers “quite commonly expressed their own opinions and did not check facts.” Eismont, of the New Eurasia Foundation, suggested that in many cases the reason for poor reporting in the regions was “the lack of skills and poor professional qualification. A person just does not understand that he should have asked the other side. Some journalists say that they have to fill 10 pages, and they have to do it quickly, so ‘we were told the story and we wrote it.’ Some also say that they did not call (to check information or ask for other opinions) because they were sure they would be rejected.” Serpionov, who runs an information newspaper in Rostov-on-Don, agrees: he insists that his journalists do fair, objective, and well-sourced reporting, but they still tend to use a minimal number of sources.

In the opinion of MSI panelists, the majority of Russian journalists are aware of ethical standards. According to Eismont, many clients of the New Eurasia Foundation’s Russian Independent Media Program have developed ethical codes, well in line with internationally accepted ethical standards, and then never put them to practice. “At present, journalists are very cynical, and a person trying to talk about ethics at best is laughed at. He is perceived either to be foolish, or to have some hidden interests.”

“Advertorials,”—or “commercial materials,” as they are called in Russia—are very common and in most cases are written by the same people who do editorial materials. In many regional newspapers, reporters are paid for published materials. According to Eismont, the pay for commercial materials tends to be higher than for independent reporting, and the writing for advertorials is less time-consuming.

MSI panelists agreed that self-censorship in Russia “was flourishing.” The increased profits of media outlets are one of the reasons for self-censorship. As Dmitrieva, of the Media Development Loan Fund, put it, “journalists who started their newspapers because of their beliefs (in freedom of speech) have become rich, and now they face the choice: either they do an investigation and risk the authorities taking action against their newspaper, or they “soften” the material.” Other journalists practice self-censorship because of their political beliefs and the desire to maintain stability in the society. MSI panelists agreed that in some cases journalists avoided topics (e.g., the topic of national minorities) that seemed too complicated and that they did not know how to handle them.

There are a lot of “forbidden” topics for the media. First of all is critical information about the president and security services as well as information about opposition to the central authorities and events that central authorities do not like. A well-known example from 2006 is the coverage of events in Kondopoga, where a conflict between the local population and immigrants led to violence. For several days there was no mention of these events in federal media, though events were heavily covered on the Internet. Melnikov, of the Center for Journalism in Extreme Situations, said: “Watergate would not be possible in Russia today unless it was approved by authorities.” Timoshenko, of the Glasnost Defense Foundation, added: “Writing about corruption before there is a criminal case is practically a death penalty.” He analyzed the reasons for murders of journalists since 1990s, and in all instances reporters were investigating cases of corruption.

Local media hardly cover major national and international events and restrict themselves to coverage of local news. Local journalists say that they cannot compete with national media on covering national events.

MSI panelists identified two tendencies related to the pay level of journalists. Reporters move from smaller cities to bigger ones where they can make more money. They also leave the media to go into public relations. The latter happens already at the entry level. The majority of graduates of journalism departments take PR jobs rather than going to media outlets. Dmitrieva also said that “in 2006 there were precedents when journalists left independent media to take jobs with higher salaries at the state media.”

In 2006, entertainment programming definitely eclipsed news and information programming. Local newspapers provide a lot of so-called useful information—consumer and lifestyle materials. At the same time, people are still interested in informational programming. According to the All-Russian Public Opinion Research Center 2006 survey, information programs were most popular (they are watched by 59 percent of respondents). Fifty-five percent of people are more interested in information programming than they were several years ago, and 56 percent disagreed that information programming should be reduced in favor of entertainment.

MSI panelists agreed that the technical facilities and equipment of media outlets are quite efficient. Reporters have computers and Internet access. The only exclusion is municipal newspapers in small towns that, according to Molodetskaya of the Alliance of Independent Regional Publishers, “remain on the level of the 1980s” and often do not even have computers.

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.
- > Media outlets have unrestricted access to information; this is equally enforced for all media and journalists.
- > Quality niche reporting and programming exists (investigative, economics/business, local, political).

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Russia Objective Score: 1.37/4.00

MSI panelists concluded that Russian people could use various media, but because of the poor quality of journalism people were not getting reliable and objective information. This conclusion is confirmed by the data of the survey conducted by the All-Russian Public Opinion Research Center in fall 2006. People were asked what sources of information they were using on a regular basis. The results were as follows: 85 percent of people watch federal television channels, 40 percent watch oblast television channels, 32 percent watch regional television channels, 31 percent read federal newspapers, 27 percent read regional newspapers, 23 percent read oblast newspapers, 26 percent listen to federal radio stations, 13 percent listen to oblast radio, 10 percent listen to regional radio stations, 13 percent use the Internet, and

2 percent get information from foreign media. There are no major differences in the rate of use of various sources of information between large and small cities except in the case of the Internet and foreign media.

Rates of Internet use are as follows: 26 percent in the capital cities of Moscow and St. Petersburg, 16–18 percent in major cities, 10 percent in small cities, and 7 percent in rural areas. In capital cities, 5 percent of people regularly use foreign media to get information, compared with 1 percent in rural areas. Another All-Russian Public Opinion Research Center survey conducted in August 2006 revealed that 67 percent of respondents thought that news coverage on the major federal television channels was getting more similar and unified.

The majority of private media is local and covers almost exclusively local news. MSI panelists suggested that this mentality was inherited from the Soviet times, when national newspapers covered exclusively national news, regional (oblast) newspapers were in charge of regional news, and local newspapers were in charge of covering local events. This attitude persists despite the fact that often just a few copies of national newspapers are delivered to smaller cities.

In general, citizens' access to domestic and international media is not restricted. The government's strategy is to control the content of media rather than access to it, according to panelists. MSI panelists noted that in 2006 the state authorities made their first efforts to control the Internet. They discussed a lawsuit brought against the website *Novyi Focus*, run by journalist Mikhail Afanasiev from Abakan in Eastern Siberia. Afanasiev published critical information about authorities. The court ruled that Afanasiev was illegally distributing unregistered media, effectively classifying the website as a print media outlet (Russian laws require that all print periodicals with print runs above 999 copies per issue get registered at the Federal Agency for Print and Mass Media). The site was "confiscated."

Panelists did not believe that "state or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest." Panelists were concerned that television programming was used as propaganda or for "brainwashing the audience" rather than for informing citizens. Melnikov, of the Center for Journalism in Extreme Situations, said: "There is no actual news; there is an imitation of news."

Of the three largest information agencies in Russia, two—ITAR-TASS and RIA Novosti—are state-owned, and one—Interfax Information Service Group—is independent. Their fees are too high for regional media outlets, and they use independent news agencies that put news on the Internet. Quite often independent media outlets in the

regions start news agencies in their regions. Serpionov, who operates the *Nash Rayon. Rostov* newspaper network, said that in 2006 he started the information agency Rosbalt-South, which collects information for the Rostov region and publishes it on a website. Prior to this the only source of independent news in the region was Interfax-South.

MSI panelists said that the private national television channel REN-TV became considerably more pro-government after it was acquired by the industrial group Severstal. "In the regions, there are single examples of radio and television stations producing independent news," said Dmitrieva, of the Media Development Loan Fund.

The ownership of Russian media, especially in the regions, is not transparent, and panelists noted that this was not necessarily different from most businesses. But according to Eismont, of the New Eurasia Foundation, "people very well know (who the owners are) based on the content." The year 2006 was marked by major mergers and acquisitions in the media market, the total value of which was estimated at \$2 billion.

Experts note that there was an obvious separation of political and entertainment media. Media Holding Prof-Media continued to get rid of its news assets. In 2005, it sold a majority share of *Izvestia* newspaper to Gazprom-Media. In 2006, Prof-Media was negotiating to sell *Komsomolskaya Pravda* to Gazprom-Media Publishing House. At the same time, Prof-Media spent about \$1 billion to purchase entertainment and business media assets: Publishing House Afisha, television channels 2x2, Rambler TV, and TV3, and a controlling interest of Rambler Media Group.

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.

Business experts expected that Gazprom-Media would continue its acquisition of news and political media on the eve of the Duma and presidential elections. The major deal of 2006 in the media market was acquisition of Publishing House Kommersant by Alisher Usmanov, director of Gazprominvestholding who also has his own metallurgic business. *Kommersant* was sold for about \$300 million. The independent *Novaya Gazeta*, which was 100 percent owned by its editorial staff, sold 10 percent of its shares to Mikhail Gorbachev, former president of the USSR, and 39 percent to Alexander Lebedev, a deputy of the Moscow Duma opposed to Moscow mayor Yuriy Luzhkov.

MSI panelists agreed that media did not represent a broad spectrum of social interests. One of the reasons, according to Victor Muchnik of Tomsk TV2, is that “social interests are poorly articulated. The words “In Russia there is no society; there is population”—said a century and a half ago—are still an adequate description of the situation.”

Panelists said that media in national languages, especially newspapers, did exist. In the opinion of Dmitrieva, of the Media Development Loan Fund, “the topic of national minorities is just not interesting for the society.” Melnikov, of the Center for Journalism in Extreme Situations, said: “Formally, everything looks fine. But I have the impression that there is again assimilation: newspapers are tolerated, but the volume of radio programming in national languages is cut down everywhere.”

OBJECTIVE 4: BUSINESS MANAGEMENT

Russia Objective Score: 2.11/4.00

While Russian media have been developing the structures of a market-based system and increasing their skills, this indicator dropped according to panelists’ scores. The panel said that news and information newspapers were benefiting less from the growth of the advertising market than from entertainment publications, which were gaining revenue. And as newspapers were turning into profitable businesses, their publishers, who started as ardent journalists, would not risk their business by publishing critical information about authorities. Business success was not bringing editorial independence. And successful businesses who bought newspapers did not do so to maintain an editorially independent paper. In Russia, domestic advertising and investments do, to a large extent, follow politics.

MSI panelists agreed that the situation with printing facilities improved and that there were private print houses operating like profitable businesses. Still, there are some warning tendencies. Timoshenko, of the Glasnost Defense Foundation,

The majority of private media is local and covers almost exclusively local news. MSI panelists suggested that this mentality was inherited from the Soviet times, when national newspapers covered exclusively national news, regional (oblast) newspapers were in charge of regional news, and local newspapers were in charge of covering local events.

said that in Krasnoyarsk on the eve of local elections local authorities inspected two print houses that allegedly were printing counterfeit publications. All materials in the print houses were confiscated, including print runs of local newspapers. Melnikov, of the Center for Journalism in Extreme Situations, said that in Sverdlovsk the oblast governor, Rossel, was forcing major newspapers to print at the Beryazniki print house owned by regional authorities.

The distribution system is heavily monopolized and not transparent. In the regions, many newspapers establish their own distribution systems. There are instances when distribution is used as an instrument of pressure on independent newspapers and when copies of some newspapers are hidden from people by salespeople at the newsstands.

In 2006 in Russia, advertising sales revenue grew by 29 percent, if measured in USD, and by 24 percent if measured in rubles (estimates of the Association of Russian Communication Agencies). Revenue for ad sales on television (in rubles) increased 30 percent; revenue rose 12 percent for radio, 14 percent for newspapers, 17 percent for magazines, 9 percent for advertising publications, and 60 percent for the Internet.

Molodetskaya, of the Alliance of Independent Regional Publishers, said that in the print publications sector “the majority of advertising goes to entertainment publications, especially to TV guides.” Local information newspapers often have weak content that undermines their ability to benefit fully from the favorable situation in the advertising market. Only 10–15 percent of newspapers are profitable.

Still, according to Eismont, many clients of the New Eurasia Foundation’s Russian Independent Media Program “are getting profitable while they hardly survived before. They are buying office space, and the bigger ones start thinking about their own print houses.” The ratio between ad sales and circulation revenue is estimated at 60 to 40, and

the share of ad sales revenue continues to grow, which is close to the revenue structure in many developed market economies. Professional advertising agencies do support an advertising market.

According to Molodetskaya, in 2006 Russian regional authorities spent \$0.5 billion to subsidize regional and local media—to cover the costs of printing, paper, office rent, and communications. MSI panelists were concerned that there were many instances when authorities offered subsidies to independent media in exchange for loyalty. Usually independent media are offered contracts for so-called information services to local administrations. Local authorities offer to buy several pages in the newspaper and fill them with their own information without marking it as advertising. Panelists said that some independent media rejected such offers, while others accepted them.

The federal agency for print and mass communications supports socially important coverage in broadcast media and in the press—for instance, the production of sports and educational programming and explanations of laws and government policies. In 2006, the federal budget allocated considerably more money to support socially important coverage in the print media—150.6 million rubles, compared with 47.6 million in 2005. This money is distributed on a competitive basis in the form of grants available to both state and private media. Melnikov said that it was a civilized form of supporting media because grants were competitive and transparent. Eismont expressed concern that giving grants to cover particular topics creates a mentality among journalists that socially important topics should be covered only for money.

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.

Recently, market research has become quite popular, almost a fad, in the regional media. Eismont said: “Doing market research is a fashion, especially doing it yourself. The data they get is probably fine, but they are unable to do quality analysis of the data. Often because of the poor quality of the market research this research does not lead to any changes.”

MSI panelists agreed that broadcasting ratings were reliable and trusted by the media community, while the situation with circulation data was very poor. The National Circulation Service, established by the Russian Union of Journalists eight years ago, has so far been joined by 500 publications (out of about 50,000). Data on the print runs provided by publishers are often considerably exaggerated.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Russia Objective Score: 1.87/4.00

The lack of a strong organization protecting professional rights and job security of journalists was one of the main concerns voiced by MSI panelists. The Russian Union of Journalists does not perform these functions. It organizes festivals and journalism competitions, but panelists felt that it does not want to perform the mundane task of protecting the rights of its members because it often requires going through bureaucratic procedures. Melnikov, of the Center for Journalism in Extreme Situations, said: “In the Charter of the Union of Journalists, it is put in black on white: protection of the rights of journalists and etc. But no one turns to the Union for protection, because many chapters of the Union are funded by governors.” In some regions, heads of local chapters of the Russian Union of Journalists at the same time are heads of the governors’ press-services. There are chapters that “fight to protect their members” (e.g., in Perm and Ekaterinburg), but they are unique.

Some MSI panelists suggested that it was up to journalists themselves to establish professional unions protecting their interests. There are some signs that this process may be starting. Timoshenko, of the Glastnost Defense Foundation, said: “Young people (journalists) who got to know each other through the Sakharov Award have formed an informal club. They exchange letters. They stay in touch. They help each other with information and other things. This connection is still unstable and personal, but it continues.”

There are a number of media trade associations: MediaUnion, the National Association of Television and Radio, the Guild of Press Publishers, the Union of Press Publishers, and the Alliance of Independent Regional Publishers (formerly the Association of Independent Regional Publishers). Members

of these organizations are media outlets, and they tend to protect mostly the business interests of their members.

A number of Russian NGOs support free speech and independent media through advocacy, training, and consultations. Timoshenko said that “the efficiency of NGO support was huge compared to that of the professional community.” In 2006, the government pressure on NGOs, especially those supported by international donors, increased. Russian NGOs founded by foreign organizations and citizens were required to re-register. As a result, Internews, for example, had to merge with the foundation Educated Media.

MSI panelists agreed that most journalism degree programs did not provide substantial practical experience to students but rather more of a theoretical education. Eismont, of the New Eurasia Foundation, said: “The level of professional training in journalism departments is extremely low. Many good professors either retire or take PR jobs. There is a huge gap between what is taught in journalism departments and practice ... And all this theory substitutes for things that nobody wants to talk about: what is journalism, what is the purpose and mission of journalists.”

Short-term training is provided by NGOs such as Internews/ Educated Media Foundation, The New Eurasia Foundation, the Foundation for Independent Radio Broadcasting and Corporation of Radio, the Eurasia Media Center, and the Center for Journalism in Extreme Situations. Panelists agreed that the quality of this training was quite good. Eismont expressed concern that there was not enough journalism training. She also said: “The training culture has just arrived, and may people still do not understand that training is important. But a short training is not a panacea. It gives an

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.

impetus, while people need regular exchange of information and communication.”

Some regional media outlets establish their own training centers. Examples are Barnaul publishing house, Alta-Press, and Tomsk TV-2. Alta-Press started a joint program with the local journalism department on practical journalism. Alta-Press also runs a training program for journalists of district newspapers from rural areas of the Altaiski region.

Both state and private printing facilities exist. There are incidents when authorities order printing facilities not to print newspapers criticizing these authorities. Channels of media distribution are also both state and private. The State Post Service is almost monopolist in the market of subscription, and its high prices for delivery of print publications are considered to be a serious obstacle for the development of newspapers.

Panel Participants

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

Andrei Allakhverdov, Chief Editor, Foundation for Independent Radio Broadcasting, Moscow

Veronika Dmitrieva, Regional Director for Russia and CIS, Media Development Loan Fund, Moscow

Maria Eismont, Director of Russian Independent Media Program, The New Eurasia Foundation, Moscow

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

Lilia Molodetskaya, Executive Director, Alliance of Independent Regional Publishers, Moscow

Victor Muchnik, Chief Editor, TV-2, Tomsk

Victor Serpionov, Director, Rosbalt-South information agency and *Nash Rayon*. Rostov newspaper network, Rostov-on-Don

Boris Timoshenko, Head of Monitoring Department, Glastnost Defense Foundation, Moscow

Moderator

Natalia Kosheleva, Director, Inter-Regional Institute of Media Consulting, Moscow