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## The Russian Media: From Popularity to Distrust

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**A**ugust 19, 1991. The “Emergency Committee” of Soviet Communist Party apparatchiks who had just grabbed power from President Mikhail Gorbachev called a press conference. It proved to be a disastrous attempt to create the impression that the reactionary putsch they were

staging was a constitutional transfer of power. It also marked a turning point for the vibrant, independent-thinking media that was just emerging thanks to

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Gorbachev’s program to ease Soviet-era control over one of the main tools of communist propaganda.

The Soviet Foreign Ministry press center was crowded that day. The press conference was broadcast live on the first channel of Soviet television, reaching 98 percent of the Soviet population. It was immediately clear that most reporters showed neither respect nor fear for the junta facing them. The culminating point came as Gorbachev’s former deputy and the self-proclaimed new Soviet president, Gennady Yanaev, called on a young journalist from *Nezavisimaya Gazeta*, one of the two most liberal-minded new publications in Moscow. Looking into the eyes of half-drunk, hands-trembling Yanaev, 24-year-old Tatiana Malkina asked matter-of-factly, “Do you realize you have carried out a coup d’état? And which comparison would you find more appropriate [for your act]—1917 or 1964 [that is, the Bolshevik coup or the overthrow of Nikita Khrushchev]?”

Malkina’s sharp question, however marginal its role in the failure of the putsch, embodied the freer

information climate present in journalistic circles during the days of the 1991 coup. The plotters’ attempt to reintroduce strict censorship on television broadcasts and a press ban encountered various levels of disobedience. At *Izvestiya*, a major daily, some reporters and printers refused to succumb to management’s pressure and insisted on publishing not only the declarations of the Emergency Committee but also Russian President Boris Yeltsin’s appeal for resistance. Even some of the reporters at the most authoritative—and carefully controlled—television news program, *Vremya*, decided to depict the situation as it really was. Meanwhile, journalists working for emerging newspapers and radio stations showed that the putsch was poorly staged and centered mainly in Moscow.

Most of the new generation of reporters did not have a journalism background. Many came from scientific fields. Having realized that the bankrupt Soviet state could no longer afford to subsidize scientific research, they had become interested in journalism, especially after the changes triggered by the 1990 Law on the Press, which laid the legal foundation for the creation of print outlets independent from the state. The Soviet regime’s obsession with the mass media and its belief that the media held the key to mass persuasion were of little importance to this new breed of journalists. As did many other Soviet citizens, they felt outraged by the attempt of a group of old-generation reactionaries to stop Gorbachev’s changes. Vladimir Todres, a 25-year-old political reporter with a background in chemistry, spoke for many when he said that he and his colleagues saw the failed putsch as the defining event of their generation.

Gorbachev’s bold changes had eased party control and allowed the emergence of alternative sources of information. The popularity of the “new” media of the late Soviet and immediate post-Soviet period

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resulted from a mix of objectivity and subjectivity. Many of the journalists working for the new media became personalities because they proved that they could gather credible information in a professional manner yet also continue the Soviet-era tradition of subjectively reported news, which was seen as a courageous requirement for accurate coverage. Journalists were indeed interested in reporting facts and quoting their sources, but they were even more interested in telling their audience their points of view on those facts. At times the commentary preceded the presentation of facts. Following the same tradition, the Russian public continued its emotional connection to the journalists, in many cases seeing them as the country's conscience.

Ten years later, this personal approach appears to have been ill suited to the creation of an independent and modern media structure. It led to a backlash against many of the journalists who had achieved a popular cult following. In the past decade, according to opinion polls, public trust in the Russian media has plummeted. A 1990 survey conducted by the Commission for Freedom of Access to Information—a Russian NGO—found that 70 percent of respondents believed the media's reports. Six years later, a poll by the same organization found that only 40 percent trusted journalists. In 2000 the commission said that figure was a paltry 13 percent.

According to Iosif Dzyaloshinsky, the commission's founder and a Moscow University journalism professor, several factors explain the media's loss of public trust and interest in what the media reports. In most Western countries, he notes, news media developed in parallel with a trading class, willing to make decisions based on information. Historically, this was not the case in Russia. "The press in Russia developed, from the beginning, among thinkers. They were writers, they were opposition activists, or . . . they were people close to the government. These people started publishing newspapers, writing in newspapers, not because they wanted to disseminate information, but because they wanted to influence the situation. [Since then] a journalist in Russia cannot simply act as an informer. It is an accepted fact that a journalist [is somebody who] must teach how to live," Dzyaloshinsky says.

### A FREE MEDIA IN A FREE MARKET

Many journalists regard the period from 1989 to 1992 as the golden age of Russia's press. They say

that in the turmoil surrounding the crumbling of the communist state apparatus, reporters had unprecedented access to a variety of sources. They acknowledge, however, that this was also a period of great confusion and superficiality, with few journalists able to determine what kind of information was out there and who would be interested in it. Many say they remember this period with nostalgia for the feeling of widespread "brotherhood" it engendered. Some also remember with a certain "horror" their naïveté and how unprepared they were to challenge the new reformist authorities, with whom they felt ideologically associated, following the fight against the Soviet regime. "Until 1993, journalists equated themselves with the authorities. This was our government—the Kremlin, Yeltsin. What they were doing, we were doing. We were building the new Russia together," journalist Veronika Kutsyllo said in a documentary film, *The Heavy Burden of Freedom*.

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The new atmosphere of cooperation with the authorities allowed journalists to appropriate media outlets previously controlled by the

Communist Party in Moscow and in the regions. New print and electronic media also sprang up. These "editorial collectives of journalists" often had a charismatic leader and included many brilliant personalities, but lacked individuals capable of working as business managers.

As economic conditions worsened and the Russian public strived to make ends meet, journalists realized that the easiest way out of a difficult financial situation was either to seek government subsidies or look for investors among emerging businesses. The latter became increasingly popular in Moscow, where the first business tycoons quickly figured out the political importance of the media for the advancement of their interests.

The problem of finding new investors while guaranteeing editorial freedom became pressing for young journalists, especially those in Moscow. Only years later did it become clear that the "easy way" had generated financial dependence yet failed to provide solid foundations for a free media market.

While editorial teams were looking for new financial backers to sponsor their activities, the practice of "hidden advertising" appeared (articles or television or radio reports that a media outlet has purchased showing a business or politician in an unconditionally favorable light). Some reporters considered it a temporary measure to make ends

meet in the hope that new managers would emerge who could run their media outlets as profitable businesses. Unfortunately, this did not prove a short-term phenomenon. Hidden advertising, practiced mostly by single journalists for private purposes but sometimes by entire editorial collectives and television teams, further undermined the creation of a functioning media market and the public's respect for journalists. Paid-for articles, nicknamed *dzhinsa*, became widespread in both new and traditional Russian media to the extent that some commentators close to the Kremlin suggested that journalists had no moral standing even to raise the question of press freedom.

The practice of hidden advertising continues and has become an important, if ominous, part of Russia's distorted media market. In an attempt to fight it, a media agency in 2001 sent a bogus article on a fictional shop to some 20 publications, offering to pay them to publish it as a hidden ad. Only seven publications refused. Others, including the government's official publication, *Rossiiskaya Gazeta*, accepted. When named and shamed, the publications that ran the story tried to launch a counterattack and accuse the agency of a "provocation to discredit the press."

Another widespread practice in business journalism, that of "small-caliber hired guns," became handy in political fights when local election campaigns were under way—a frequent occasion in a country consisting of 89 regions, each featuring a parliament, a governor, and a dozen medium-sized cities with mayors and city councils. In 1997 an average Moscow reporter could be hired for about \$1,500 to spend a fortnight working for a campaign in a Russian region.<sup>1</sup>

The main tool of influence in a country as vast as Russia is, of course, television. Higher printing and distribution prices had caused a crisis for newspapers. Unable to find enough advertising in the weak Russian market, publishers were forced to reduce circulation. Revenues originating from newsstand sales and subscriptions covered just a fraction of publication costs. The Russian public, which had subscribed massively to national and regional publications during the Soviet era, grew increasingly dependent on television for information and entertainment, which provided both free of charge.

At the end of 1993, the two channels with nationwide reach—Channel One (Ostankino) and Channel Two (Russian Television)—were both owned and

managed by the state. Russia's deep post-Soviet economic crisis, however, meant that only meager subsidies were allocated to television. These subsidies covered no more than one quarter of Channel One's operating costs and even less for Channel Two. Although political changes had enabled the channels to introduce an unprecedented variety of programming offering different points of view, economic hardship undermined this achievement.

The miserly state subsidies not only precluded much-needed modernization of technical equipment, but also were clearly insufficient to cover even the everyday needs of the channels' huge network of regional affiliates. The direct consequence of federal financial reductions meant an increased dependence on often-competing regional political and financial elites. Some regional governors proposed freeing the federal budget from operational expenses of a number of regional Channel Two branches and transferring administrative control to regional authorities.

## THE EMERGENCE OF MEDIA EMPIRES

The Kremlin resolved to allow the de facto privatization of Channel One in 1995. The state maintained control of the newly created Public Russian Television (ORT) through various government agencies that held 51 percent of its shares; a consortium of banks and emerging industrial groups held the remaining 49 percent. The man behind the consortium was ORT's largest single shareholder, Boris Berezovsky, a Kremlin insider and head of Logovaz, an industrial conglomerate based on a car dealership. Berezovsky, along with fellow media magnate Vladimir Gusinsky, was the first to understand the importance of media ownership to protect and advance his other financial interests (ranging from cars and oil to managing Russia's flagship air carrier, Aeroflot), providing them with political cover in the quagmire of Russia's often conflicting and unclear laws.

By the end of Yeltsin's second presidential term, Berezovsky's media empire included control over television channels ORT and TV-6, newspapers *Nezavisimaya*, *Novye Izvestiya*, and *Kommersant*, as well as a number of weekly political, business, and entertainment magazines. Berezovsky acquired these media outlets after they were already well established. None ever became his core interest.

## I WANT MY NTV

This secondary interest marks the main distinction between Berezovsky's and Gusinsky's empires. Gusinsky's initial interests included banking, insur-

<sup>1</sup>Author's interviews with a number of Russian journalists, 1997–2001.

ance, and real estate. But from 1997, Gusinsky focused on developing his media empire.

The emergence of Gusinsky's private television network—NTV—in 1993 and its rapid rise, leading to the creation of his MediaMOST holding, was one of the most important developments in the Russian media during the last decade. Over 700 private television companies have emerged in Russia since 1992, and their creation marks the main, truly revolutionary change since Soviet times.<sup>2</sup> However, NTV has been the only private television network to obtain a virtually nationwide broadcast reach and widespread popularity. The rapid rise of Gusinsky's media empire and the disturbing saga of its decline in 2000 and 2001 provide a vivid description of the shaky ground on which the biggest chunk of Russia's media market has been built.

NTV began broadcasting in October 1993. It did not have a license to broadcast on a major national VHF channel and therefore its managers, prominent figures with a background in state television, reached a deal to lease air time from a St. Petersburg-based station. In the absence of clear licensing regulations, Gusinsky and his allies lobbied hard to obtain a presidential decree, which would be the fastest way to allow them to broadcast. The worsening political situation between Yeltsin and parliament, coinciding with the launch of the new channel, played an important role helping Gusinsky and company reach their goal quickly. Liberal-minded journalists at Gusinsky's media outlets—including at that time only the daily *Segodnya* (launched with his financial backing in February 1993 by some of the leading print journalists who had left *Nezavisimaya Gazeta*) and NTV—wholeheartedly supported Boris Yeltsin in his fight against the Communist-dominated parliament. A few months after the October bloodshed in Moscow that saw the Russian president crush his armed communist opposition, Yeltsin signed a decree granting NTV the right to broadcast in the evenings on the underfunded state-owned Channel 4. NTV's broadcasts initially reached mainly the European part of Russia.

<sup>2</sup>In February 1992 a new law on the mass media gave private individuals and businesses the right to establish media outlets. The law anticipated the adoption of a separate bill regulating television and radio broadcasting. This bill was expected to establish clear procedures for granting broadcast licenses. No such law has ever been adopted, however, and this failure created a dangerous loophole in Russia's legal media framework, greatly increasing the possibility of political favoritism. (On a more positive note, the media law, as well as Russia's new constitution, adopted in December 1993, explicitly prohibited censorship and protected the right to gather and distribute information.)

NTV broadcasts—particularly news—were since the beginning more professional than those of state-owned channels. Gusinsky's attitude toward his media was never to impose his point of view, although it was clear to his journalists that the owner's business interests could not be criticized. A balanced mix of news and quality programs, including recent cinema releases, helped NTV gain the sympathy of Russia's best-educated public. And it began to receive international attention during the first war in Chechnya (1994–1996) by providing unbiased reporting that covered both sides of the fighting and thus playing a major role in bringing the Russian public to favor an end to the Russian military campaign.

Strengthening political connections with the Kremlin and Moscow city authorities at first guaranteed NTV a number of tax breaks and customs duty exemptions on imported equipment. The June 1996 presidential election provided more benefits. The incumbent president's popularity was in the single digits, and the Kremlin needed to gain NTV's active participation in the electoral campaign—on Yeltsin's side. In January 1996 the Communications Ministry allowed NTV to pay the same rates for transmissions services as state-owned channels. Managers of other independent radio and television stations lamented that signal-distribution fees represented huge expenditures for their budgets.

As the presidential vote approached and the electoral prospects of Yeltsin's challenger, Russian Communist Party leader Gennadi Zyuganov, appeared to improve, a group of Russia's business tycoons, including Gusinsky and Berezovsky, decided to back Yeltsin with resources such as campaign funds and favorable publicity. NTV's chief executive, Igor Malashenko, even became an influential Kremlin campaign strategist. Because they were anticommunist, journalists working for Gusinsky did not require any particular pressure to ensure coverage supporting Yeltsin and opposing his rivals, primarily Zyuganov.

During the presidential race, the giant gas monopoly, Gazprom, 43 percent of which was then government owned, purchased a 30 percent stake in NTV, providing funds for Gusinsky's development plans. This was Gazprom's first financial involvement with Gusinsky's network. Beneficial in the short term, it proved to be a weak point for his media empire's future once the special relationship with the Kremlin soured just before the 2000 presidential election.

Yeltsin's reelection in 1996 brought his backers a payoff. Mikhail Lesin, the founder of Video Inter-

national, one of Russia's two main advertising agencies, was appointed deputy chairman of RTR, the second television channel, with a well-established regional network (Lesin is now minister of press and information). Boris Berezovsky was appointed secretary of the presidential Security Council. NTV was granted the right to broadcast nationwide and around the clock on the frequency of Channel Four. This moment marked NTV's triumph. Gusinsky consolidated his information business through his MediaMOST holding, including new publications and radio and television ventures in the regions, as well as a satellite project that, in Gusinsky's view, would ensure his independence from the state. Meanwhile, Gusinsky's top managers continued their cooperation with the Kremlin, making it possible to obtain guarantees from Gazprom and other state agencies for multi-million-dollar credits.

### THE INFORMATION WARS

During the two years following Yeltsin's reelection, the term "oligarch" became an everyday word, and business leaders at times seemed to acquire the role of Russia's new ideologists. The oligarchs believed the Kremlin ought to see them as partners in the building of the new Russian state. Meanwhile, Russian society witnessed several rounds of so-called information wars in 1997 and 1998, when some of the leading oligarchs fought among themselves for the right to impose their personal views on future business and political developments. The July 1997 privatization of a stake in the telecommunications company Svyazinvest marked the first information war.

Gusinsky, along with Berezovsky, participated in the consortium that submitted the losing bid for the stake. Reacting angrily to what they considered a violation of unwritten agreements, the media barons waged an all-out war, using their media against government officials, particularly against then Deputy Prime Minister Anatoly Chubais, who they claimed was associated with their victorious rival for the stake, Vladimir Potanin, head of Interros holding company. Sparked by the ambition of tycoons and top journalists supporting them, the information wars helped destroy the public's respect for journalists and undermined solidarity among them.

Russia's media market and the country's journalists were further weakened by the August 1998 financial meltdown, which inflicted a severe blow to Russia's advertising market, on which national and regional media depended for a large chunk of their revenues. Politically connected outlets, includ-

ing ORT and NTV, were able to continue securing state loans. Many other media organizations, especially in the regions, simply disappeared or were absorbed by official media structures.

As the Kremlin prepared to gear up for the 2000 presidential campaign, Yeltsin's inner circle was keen to ensure the election of a successor of its choice. NTV and other MediaMOST outlets were desirable allies, but agreement on a single candidate to support clearly was impossible this time. Gusinsky refused to back Prime Minister Vladimir Putin, a former security services officer handpicked by Yeltsin's entourage, and supported Moscow Mayor Yuri Luzhkov instead. With the exception of Luzhkov's TV-Tsentr and other Moscow city government-backed media outlets, Russia's main media supported Putin and his "strong state" message.

A new military campaign in Chechnya in the autumn of 1999 gathered strong public support for Putin, contributing to his electoral victory. The Kremlin and security authorities made it clear that journalists challenging the Kremlin's line on Chechnya would be automatically considered "enemies of the state" and would be treated as traitors. Sergei Ivanov, secretary of Russia's Security Council, said that Russian journalists should show "patriotism" and "take part in the information war against the Chechen terrorists." In several cases reporters attempting to cover both sides of the conflict were harshly punished.

This was the first tangible sign that the Kremlin would require loyalty from both state-controlled and independent media and would not tolerate disobedience. As Kremlin spokesman on Chechnya Sergei Yastrzhembsky put it, "When the nation mobilizes its forces to achieve some task, that imposes obligations on everyone, including the media."

NTV reports on Chechnya were less biased than programs broadcast on state-controlled networks. They often featured the suffering of Chechen civilians and were the first to relate the high casualty rate among Russian servicemen.

As the government was busy clarifying new "rules of the game," a wide-ranging campaign against MediaMOST started. The holding's precarious financial situation and the controversial grounds on which it had been built gave the Kremlin considerable leverage. Kremlin and Gazprom officials were adamant that the conflict over repayments by MediaMOST was simply a business dispute, the rightful attempt of a creditor to collect back loans. Gusinsky and his allies replied that revenge for negative coverage on Chechnya and Putin, as well as the Kremlin's desire to

silence the country's main independent media, triggered the campaign.

Both sides had a point. Criminal investigations, intimidating police raids, and the systematic dismantling of MediaMOST that took place after Putin's election in April 2000 appeared politically motivated and aimed at conveying that the new authorities were determined to restore unconditional loyalty from media outlets. Gusinsky and NTV were considered by the Kremlin "not a mass medium, but a political adversary." By relying on privileged connections with state officials and on indirect state financial backing during the building of MediaMOST, however, Gusinsky and his managers fatally miscalculated. They failed to create a media organization truly independent from the state and made the holding's journalists vulnerable to state pressure. Earlier this year Gusinsky was eventually obliged to cede control of his media empire to Gazprom.

#### AFTER THE TAKEOVER

The year-long MediaMOST takeover sent an important message to other Russian media. Manana Aslamazian, director of Internews, an NGO that funds and trains journalists and media managers across Russia, said in 2000 that the "worst side-effect of the Gusinsky affair is the reaction of fear that it managed to spread around." Aslamazian is in daily contact with dozens of small and medium-sized regional independent stations, many of whom worked in partnership with NTV and MediaMOST's second-tier network, TNT. The standards of Gusinsky's NTV and his technically sophisticated media holding represented a professional reference point for them, Aslamazian said. His political influence was also considered impressive. But the authorities' show of determination against MediaMOST made clear to regional managers, much weaker than Gusinsky, that the same could happen to them.

President Putin has repeatedly said that a free press is the "most important guarantor of the irreversibility of our country's democratic course." Yet during the last year the Kremlin has appeared more interested in organizing a consistent flow of "correct" information than in strengthening a free media. Media security has been codified in a new information security doctrine, implying that contacts between Russian scholars and scientists with foreigners are a new target of control.

Initiatives aimed at increasing state regulation enjoy the authorities' support at the national and regional levels. Putin's representatives in the seven

newly formed regional districts are financing the creation of their own mass media, while reporting on Chechnya continues to be strictly controlled. With the Kremlin's blessing, a new journalists' union was officially created in 2001. But critics argue the goal of the new media union, which is rapidly expanding in the regions, is to undermine the existing Union of Journalists, which is critical of the government. The Internet is growing quickly in Russia, but complicated licensing procedures have been introduced to control Internet service providers, while many new Internet projects, well financed by the state, are being developed.

Meanwhile, the economic independence of regional media is further threatened by an equally distorted advertising market. As Manana Aslamazian notes, economic independence, which serves to guarantee journalists' independence, "will be unattainable as long as annual spending on advertising in Russia remains about \$2 per capita, compared to \$200 in the U.S."

The Russian public, vastly deceived by the journalists' performance in the last decade and largely in favor of increasing government regulation, has shown little sympathy for the problems of the independent media. According to Russian opinion polls, only 4 percent of the public regarded the NTV takeover as a state attempt to limit media freedom.

#### MEDIA AND A "CONTROLLABLE DEMOCRACY"

For the Russian people, hundreds of publications, television and radio stations, and web sites offer a range of information unthinkable 10 years ago. If it is true, however, that the Kremlin is not attempting to bring the Russian media back to Communist-era uniformity, it is also true that pluralism in the media is shrinking. Kremlin-connected analysts talk about a new concept, "controllable democracy," in which "leading television and radio stations are regarded as assisting freedom of propaganda, rather than freedom of expression" to push through further economic reforms. "Political propaganda is permitted only in favor of the government, or when it contains constructive criticism," says Sergei Markov, director of the Institute of Political Studies and one of the editors of the Kremlin-connected national news service web site <www.strana.ru>. The problem for the future, Markov acknowledges, is that "it will not be easy to separate the necessity of using the media to support painful reforms from the necessity of maintaining media independence for the purpose of advancement of democracy." ■