

MAPPING DIGITAL MEDIA: **RUSSIA**



Mapping Digital Media: Russia

A REPORT BY THE OPEN SOCIETY FOUNDATIONS

WRITTEN BY

Alexei Pankin (lead reporter)

Andrei Fedotov, Andrei Richter, Anastasia Alekseeva, Daria Osipova (reporters)

EDITED BY

Marius Dragomir and Mark Thompson (Open Society Media Program editors)

Rita Ruduša (MDM regional editor)

EDITORIAL COMMISSION

Yuen-Ying Chan, Christian S. Nissen, Dušan Reljić, Russell Southwood,
Michael Starks, Damian Tambini

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OPEN SOCIETY MEDIA PROGRAM TEAM

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Miguel Castro, special projects manager; and Gordana Jankovic, director

OPEN SOCIETY INFORMATION PROGRAM TEAM

Vera Franz, senior program manager; Darius Cuplinskas, director

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Mapping Digital Media

The values that underpin good journalism, the need of citizens for reliable and abundant information, and the importance of such information for a healthy society and a robust democracy: these are perennial, and provide compass-bearings for anyone trying to make sense of current changes across the media landscape.

The standards in the profession are in the process of being set. Most of the effects on journalism imposed by new technology are shaped in the most developed societies, but these changes are equally influencing the media in less developed societies.

The **Mapping Digital Media** project, which examines the changes in-depth, aims to build bridges between researchers and policy-makers, activists, academics and standard-setters across the world. It also builds policy capacity in countries where this is less developed, encouraging stakeholders to participate and influence change. At the same time, this research creates a knowledge base, laying foundations for advocacy work, building capacity and enhancing debate.

The Media Program of the Open Society Foundations has seen how changes and continuity affect the media in different places, redefining the way they can operate sustainably while staying true to values of pluralism and diversity, transparency and accountability, editorial independence, freedom of expression and information, public service, and high professional standards.

The Mapping Digital Media project assesses, in the light of these values, the global opportunities and risks that are created for media by the following developments:

- the switchover from analog broadcasting to digital broadcasting,
- growth of new media platforms as sources of news,
- convergence of traditional broadcasting with telecommunications.

Covering 60 countries, the project examines how these changes affect the core democratic service that any media system should provide—news about political, economic and social affairs.

The aim of the Mapping Digital Media project is to assess the impact of these changes on the core democratic service that any media system should provide, namely news about political, economic and social affairs.

The **Mapping Digital Media** reports are produced by local researchers and partner organizations in each country. Cumulatively, these reports will provide a much-needed resource on the democratic role of digital media.

In addition to the country reports, the Open Society Media Program has commissioned research papers on a range of topics related to digital media. These papers are published as the **MDM Reference Series**.

Mapping Digital Media: Russia

Executive Summary

In the two years preceding the financial crisis of 2008 Russia experienced unparalleled growth that helped boost, among other things, computer ownership, internet subscription rates, and advertising in the media. The crisis and subsequent recession led to a steep fall in global demand for raw materials and Russia saw its oil-fueled fortunes dwindle. The economic troubles coincided with changes in the Kremlin: Dmitry Medvedev, Vladimir Putin's protégé, was elected president in 2008, and Mr Putin became prime minister. The crisis also coincided with, and significantly contributed to, the rapid ascent of online media and of new communication tools. All four factors—the boom, the crisis, the new ruling tandem, and the explosion of online communication—have had a significant impact on the media and on news consumption in Russia.

The pre-crisis growth attracted new investors to the media market. Several prominent foreign media groups entered Russia, the Norwegian Schibsted and the German Westdeutsche Allgemeine Zeitung (WAZ), among others. However, new foreign investors were principally interested in local print media with politically safe content that were less likely to lead to confrontations with the authorities. Also, a recently adopted law restricts foreign ownership of broadcast media. At the same time, there are no legal constraints on ownership concentration in the media. The government strengthened its hold over the main nationwide television channels and leading daily newspapers, either directly or through state-owned commodity companies and tycoons (called oligarchs) loyal to the government.

The state-controlled nationwide channels are included by a presidential decree and without any public procedure in the list of eight must-carry channels that have slots in the first digital multiplex, owned by the government. After the digital switch-over in 2015, these state-controlled channels will have increased their reach to 100 percent of the territory of Russia.

The trend to use television as an organ of executive power has persisted in the last five years and the understanding of public service provision remains poor, both among the political elite and the general public. There is no legislative framework for public broadcasting, and recent attempts to initiate a discussion on the subject have been sporadic and weak.

Television audiences have been gradually shrinking, but it nevertheless continues to be the main source of information for the overwhelming majority of the population. Around 70 percent of people watch television regularly, although the choice of channels varies greatly depending on the milieu: urbanites can choose from dozens of channels, and not just terrestrial, while the rural population has access only to between two and four. The receiving equipment is severely outdated. Currently, there are no plans to subsidize the purchase of set-top boxes, but this may change as the switch-over date draws closer.

Similarly to television, the print media audience has also been shrinking, a trend predating the financial crisis but exacerbated by the cost-cutting measures related to it. The only traditional media audience still growing is that of radio. All traditional media are increasingly present on the web and offer ever more services there; their online audiences tend to be as much as 20 times larger than the audiences of traditional formats.

The growing prominence of online media as a source of news marks the biggest shift in news consumption. In the space of just five years internet subscription numbers in Russia increased nearly fivefold, spilling out of the technologically advanced and media-saturated metropolises into smaller cities and towns. Nearly half of all internet users—or more than 20 million people—regularly (i.e. monthly) read news online. The lack of content regulation on the internet and the growing competition of online outlets have enriched Russian media consumers' choices, and today's user consumes a wider variety of resources than in the pre-digital era. Moreover, the internet is virtually the only platform where criticism of the government is tolerated and, thus far, there have been no major attempts by the authorities to block or limit access to online information.

Skyrocketing internet use has also translated into a rapidly increasing popularity of user-generated content (UGC) websites and, in particular, social networks. Around 40 million Russian internet users have a profile on at least one social network and 20 million are present on two or more. Among those with two or more is Mr Medvedev, nicknamed blogger-in-chief for his persistent activity online, who has a video blog, a LiveJournal account, a Facebook profile, and a Twitter account with 34,262 followers. In line with the trend, other officials have started their blogs and Twitter accounts too, maintained, in many cases, by hired blog writers.

The internet has provided opportunities for public expression for marginalized minorities, including guest workers from Central Asia and sexual minorities. It has also been used as a tool for civic activism and digital mobilizations, albeit mainly in relation to locally relevant social issues or charity causes.

The increased availability of online information and the opportunities for e-participation are relevant only to the wired, mainly urban part of the population. A disparity exists not only between rural and urban people, but also between the high-speed broadband users and those with slower, less news consumption-friendly connections. Even though the overall internet penetration is relatively high, only 14 percent (2009) of all internet connections in Russia are broadband.

Digitization and the wealth of information found online have not translated into a higher quality of journalism in Russia. Fact-checking, the variety of opinions and topics covered, as well as investigations that are not computer-assisted, are often sacrificed for the sake of speed, lower cost, and convenience. The fight for audiences in traditional media has also contributed to the declining quality: infotainment is increasingly

replacing good-quality news. Newscasts and weekly news reviews on the main nationwide television channels have in recent years moved toward lighter formats. Some news programs openly state that their primary goal is to entertain and they deliberately avoid reporting on what they find to be boring stories and people.

The ascent of the internet has also highlighted a perennial problem in Russian journalism, namely the lack of widely accepted norms of ethics. The issue has acquired new urgency due to the common double-standard behavior of journalists. In their off-line reporting they tend to follow basic professional standards, while in their blogs—which are often embedded in the websites of the outlets they work for—many stray from them, thus undermining trust in the media and making journalists more vulnerable to pressures from the authorities.

Two significant discussions need to be initiated in the near future to help to prevent further deterioration of news quality and to ensure that the public interest is served, even if only to a limited degree. The first is a debate among media professionals on ethical norms in journalism in general and in new media in particular, which would ideally result in developing a set of standards recognized by a sizeable proportion of Russia's journalistic community. The second is a public debate on public service broadcasting, which should lead to the drafting of a roadmap of transition from state-controlled outlets and eventually to drafting legislation spelling out the role and remit of public broadcasters. Civil society groups, which so far have not been involved in discussions on public interest provisions in the media and on the various aspects of digitization, should be encouraged to take an active part in the process to help promote greater media literacy and to encourage greater demand for high-quality journalism in Russia.

Context

Between 2005 and the fall of 2008, the Russian economy experienced rapid growth, largely driven by the increase in world prices of oil, natural gas, and other raw materials. GDP per head in Russia, one of the world's biggest exporters of oil and natural gas, nearly doubled in just four years. This was accompanied by a significant increase in the gross national income per capita from US\$ 11,500 in 2005 to US\$ 19,700 in 2008. However, the financial crisis of 2008 and the subsequent recession led to a fall in demand for raw materials and, consequently, to a notable decrease in GDP and income per capita. Compared with 2008, GDP in current prices in 2009 fell by 26.6 percent, and income per capita by 14.6 percent. In 2009, unemployment increased by one-third and reached 8.4 percent.

Even though Russia was badly hit by the economic crisis and its economy shrank in 2009 by nearly 8 percent year-on-year, growth picked up relatively quickly, fueled by the renewal of the world's demand for oil. The revitalized demand and growing oil prices enabled the Russian economy to end the first half of 2010 in the black, up 4 percent year-on-year. Industrial output grew by 8.2 percent while unemployment started going down and reached 7.5 percent in the first half of 2010.¹

1. Federal State Statistics Service of the RF (Rosstat), "Social and economic situation in Russia in 2010," available at http://gks.ru/wps/wcm/connect/rosstat/rosstatsite/main/publishing/catalog/periodicals/doc_1140086922125 (accessed 18 May 2011) (hereafter Rosstat, "Social and economic situation in Russia").

Social Indicators²

Population (number of inhabitants): 141.8 million (2010)²

Number of households: 52,711,375 (2003)³

Figure 1.

Rural–urban breakdown (% of total population)⁴

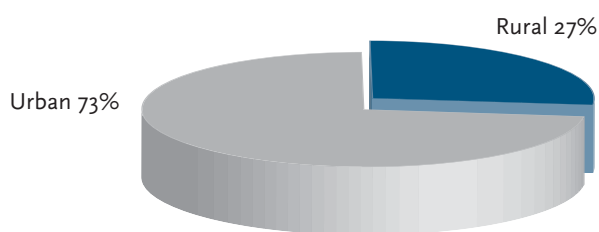
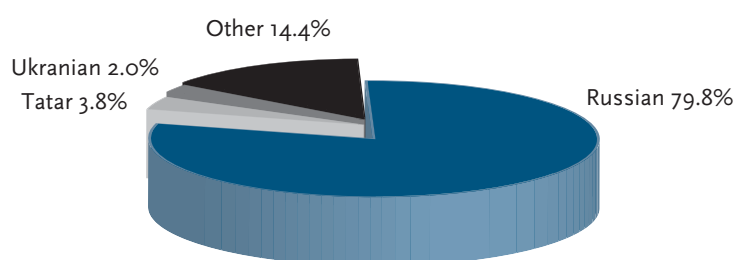


Figure 2.

Ethnic composition (% of total population)⁵



Note: “Other” includes: Bashkir 1.2 percent, Chuvash 1.1 percent, Chechen 0.9 percent, Armenian 0.8 percent, Mordovian 0.6 percent, Avar 0.6 percent, Belorussian 0.6 percent, Kazakh 0.5 percent, and a number of smaller ethnic groups.

2. Ibid.

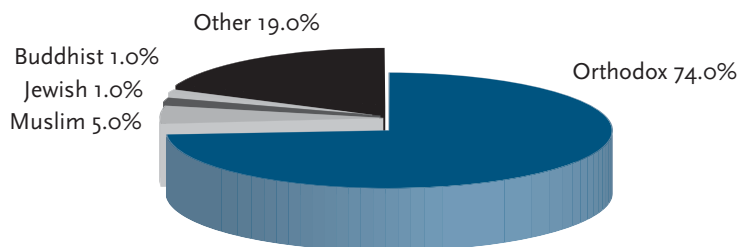
3. Rosstat, Results of the National Population Census 2002, Moscow, Rosstat, 2004, p.8.

4. Federal State Statistics Service of the RF (Rosstat), http://www.gks.ru/free_doc/new_site/population/demo/demo11.htm (accessed 18 May 2011).

5. Federal State Statistics Service of the RF (Rosstat), Report Results of the National Population Census 2002, Moscow, Rosstat, 2004, p. 9.

The state language of the Russian Federation is Russian. In the federal republics, an indigenous language has the status of an official language in addition to Russian. In some republics with a complex ethnic composition, the number of official languages exceeds 10. For example, there are 15 state languages in the Republic of Dagestan.

Figure 3.
Religious composition (% of total population)⁶



Note: “Other” includes: Protestants 1 percent, Roman Catholics 1 percent, atheists 8 percent, “No religious affiliation” 3 percent, “Prefer not to say” 6 percent.

6. Russian Public Opinion Research Center (VCIOM), “Do we believe in God?,” press release #1461, 30 March 2010, available at <http://wciom.ru/index.php?id=459&cuid=13365> (accessed 18 May 2011) (hereafter VCIOM, “Do we believe in God?”).

Economic Indicators

Table 1.
Economic indicators

	2005	2006	2007	2008	2009	2010f	2011f	2012f
GDP (current prices), US\$ billion	763,704	989,932	1,299,703	1,666,954	1,231,892	1,476,912	1,678,107	1,866,840
GDP (current prices), per head, US\$	5,321	6,932	9,139	11,739	8,681	10,521	11,996	13,391
Gross National Income (GNI), per head, US\$	11,560	14,570	16,410	19,770	18,350	n/a	n/a	n/a
Unemployment (% of total labor force)	7.2	7.2	6.1	6.3	8.4	7.4	n/a	n/a
Inflation (average annual rate in % against previous year)	10.9	9.0	11.9	13.3	8.8	6.0	5.4	5.0

Note: n/a = not available; f: forecast.

Sources: IMF (GDP); World Bank (GNI); Federal State Statistics Service of the Russian Federation (Rosstat) (unemployment, inflation).

1. Media Consumption: The Digital Factor

1.1 Digital Take-up

1.1.1 Digital Equipment and Literacy

A significant proportion of Russian households cannot access digital television content. Even though nearly 100 percent of households have television sets, over 70 percent of them are the outdated cathode ray tube (CRT) sets bought several decades ago. The government's Target Program "Development of television and radio broadcasting in the Russian Federation in 2009–2015" (hereafter Federal Target Program) envisages a complete step-by-step upgrade of the transmitting and receiving equipment. However, no subsidies to the population to obtain digital receiving equipment have been proposed thus far.⁷

The percentage of households equipped with radio sets is hard to identify. As a legacy from the Soviet Union, the entire territory of the Russian Federation (RF) is covered by a cable radio network, intended to transmit three stations. In Soviet times, a cable radio set serving both broadcasting and civil defense functions was present in virtually every urban household. Currently, the network remains operational only in Moscow, St Petersburg and a few other large cities. The sets are being dismantled and their numbers are continuously decreasing: between 2004 and 2008, the number of households with access to cable radio fell from 17.4 million to 10.9 million. The maintenance costs of cable radios are added to the monthly communal service bills regardless of whether a particular household still uses the receiving equipment.⁸ Currently, the wire network broadcasts mostly state-owned radio stations: Radio Rossii, Radio Mayak, and a local radio station.⁹ There is no data on the exact percentage of households equipped with wireless radio sets: the official statistics collect the data for all types of radio devices, including cable radio sets and portable radios, and publishes

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7. Concept of Federal Target Program Development of Television and Radio Broadcasting in the Russian Federation 2009–2015, available at <http://minsvyaz.ru/common/upload/1349R.pdf> (accessed 18 May 2011) (hereafter Concept of Federal Target Program).
 8. V. Ivanyuk, "Modernization of wire radio broadcasting networks for telecommunications in Russia," April 2010, available at <http://www.mgrs.ru/new/assets/Public/docladsochi.pdf> (accessed 18 May 2011) (hereafter Ivanyuk, "Modernization of wire radio broadcasting networks").
 9. Federal Agency for the Press and Mass Communications (Rospechat), *Radio Broadcasting in Russia: Current Situation, Trends and Prospects*, Moscow, 2010, pp. 34–37, 73–93 (hereafter Rospechat, *Radio Broadcasting in Russia*).

annually the average number of all types of radio devices in households. The most up-to-date statistics, for 2008, show that there were 29 wave radio sets per 100 households, not including radios in cars.¹⁰ (See Table 2.)

Table 2.
Households owning equipment, 2005–2010

	2005		2006		2007		2008		2009		2010	
	No of HH (m)	% of THH	No of HH (m)	% of THH	No of HH (m)	% of THH	No of HH (m)	% of THH	No of HH (m)	% of THH	No of HH (m)	% of THH
TV set	51.4	97.5	51.8	98.2	52.1	98.8	52.1	98.8	52.1	98.8	52.1	98.8
Radio set	14.7	28.0	14.8	28.0	15.3	29.0	15.3	29.0	n/a	n/a	n/a	n/a
PC	7.4	14.0	7.9	15.0	18.5	35.0	21.1	40.0	26.2	50.0	n/a	n/a

Notes: HH = households; THH: total number of households in the country; n/a: not available.

Sources: Russian TV and Radio Broadcasting Network (RTRS) (TV sets); Rosstat (radio sets); calculations by country reporters based on data from the International Telecommunication Union (ITU) (PC).

1.1.2 Platforms

Free terrestrial analog television still dominates in Russia.

The average number of terrestrial, cable, and satellite channels available to an urban household was 25 in 2009, but this figure does little to illustrate the overall availability of diverse platforms. Much more telling is the fact mentioned in the report by the Federal Agency for the Press and Mass Communications (Rospechat): the majority (56 percent) of the entire population has access to only four terrestrial channels, and a significant proportion of the rural population can watch just one or two of these.¹¹

According to the Federal Target Program,¹² the transition period to digital switch-over started in 2009 and will end in 2015. The digital television that is already available is mainly pay television distributed via cable or satellite. In theory, free-to-air (FTA) analog television broadcasting covers the entire territory of the RF and pay-TV is just an additional service to the analog broadcasting. In reality, there are remote regions where the terrestrial television signal is weak or non-existent and where (as with regions where the number of channels offered is very small) households have to subscribe to cable or satellite to receive the FTA channels.

Estimates of cable and satellite penetration agree that cable television penetration doubled between 2006 and 2009, but the growth of satellite television is estimated variously between threefold and tenfold, while the growth of Internet Protocol Television (IPTV) penetration appears to be between fivefold and tenfold.

10. Rosstat, available at http://www.gks.ru/free_doc/new_site/population/urov/urov_634.htm (accessed 5 June 2011).

11. Rospechat, *Television in Russia: Current Situation, Trends and Prospects*, Moscow, 2010, p. 22 (hereafter Rospechat, *Television in Russia*).

12. *Federal Target Program on Developing Television and Radio Broadcasting in Russia in 2010–2015*, available at <http://minsvyaz.ru/ru/directions/?regulator=36> (accessed 18 May 2011).

According to some estimates, there are about 350,000 household subscriptions to IPTV (mid-2010)¹³ and seven million subscribers to satellite television (end of 2010).¹⁴ Both figures are significantly higher than in 2006 when IPTV had only about 50,000 subscribers and satellite television had between 700,000 and two million subscribers.¹⁵ The disparities are partly attributable to the different methods of calculation used: the higher numbers are yielded if the calculations take into account all users of non-air operators, including collective or community subscribers. Some methods take into account only the modern connection technologies, such as Hybrid Fiber Coaxial (HFC) and Asymmetric Digital Subscriber Line (ADSL), while others include all types of connections.

The proportion of digital broadcasting among the private satellite television broadcasters in Russia is close to 100 percent. Two leaders, Tricolor TV (more than 6,000,000 households) and NTV+ (600,000 households), cover more than 90 percent of the total audience.¹⁶

Today Russia is moving away from the traditional television consumption format—generalist television—to specialized channels: an increasingly large number of specialized television channels is becoming available to households, albeit mostly urban. The average number of channels available to an urban household more than doubled between 2005 and 2009, from 10.9 to 25.2.¹⁷ The main factor in this increase was pay-TV: the proportion of urban households subscribing to pay-TV grew from 12 percent in 2005 to 30 percent in 2009.¹⁸ The existing telecommunication infrastructure gives technical access to non-terrestrial television to more than 90 percent of the population. According to some estimates, about 42 percent of all households had access to digital television, either satellite or cable, in early 2010.¹⁹ (See Table 3.)

Digital broadcasting is mainly concentrated in the largest cities and its audience is primarily the emerging middle class. However, recently the pace of digital television development in rural areas and smaller cities has accelerated as market saturation in the big cities forces market players to look for new opportunities elsewhere. The same cannot be said about IPTV development: because it is determined by access to broadband internet, IPTV projects are focused on Moscow and other large cities.

13. Conten-Review.com, available at <http://www.content-review.com/articles/13240/> (accessed 9 June 2011).

14. J'son & Partners Consulting, available at http://www.broadcasting.ru/newstext.php?news_id=75477 (accessed 9 June 2011).

15. Rospechat, *Television in Russia*, pp. 40–42.

16. Rospechat, *Television in Russia*, p. 40.

17. Rospechat, *Television in Russia*, p. 22.

18. Rospechat, *Television in Russia*, p. 35.

19. Y. Pripachkin, "Russian pay television market today and tomorrow," Moscow, 2010, available at www.aktr.ru (accessed 3 June 2011) (hereafter Pripachkin, "Russian pay television market").

Table 3.

Platform for the main TV reception and digital take-up, 2005–2010

	2005		2006		2007		2008		2009		2010	
	No of HH ('000)	% of HH	No of HH ('000)	% of HH	No of HH ('000)	% of HH	No of HH ('000)	% of HH	No of HH ('000)	% of HH	No of HH ('000)	% of HH
Terrestrial reception	52.1	98.8	52.1	98.8	52.1	98.8	52.1	98.8	52.1	98.8	52.1	98.8
– of which digital	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.5	0.9	n/a	n/a
Cable reception	n/a	n/a	10.5	19.9	13.5	26.0	15.4	29.6	14.9	28.3	n/a	n/a
– of which digital	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Satellite reception	n/a	n/a	2.0	3.8	2.5	4.7	3.7	7.0	5.7	10.8	n/a	n/a
– of which digital	n/a	n/a	2.0	3.8	2.5	4.7	3.7	7.0	5.7	10.8	n/a	n/a
IPTV	n/a	n/a	0.1	0.2	0.2	0.28	0.2	0.37	0.4	0.8	n/a	n/a
Total HH with TV	51.4	97.5	51.8	98.2	52.1	98.8	52.1	98.8	52.1	98.8	52.1	98.8
– of which digital	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes: HH: households; TVHH: total number of households owning equipment; n/a: not available.

Sources: iKS-Consulting; Federal Agency for the Press and Mass Communications (Rospechat); RTRS.

Internet penetration has grown rapidly over the last five years, and not just in large cities. The data of the opinion poll agency Fond Obschestvenoye Mnenie (FOM) shows that the average number of daily unique internet users (regardless of the internet access point) has increased fivefold and the average monthly number of users 2.5 times, reaching 46 million. Nearly a third live in small towns and villages.²⁰ Some 92 percent of young people between 12 and 24 years of age are such users.²¹ And the number of active users (those accessing the internet on a daily basis) is steadily increasing too: from 37 percent in 2005 to 65 percent in 2010.²²

Mobile communication has high penetration in Russia: the percentage of active mobile phone numbers exceeds the total number of the population by 1.6 times. This does not indicate a 100 percent mobile phone ownership: the majority of the population has one or more SIM cards, but there is still a sizeable number of people who have none. Statistics on the exact proportion of each group are not available. According to the opinion poll agency Levada Center, in February 2011, 86 percent of the adult population (aged 18+) had one or more mobile phones. In 2006, the number was 45 percent.²³ Increasingly, mobile telephones are being used to access the internet. Here, too, official statistics are not available, but according to the estimates published by TNS Russia, a media and market research company, the total number of internet users via

20. P. Lebedev, "Internet in Regions v.2.0.," presentation at Russian Internet Week, Moscow, 21 October 2010, p. 2 (hereafter Lebedev, "Internet in Regions v.2.0.").

21. I. Ishunkina, "The numbers of Runet," presentation at Russian Internet Week, Moscow, 21 October 2010, p. 4 (hereafter Ishunkina, "The numbers of Runet").

22. Lebedev, "Internet in Regions v.2.0.," p. 3.

23. Levada Center, "Internet, PCs and mobile phones in Russia," available at <http://www.levada.ru/press/2011031402.html> (accessed 5 June 2011) (hereafter Levada Center, "Internet ... in Russia").

mobile phone has grown by 42 percent in the last two years. In April 2011, the total number of internet users via mobile phone reached 18 percent of the total population, or 25,524,000.²⁴ (See Table 4.)

Table 4.

Internet subscription and mobile phone subscriptions (as % of total population), 2005–2010

	2005	2006	2007	2008	2009	2010
Internet	13.3	17.3	41.7	48.4	62.5	n/a
of which broadband*	8.3	11.6	8.2	13.4	14.6	n/a
Mobile telephony	83.8	105.7	120.6	141.1	163.6	n/a
of which 3G	0	0	n/a	n/a	n/a	n/a

Notes: n/a: not available; the data marked with asterisk show the percentage of all internet subscribers.

Source: Calculations of the country reporters based on data from ITU (internet, general statistics on mobile telephony).

1.2 Media Preferences

1.2.1 Main Shifts in News Consumption

There has been a general trend towards increased consumption of news distributed via digital media in Russia in the last five years. The internet is the main contributor to this growth. In the eyes of the population it is an increasingly prominent source of news: according to the Russian Public Opinion Research Center (VCIOM) data, 31 percent of the adult population (18+) now believes the internet is a key source of information, and more than half (52 percent) use the internet to search for information on politics. In 2007, in contrast, only 13 percent thought of the internet as a key source of news.²⁵ The internet has also become the easiest way of delivering news content generated by traditional media.

The government dominates news broadcasting in Russia. There are no public electronic media in the country in the Western sense of the term, at either the national or the local level, and private media are mostly entertainment-oriented. In this situation, the internet has an increasingly significant impact on the news environment and public agenda. For example, while the audiences of television and print media have been shrinking, the number of persons using the websites of these media outlets has been increasing. Between 2005 and 2009, the average total monthly television audience (the people aged over four who watch television at least once a month), according to TNS Russia, decreased from 75.8 percent to 71 percent of the population.²⁶ In terms of audience shrinkage, FTA terrestrial television currently leads the trend.²⁷

24. TNS Russia press release, “TNS presents the latest trends in the development of the internet in Russia,” http://tns-global.ru/rus/press/news/news_article (accessed 5 June 2011) (hereafter TNS Russia, “TNS presents the latest trends”).

25. VCIOM press release, “The interest in politics: growing or decreasing?,” available at <http://wciom.ru/index.php?id=459&uid=111495> (accessed 5 June 2011) (hereafter VCIOM, “The interest in politics”).

26. A. Sharikov, “The dawn of television?,” presentation at the media conference A Television Schedule for Tomorrow, Moscow, 10 February 2010 (hereafter Sharikov, “The Dawn of Television?”).

27. Rospechat, *Television in Russia*, p. 93.

Nevertheless, television remains the main source of information for the population of the RF: 70 percent of viewers watch news and information programs on television regularly, while 30 percent of the total adult population spends no less than 10 minutes watching television newscasts every day.²⁸ At the same time, about a third of young viewers do not trust newscasts on the main television channels. According to a January 2011 opinion poll by the agency FOM, 67 percent of people between 18 and 24 trust television news. Among the population in general (those over 18), the number stands at 74 percent.²⁹

The total audience for print titles offering news content is also steadily decreasing. Even in Moscow, which has a market of print media with an advanced sales and distribution system and a comparatively high number of educated citizens, the average monthly readership for daily newspapers declined from 18 percent of the adult population in January 2006 to 14.9 percent in April 2010. Good-quality newspapers are experiencing the biggest decline in circulation and audience, while the performance of the tabloid press remains stable. Another trend in the print news media market is the aging readership of the hard copies of newspapers. The only type of traditional media that has recently grown is radio, for which the average total daily audience has risen from 37.7 million to 39.2 million (a 4 percent increase) since 2008.³⁰

Even though the internet still comes fourth in the list of news sources preferred by media consumers in Russia (after television, radio, and print media), its importance as a news source is increasing rapidly: the total internet audience has been growing, on average, by 25–30 percent per year during the last five years.³¹ Currently, news websites are the most popular resources of Runet (short for Russian internet or all sites in the domain .ru): 48 percent of the total monthly Russian internet audience reads news on the internet on a regular basis. This proportion increases to 92 percent among young people aged 12–24.³²

One of the forces driving this growth is the booming consumption of websites and portals of traditional media: television channels, radio stations, and press publications. During 2009–2010, the audience of television resources on the web increased from 960,000 to 1,250,000 unique viewers per day (November 2010).³³ Around 6 percent of urban residents over 15 years of age mainly watch television on a PC, via the internet. This type of watching is the main way of consuming television for 20 percent of the population in the age group 15–24. Around 37 percent of young internet users download television programs from the internet.³⁴ The same trend applies to the websites of print media:

28. TNS Newsletter RE:Search, “The four whales of Russian television,” December 2009, available at <http://tns-global.ru/rus/press/newsletter/122009/> (accessed 18 May 2011) (hereafter TNS Newsletter RE:Search, “The four whales”).

29. P. Lebedev, “Internet vs analog media: who will win?,” presentation at the I-COMference 2011 in Moscow, 10 February 2011, p. 4 (hereafter Lebedev, “Internet vs analog media”).

30. TNS Radio Index, available at <http://tns-global.ru/rus/data/ratings/radio/> (accessed 18 May 2011) (hereafter TNS Radio Index).

31. M. Read, “The state of the Russian internet,” presentation at the Russian Internet Week, Moscow, 21 October 2010, p. 3 (hereafter Read, “The state of the Russian internet”).

32. Ishunkina, “The numbers of Runet,” p. 4.

33. RuMetrika, “Online TV channels are becoming more and more popular,” available at <http://rumetrika.rambler.ru/review/4/4632> (accessed 5 June 2011); RuMetrika, “TV has found the lost audience on the internet,” available at <http://rumetrika.rambler.ru/review/4/4250> (accessed 18 May 2011).

34. D. Chistov, “Generation I: new generation chooses internet,” presentation at Russian Internet Week, Moscow, 21 October 2010, p. 3 (hereafter Chistov, “Generation I”).

while the hard-copy audience is shrinking, the internet one is on the rise. Between January 2009 and October 2010, Kp.ru, the website of the leading daily newspaper *Komsomolskaya Pravda*, doubled its monthly visitors. In November 2010, the total number of its monthly unique visitors stood at seven million.³⁵

The development of mobile internet access and Wireless Application Protocol (WAP) telephony is transforming the web resources of the leading mobile communication companies into universal media, which offer, among other things, news content. These sources of information are particularly popular among young people: according to data from the agency FOM, in November–December 2010, 11 percent of 18–24 year-olds were consuming news on the mobile internet, while among the adult population in general the number was only 2.5 percent.³⁶ In order to reach this audience, many electronic and print media have launched special websites and portals for mobile access. Among the leaders is the state-owned news television channel Vesti24, and the iPhone and iPad apps of the newspapers *Komsomolskaya Pravda* and *Kommersant-daily*.

1.2.2 Availability of a Diverse Range of News Sources

Every year, hundreds of new news sources are launched in Russia, among them new print outlets, radio and television channels, and internet resources including internet sites of established media. The continual emergence of new outlets, particularly online, suggests an increase in the total quantity of news on offer and a greater variety of platforms for news consumption.

The online presence of traditional media has eased access to news content. One of the contributing factors is expenditure: the cost of online media consumption is much lower than that of the traditional formats. Another is the advantage of simultaneous consumption of various types of sources. The ease of access and the opportunity to move between outlets with a simple click has resulted in a new trend in news consumption: consumption becomes less restricted and the audience is able to choose from a wide variety of sources rather than from a select few, as was the case in the pre-digital era.³⁷

However, the benefits of easy and quick access to news are only available to the “connected” part of the population. In other words, the current media situation has given rise to a new disparity in media consumption, depending on the availability of the internet and the quality of connection. In Russia, the digital divide, or the gap between internet users and non-users, manifests itself at two levels: there is the rural and urban divide, and there is the divide between large cities and smaller towns. An exacerbating factor, in both cases, is the low level of new media literacy. “Unwired” communities and those with slower, less multimedia-friendly internet connections have limited understanding of the new media landscape, digital terminology, and opportunities offered by the internet as well as the threats presented by it. The same applies to the people in a lower income bracket and the older generation for whom using the internet is a skill acquired later in life.

35. TNS Web Index, October 2010, available at <http://tns-global.ru/rus/data/ratings/index/> (accessed 18 May 2011).

36. Lebedev, “Internet vs analog media,” p. 10.

37. Federal Agency for the Press and Mass Communications (Rospechat), *Periodical Press Market in Russia: Current Situation, Trends and Prospects*, Moscow, 2009, p. 49. (hereafter Rospechat, *Periodical Press in Russia*).

Nevertheless, over the last year, internet access was growing at a faster pace in rural areas and towns than in large cities (see section 1.1.2), and this fact gives grounds for optimism.³⁸ Further development and cost reduction of broadband technologies should make internetization the main avenue of transition to digital media in Russia.

1.3. News Providers

1.3.1 Leading Sources of News

In the last five years, the positions of the leading news providers among traditional media in Russia have remained stable. Even though the average total monthly television audience has been steadily decreasing since 2005, television has not lost its top place on the list of main news sources (see section 1.2.1). The figures for the most popular news programs (see Table 7) show that the average number of viewers who watch television news has not changed significantly in recent years.

1.3.1.1 Television

Over the past five years the audience for printed versions of the leading good-quality daily and weekly newspapers has decreased dramatically (by 20–40 percent). The unique exception is the government daily *Rossiyskaya Gazeta*. This is largely due to direct government subsidies and a monopoly on printing legislation and government acts. The government covers all distribution costs of the newspaper and constantly increases the territorial scope of distribution. The government subsidies also enable the newspaper to have a low price (the basic monthly subscription to *Rossiyskaya Gazeta* for individual subscribers in 2011 is 230 Russian rubles (RUB) or US\$ 7.90, while the privately-owned daily *Kommersant* charges RUB 380 or US\$ 13). In 2008, when the readership of *Rossiyskaya Gazeta* doubled, the paper launched a new, thicker Friday edition with a circulation of 3.5 million copies distributed free, mainly to low-income households in the regions. (See Table 5.)

Table 5.
Top-quality national dailies, by average issue readership, 2005–2009

Newspaper	2005	2006	2007	2008	2009
	Readership (m)	Readership (m)	Readership (m)	Readership (m)	Readership (m)
<i>Komsomolskaya Pravda</i>	2.2	2.1	1.9	2.2	1.6
<i>Moskovsky Komsomolets</i>	1.5	1.2	1.2	1.4	1.0
<i>Izvestia</i>	0.5	0.4	0.4	0.4	0.3
<i>Rossiyskaya Gazeta</i>	0.3	0.3	0.6	1.2	1.4
<i>Trud</i>	0.4	0.3	0.4	0.4	0.2
<i>Kommersant</i>	0.4	0.2	0.2	0.4	0.3

Note: n/a: not available.

Sources: TNS Russia; NRS-Russia.

38. Lebedev, “Internet in Regions v.2.0.,” p. 2.

1.3.1.2 Online

In 2009–2010, the decrease in audience of the top-quality printed press was partially compensated by the rapid growth of the audience of their internet resources. A notable example is the daily *Vedomosti*, which is not among the top five in its traditional format, as its readership does not exceed 140,000, but ranks second in terms of online audience. (See Table 6.)

Table 6.
Websites of top-quality national dailies, by monthly unique visitors

Newspaper	Site	Monthly audience (m) April 2009	Monthly audience (m) April 2010
<i>Komsomolskaya Pravda</i>	Kp.ru	4.6	6.7
<i>Vedomosti</i>	Vedomosti.ru	0.6	2.4
<i>Izvestia</i>	Izvestia.ru	0.4	1.3
<i>Kommersant</i>	Kommersant.ru	0.7	1.7
<i>Argumenty i Fakty</i>	Aif.ru	0.5	2.9

Notes: Monthly audience calculates in all Russia, age groups between 12 and 54.

Source: TNS Gallup Media, April 2009/2010.

The average daily audience of the leading news websites and portals is comparable with the average issue readership of printed versions of the most popular quality dailies: the monthly audience of the news portal Mail.ru/novosti.ru is 10.5 million unique visitors per month; Yandex/novosti.ru (news) has 9.8 million per month; and Rambler/novosti.ru has 6.5 million unique visitors per month. The audience of websites of news agencies is also growing rapidly: Rbc.ru (the site of the news agency RosBusinessConsulting) has 6.7 million monthly unique visitors; and Ria.ru (the site of RIA Novosti) has 6.9 million monthly unique visitors.³⁹ All Russian news agencies offer a limited number of news for personal consumption to all web users, free of charge. The most popular of them are among the top 15 internet resources in the country.⁴⁰

1.3.1.3 Radio

The number of news and talk radio outlets in Russia is relatively small. The state-owned radio stations Radio Rossii, Radio Mayak, and Vesti FM, as well as the privately owned Ekho Mosvki, retain their leading position at the national level. Several new private news and talk radio stations were launched recently. The most successful project in this format is the private commercial network Russkaya Sluzhba Novostey, launched in 2005 and, by autumn 2010, reaching an average daily audience of 571,000 listeners.⁴¹ According to the report on radio broadcasting in 2010, published by Rospechat, a new trend in the radio market is the growing

39. TNS Web Index, September 2010, available at <http://tns-global.ru/rus/projects/media/asmi/inet/Reports/> (accessed 18 May 2011).

40. Ishunkina, "The numbers of Runet," p. 11.

41. TNS Radio Index October–December 2010, available at <http://tns-global.ru/rus/data/ratings/radio/> (accessed 18 May 2011).

proportion of news in the total air time. However, the report did not provide exact figures to illustrate this trend.⁴²

Increasing competition has resulted in a significant reduction in the audience of state-owned radio stations. The average daily audience of Radio Rossii and Radio Mayak has decreased by 10 percent over the last three years and today equals 5.5 million and 5 million respectively. By contrast, the audience of Ekho Mosvki remains stable at around 2.5 million listeners per day. Most listeners to news and talk radio stations are over 46 years of age.⁴³

1.3.2 Television News Programs

The top five television newscasts are led by the primetime newscasts on the national channels: “*Vremya*” (Time) at 9 p.m. (Channel One), “*Vesti*” (News) at 8 p.m. (Russia 1), and “*Segodnya*” (Today) at 7 p.m. (NTV). The size of the audience of the prime-time newscasts has remained rather stable despite the ever decreasing proportion of young people among the newscast viewers, and the significant decline of the average daily television viewer ratings (TVRs) for the national channels in recent years.⁴⁴ (See Table 7.)

Table 7.

Most popular nationwide news programs, by audience share, 2007–2010

TV programs and schedule time	TVR for week 19–25 March 2007 % (m viewers)	TVR for week 17–23 March 2008 % (m viewers)	TVR for week 16–22 March 2009 % (m viewers)	TVR for week 15–21 March 2010 % (m viewers)
“ <i>Vremya</i> ” 9 p.m. (1st Channel)	8.9 (12.22)	11.0 (15.11)	7.4 (10.17)	8.2 (11.27)
“ <i>Segodnya</i> ” 7 p.m.	5.1 (7.00)	4.9 (6.73)	5.2 (7.14)	5.7 (7.83)
“ <i>Vesti</i> ” 8 p.m. (Russia 1)	n/a	n/a	6.8 (9.34)	6.2 (8.52)
“ <i>Novosti</i> ” midnight (REN TV)	1.2 (1.65)	1.2 (1.65)	1.1 (1.51)	1.6 (2.2)
“ <i>Sobytiya</i> ” (TV Center)	1.0 (1.37)	1.2 (1.65)	0.9 (1.24)	0.8 (1.1)

Note: n/a: not available.

Source: TNS Russia TV Index.

1.3.3 Impact of Digital Media on Good-quality News

In assessing the impact of digital media on the news offering, one trend emerges clearly: digital media have increased the scope and diversity of the news offer for those who have access to them. The recently launched television channels and news/talk radio, which have dynamic websites to complement the traditional formats, have also increased the supply of news.

42. Rospechat, *Radio Broadcasting in Russia*, pp. 102–103.

43. TNS Radio Index, April–June 2008/2009/2010, available at <http://tns-global.ru/rus/data/ratings/radio/> (accessed 18 May 2011).

44. Rospechat, *Television in Russia*, p. 98.

The internet is the main driver of change in news broadcasting and dissemination in Russia. In the period January 2009–January 2011, the average number of news items⁴⁵ disseminated by online mass media in Runet per one working day grew from 36,000 to 50,000 (an increase of 39 percent).⁴⁶ The news produced and distributed by established media is being complemented by UGC: users produce news as witnesses or participants of events and, increasingly frequently, UGC items are embedded in websites of established outlets. Available free and featuring a constant stream of news in a multitude of formats, including UGC videos, the likes of Ria.ru attract audiences of several million users (see section 1.3.1). Today's news menu is more diverse than in the analog era, due not only to the ever-growing number of news platforms and the news items published, and to the increasing multitude of means of dissemination (such as social networks, discussed in section 3), but also to the growing news output by new entrants unaffiliated with traditional outlets (see section 4). However, the enriched news menu can only be enjoyed by the wired, new-media-savvy urbanites, while people with limited or no access to digital media and low levels of new media literacy remain reliant on a less abundant set of choices offered by traditional outlets.

A greater diversity of news does not always translate into higher quality. Infotainment has been prevailing over good-quality news, above all in traditional media. According to the 2010 report by the Rospechat on *Television in Russia: Current Situation, Trends and Prospects*, the amount and share of light stories in leading news television programming is steadily growing,⁴⁷ and new infotainment news products are constantly being put on air. Today, some of the most popular news products on the Russian media market, such as the news programs “*Segodnya*” and “*Itogi*” on the commercial NTV channel, or the daily newspaper *Komsomolskaya Pravda* and the radio *Russkaya Sluzhba Novostey*, offer news in a light format. A good example of this trend is the new weekly NTV information show, “*Central'noe Televidenie*” (Central Television), launched in August 2010. The channel describes the philosophy of the program as follows:

Today, we extract the news from television and the internet, discuss them while standing in line or in our blogs, exchange links of interesting videos and photos and divide the news into “official” and “about life.” In order to prompt a chain reaction every topic has to meet the sole criterion, to be exciting. *Central'noe Televidenie* is a “cocktail shaker,” in which we mix all sorts of things, but never dull topics and boring people. The ingredients keep changing and it is impossible to tell in advance what the mix will taste like. The only solution is to taste it anew each time! The same principle applies to the new Sunday show on *Central'noe Televidenie*. It is in a format that exists outside of the boundaries of “format” and “non-format;” it is a multimedia and multigenre project; it selects information following one criterion only: we show what is interesting!⁴⁸

45. Yandex does not provide a definition of a news item, but in the report “Media sphere of Runet: September 2010–January 2011,” the term refers to both mass media-generated and user-generated news (hereafter Yandex, “Media sphere of Runet”).

46. Yandex, “Media sphere of Runet: September 2010–January 2011,” “Media sphere of Runet: September 2008–January 2009,” available at http://download.yandex.ru/company/yandex_on_russian_internet_media_winter_2009.pdf (accessed 18 May 2011).

47. Rospechat, *Television in Russia*, Moscow, 2010, p. 115.

48. Website of the information program *Central'noe Televidenie*, available at http://www.ntv.ru/peredacha/centralnoe_televidenie/ (accessed 12 June 2011).

Meanwhile the number of people who regularly access the internet is growing rapidly (see section 1.2.2), and the internet is increasingly becoming a relevant news environment with news websites and independent blogs occupying top slots among the most popular internet sites in Russia, although they cannot boast the remarkable unique user numbers of the most popular social networks and video-sharing websites, which, in some cases, exceed 20 million (most popular web resources examined in detail in section 3).

1.4 Assessments

In terms of access to diverse news sources, the most privileged consumers live in Moscow and St Petersburg. More generally, the privileged live in cities with a population of between 500,000 and 1 million, while the underprivileged live in urban and rural locations of 100,000 people and smaller. The general trend of recent years has been a widespread access to broadband and cable/satellite connection in the largest cities and a high rate of growth of digital media in smaller locations. Thus, the gap in this field is likely to be bridged eventually, but it is difficult to predict when exactly.

The majority of people in Russia still use traditional media—television, print, and radio—as a primary news source. However, for many of these, it is not choice but rather the lack of it that determines media preferences; a number of regions, mostly rural, have no internet or cable television access. The audiences of the former two have been decreasing gradually in recent years (and, in the case of television, steadily becoming older too), but television still remains the main source of information for most. At the same time, all main television channels are becoming increasingly entertainment-focussed and there is a growing trend to present news and news reviews in a light, entertaining manner. While traditional media still hold leading positions, a general trend in the last five years has been an increase in the consumption of news distributed by digital media, particularly by young audiences, and the growing relevance of pure play (not attached to traditional media outlets) online news sources.

The total volume of news circulating in Russia has multiplied in recent years due to the growing number of news sources and the increasing quantity of news produced by the established media via traditional and online formats. The emergence of new titles and the growing internet presence of traditional media suggest that the total amount of available news has increased, and continues to do so. The increased news offer allows individuals to create an information menu for themselves, selecting items from a wider variety of sources and platforms than was available before the ascent of digital media.

A typical feature of the current situation is convergence, and the massive and rapid exploitation of the internet by all traditional media, including state-owned outlets that remain leading news providers (among these media).

The development and cost reduction of the internet infrastructure should make internetization the main avenue of transition to digital media in Russia.

2. Digital Media and Public or State-Administered Broadcasters

2.1 Public Service and State Institutions

2.1.1 Overview of Public Service Media; News and Current Affairs Output

Public service broadcasting in the true sense of the term does not exist in Russia; instead, there are several national broadcasting companies under various forms of state control. There are no mechanisms guaranteeing the editorial independence of these companies. All receive subsidies, and the state-administered broadcasters are entitled to carry as much advertising as commercial ones. The two most notable state-controlled broadcasters (included, by a special presidential decree, as must-carry in the first digital multiplex), are Channel One and the All Russia State Television and Radio Company (VGTRK).

Channel One was founded in 1951 as the First Program of the Soviet State Television and Radio Committee (Gosteleradio), renamed Ostankino in 1991, and transformed in 1995 into an open joint stock company, Russian Public Television (ORT). However, the name does not reflect the substance. In 2002 it was rebranded as Channel One. It is 51 percent-owned by the State and, as of late 2010, 24 percent belonged to private companies owned by the oligarch Roman Abramovich, and 25 percent to private companies controlled by another oligarch, Yury Kovalchuk. Both are known to be close friends of Mr Putin. Mr Kovalchuk also controls the media holding National Media Group, which owns two national channels, Channel 5 and REN-TV, as well as *Izvestia* daily (see section 6.1.2).

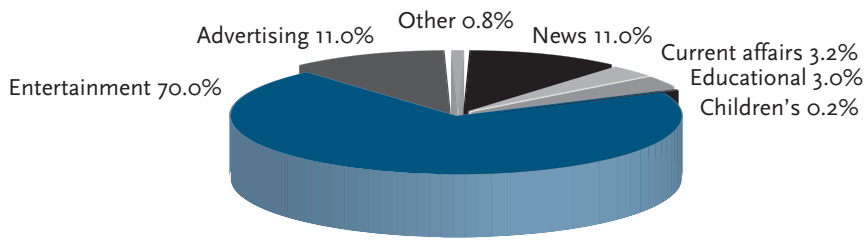
Channel One broadcasts round the clock to a potential audience of 98.8 percent of the population.⁴⁹ The weekday evening news “*Vremya*” at 9 p.m., and the Sunday weekly news review “*Voskresnoye Vremya*,” also at 9 p.m., have for many years been the leaders in ratings.⁵⁰ (See Figure 4.)

49. Rospechat, *Television in Russia*, p. 28.

50. TNS, “Media ratings: television,” available at <http://www.tns-global.ru/rus/data/ratings/tv/index> (accessed 18 May 2011) (hereafter TNS, “Media ratings: television”).

Figure 4.

Channel One program structure, weekdays, 2009⁵¹

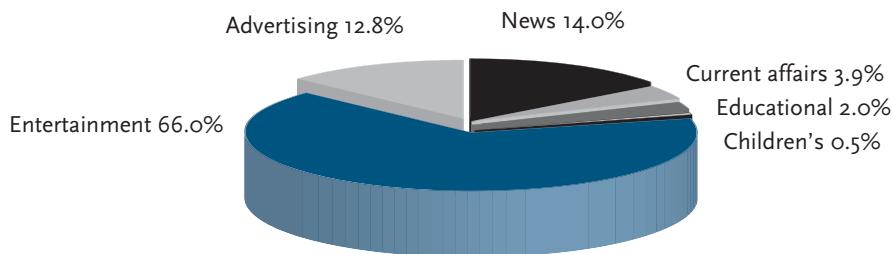


VGTRK was founded in 1991 by the government of the Russian Federation, a constituent Soviet republic, as an alternative to the Soviet-run Ostankino. Presently it is a federal-state unitary enterprise, which operates a wide array of channels. The flagship is Rossyia-1 with 24-hour broadcasting, 80 regional affiliates with slots for local programming, and a potential audience of 139.6 million people. Other channels include Rossyia-2 (until 2010, sport) with a potential reach of 80 million people; Rossyia K, the culture, entertainment, and educational channel formerly known as Kultura, with a potential reach of 106 million people; Rossyia 24, formerly Vesti 24, a 24-hour news channel transmitted terrestrially and via cable (no data on penetration available); Euronews in Russian (no data on penetration available);⁵² and three national radio stations, Radio Rossii, Mayak 24, and Vesti 24.

The Rossyia-1 daily evening news program “*Vesti*” (8 p.m.) and “*Vesti v Subotu*” (Saturdays at 8 p.m.), as well as “*Vesti Nedely*” (Sundays at 8 p.m.), have come second and third in the ratings in recent years, alternating with the news programming of the private channel NTV.⁵³ (See Figure 5.)

Figure 5.

Rossyia-1 program structure, weekdays, 2009⁵⁴



51. Rospechat, *Television in Russia*, p. 111.

52. Rospechat, *Television in Russia*, pp. 28–30.

53. TNS, “Media ratings: television.”

54. Rospechat, *Television in Russia*, p. 111.

In Russia, it is a widely held opinion that the two leading state broadcasters use news and current affairs programs as propaganda instruments for the executive power. By way of division of labor between the ruling tandem, the president and the prime minister, VGTRK is considered to be more a presidential channel, while Channel One is largely under the influence of the prime minister. The report on the state of the television industry issued by the Rospechat points out the similarities in programming between the leading state channels and the private broadcasters NTV and REN-TV:

Their [the leading state broadcasters' and private channels'] programming schedules contain a significant amount of light content (such as games, shows, comedy) devoid of any social significance. At the same time the traditional genres of socio-political broadcasting—news, analysis, documentaries—evolve as infotainment and docudrama, losing the features of quality journalism and becoming “yellowish.”⁵⁵

Two other state-owned and nationally distributed television channels carrying news are the open joint stock company TV Tsentr (TVC), founded in 1997 by the Moscow City government (potential audience 97.2 million people); and Zvezda, fully owned by the Ministry of Defense (potential audience: 68 million people).⁵⁶ These two channels trail far behind Channel One and Rossyia in popularity.

In terms of news quality, the most significant addition to the range of state or public services was the creation by VGTRK of the Rossyia 24 news channel in 2006. It provides a more balanced picture of domestic and international events than Rossyia-1. The Russian version of Euronews, launched in 2001 and operated by VGTRK, has been known on occasion (such as during its coverage of the Russian–Georgian conflict in South Ossetia in 2008) to provide a news picture that is more balanced, in terms of the range of views reported, than that provided by the established state channels.

2.1.2 Digitization and Services

All state channels as well as the private ones have in recent years increased the number of digital services they provide, from launching their own websites, to sites for individual programs, to profiles on social networks, or niche cable channels (such as Channel One's package of niche channels, Digital Television Family, which operates five non-terrestrial channels).

2.1.3 Government Support

Channel One and VGTRK's Rossyia-1, -2, K, and 24 (the profile and affiliations of these channels are examined in detail in section 2.1.1) have been included by a presidential decree in the list of must-carry free channels in the first digital multiplex. The two companies have jointly established a children's channel, Karussel, to fill the sixth of the eight available slots (government support for this transition is described in

55. Rospechat, *Television in Russia*, p. 115.

56. Rospechat, *Television in Russia*, pp. 28–30.

more detail in sections 5.2.2, 6.2.2, 7.1.1, 7.3.1, and 7.3.3). Under the current legal, political, and economic conditions, the likelihood of these channels becoming more independent is minuscule.

2.1.4 Public Service Media and Digital Switch-over

When the process of digitizing terrestrial platforms is finished by 2015, VGTRK's Rossyia-2, K, and 24 will have increased their reach to 100 percent. This will be to the benefit of the audiences that have a preference for sports, culture, educational and entertainment programming, and rolling news, and whose ability to watch these is currently limited by the low level of penetration.

2.2 Public Service Provision

2.2.1 Perception of Public Service Media

There is little understanding of the concept of public service media, and no political will to implement it; at the same time, there is little pressure from the general public to do so.

In March 2010, the Minister of Culture, Alexander Avdeev, claimed that competition for ratings is the main reason for the degradation of Russian television and he suggested that commercials be banned on the state television channels. He also suggested that the state channels should be fully funded from the state budget. As an example of such a model he cited the BBC.⁵⁷ On 15 July 2010, speaking in Yekaterinburg at a session of the Russian–German St Petersburg Dialogue Forum, Mr Medvedev said that he saw no need to abandon the idea of state-owned media “because everywhere in the world they exist alongside private ones.”⁵⁸ These two sources provide an insight into the prevalent thinking among Russia's decision-makers: the difference between tightly controlled state media and the concept of public service media is not fully understood.

Nevertheless, in the past few years, some cautious attempts have been made to introduce the concept. In 2005 the Ministry of Culture and the Ministry of Economic Development announced a plan to draft a bill on public broadcasting.⁵⁹ No such law had existed before. In June 2006, the former president of the Soviet Union, Mikhail Gorbachev, and the prominent television anchor, Vladimir Pozner, wrote an open letter to Mr Putin, then the president of Russia, asking him to institute Western-style public service broadcasting. No action followed either of these initiatives, however, and media interest in the topic faded.

The general public consistently shows dissatisfaction with the amount of sensationalism, violence, and sex on television, but believes that the solution should be an increase in “moral censorship,” according to a recent

57. I. Rodin, “Avdeev and Sinusoid,” *Nezavisimaya Gazeta*, 18 March 2010, available at http://www.ng.ru/politics/2010-03-18/3_avdeev.html (accessed on 16 March 2011) (hereafter Rodin, “Avdeev and Sinusoid”).

58. As quoted on the official website of the President of the Russian Federation, available at <http://www.kremlin.ru/news/8347> (accessed 16 March 2011).

59. “The Ministry of Economic Development to establish public television,” Allmedia.ru, 9 February 2005, available at <http://allmedia.ru/news-item.asp?id=735541> (accessed 16 March 2011).

assessment by Valery Fedorov, the CEO of VCIOM, one of Russia's leading public opinion research centers.⁶⁰ This conclusion is largely substantiated by the content of a lively discussion on media in the comment section of Mr Medvedev's blog. There are many complaints about "biased news" and "immoral content and no mention whatsoever of the public broadcasting model as an alternative to both state control and to commercial pressures."⁶¹

The situation may change following the appointment in November 2010 of Mikhail Fedotov as the chairman of the Presidential Human Rights Commission and an adviser to the president. He was a co-author of the Law of the Russian Federation on the Mass Media of 27 December 1991 N 2124-1 (hereafter, the Statute on Mass Media);⁶² and in 2002 he drafted a bill on public broadcasting. In an interview for this study he said he would draw the president's attention to the concept of public broadcasting but could not say with certainty whether he would be interested. He believes that such a top-down approach is the only feasible way to create public broadcasting in Russia.⁶³

Other experts do not share his view and believe that a bottom-up approach is needed. Anatoly Lysenko, a prominent figure in Russian broadcasting and a founder of both VGTRK and TVC, believes that the main obstacle to the introduction of public broadcasting is the absence of civil society pressure. "What public broadcasting can there be in the absence of a civil society?" he asks.⁶⁴

2.2.2 Public Service Provision in Commercial Media

There are no explicit compulsory public service provisions for commercial media in Russia. While the regulator, the Federal Competition Commission on Television and Radio Broadcasting (FKK) is required to promote "socially significant" programs, no legal instruments define what they are. While the FKK, in practice, usually considers public affairs, cultural, and children's programs as part of the application for a license, the promise to broadcast such programs is not a condition for granting a license. The licensing procedure for the first eight slots in the first multiplex (see section 7.1) makes these obligations even more vague.

In terms of programming structure, the two private national channels that have secured slots in the first multiplex—the Moscow-based NTV and the St Petersburg-based Channel 5—differ only nominally from the state channels. NTV, for instance, in its daily scheduling in 2009, carried 15 percent of news (more than Channel One and as much as Rossyia-1), 9 percent of current affairs programming (more than the two state channels taken together), and 12 percent of advertising (less than the fully state-owned Rossyia-1).⁶⁵

60. V. Fedorov, "Not enough freedom, but censorship still needed," *Moskovskiy Komsomolets*, 1 September 2010, available at <http://old.wciom.ru/arkhiv/tematicheskii-arkhiv/item/single/13779.html> (accessed 16 March 2011) (hereafter Fedorov, "Not enough freedom").

61. The blog of the President of the Russian Federation, available at <http://blog.kremlin.ru/theme/29> (accessed 16 March).

62. Statute of the Russian Federation on the Mass Media of 27 December 1991 N 2124-1, *Herald of the Congress of the People's Deputies of the Russian Federation and of the Supreme Soviet of the Russian Federation*, 1992, N 7, p. 300, available in Russian at http://minsvyaz.ru/ru/doc/index.php?id_4=127; available in English at: http://medialaw.ru/e_pages/laws/russian/massmedia_eng/massmedia_eng.html (accessed 18 May 2011).

63. Interview with Mikhail Fedotov, Kiev, 8 December 2010.

64. Interview with Anatoly Lysenko, President of the International Academy of TV and Radio, Moscow, 20 December 2010.

65. Rospechat, *Television in Russia*, p. 111.

2.3 Assessments

With the digital switch-over yet to be completed, it is too early to assess specific gains or losses for the state broadcasting resulting from it. The expansion of broadcasters' activities online has not changed their fundamental nature as organs of executive power. The losses related to the rise of new media are the gradual diminishing audience share of traditional television (see section 1.4).

Public service provisions have not changed much in recent years. The recent hesitant attempts to introduce the concept of public service broadcasting have failed thus far, due to the lack of both political will and public support.

3. Digital Media and Society

3.1 User-Generated Content (UGC)

3.1.1 UGC Overview

According to the FOM opinion poll agency, the total monthly number of unique internet users in Russia in November 2010 reached 46.5 million or 40 percent of the population aged 18+. Small cities and rural regions saw the most rapid growth of internet penetration: in November 2010, the share of new users from Moscow and St Petersburg was only 10 percent of the total number of new users; at the same time the share of new users from rural regions and small towns (fewer than 100,000 inhabitants) was 27 percent and 30 percent, respectively. However, internet penetration in Moscow and St Petersburg remains significantly higher than in other localities: more than 60 percent compared with the average of 40 percent.⁶⁶ A sizeable proportion of the 46.5 million mentioned above regularly access various types of UGC websites.

The list of the most popular UGC websites on Runet reveals a phenomenon less common in other countries, namely, the prominent role of local search engines in creating UGC communities. Among the top 10 web resources, there are two local search engines that offer a number of other services, including news, blogs, forums, and social networks. Unlike Google, which keeps other services inconspicuously listed at the top of the page, Yandex.ru and Mail.ru offer them on the home page, thereby giving equal importance to the search function, news platform, and various types of UGC. Both resources attract a substantial audience, exceeding 27 million unique users per month. (See Table 8.)

66. Yandex, "The development of internet in Russian regions: spring 2011," available at http://company.yandex.ru/facts/researches/internet_regions_2011.xml (accessed 18 June 2011) (hereafter Yandex, "The development of internet").

Table 8.

Most popular pure play web resources on Runet, by unique visitors, December 2010

Website	Monthly audience (m)	Type of content
Yandex.ru (37)	27.9	Search engine, news, blogs, social network, multimedia
Mail.ru (30)	27.2	Search engine, mail server, news, blogs, social network, multimedia
Vkontakte.ru	22.6	Social network
Wikipedia.org	21.1	Information
Google.ru	17.7	Search engine, mail server, news, blogs, multimedia
Odnoklassniki.ru	17.3	Social network
youtube.com	17	Video
Rambler.ru (29)	15.5	Search engine, news, blogs, multimedia
LiveJournal.com	14.4	Independent blogs
Depositfiles.ru	1.5	Video and photo file sharing

Note: Numbers in parentheses indicate the number of sites and services offered by a particular host.

Source: TNS Web Index, December 2010.

Global UGC sites such as Facebook are not among the leaders in Russia; they are surpassed, by far, by local social networks. The largest Russian social networks have a vast audience: in 2010, 92 percent of all Runet users had one or more profiles on social networks (see section 3.1.2).⁶⁷

Another leading type of UGC resource in Russia is blogs (see Figure 6). According to opinion polls, 22 percent of Russian internet users communicate in chat rooms and forums, 17 percent read blogs and forums, and 3 percent have their own blogs.⁶⁸ The time spent on blogs doubled in 2010 compared with the previous year,⁶⁹ and the number of blogs reached 15 million. The readership of the most popular blogs amounts to tens of thousands and is comparable with the audiences of established media.⁷⁰ Until the local social networks—Odnoklassniki.ru and Vkontakte.ru—started booming in 2008, the leading blog site LiveJournal was the most popular UGC resource on Runet: in March 2007, it had 6.5 million unique users in Moscow alone.⁷¹ Since December 2007, LiveJournal.com has been fully owned by the Russian media company SUP.

The total number of blogs on Runet is still growing; however, the proportion of active blogs (ones with no less than five posts, and renewed at least once during the last three months) started decreasing in 2010.⁷²

67. Read, “The state of the Russian internet.”

68. VCIOM, press release No. 1501, “Popularity ratings of social networks,” 25 May 2010, <http://wciom.ru/index.php?id=459&cuid=13526> (accessed 18 June) (hereafter VCIOM, “Popularity ratings”).

69. Read, “The state of the Russian internet.”

70. Runet blog ratings, yandex.ru, <http://blogs.yandex.ru/top/> (accessed 18 June 2011).

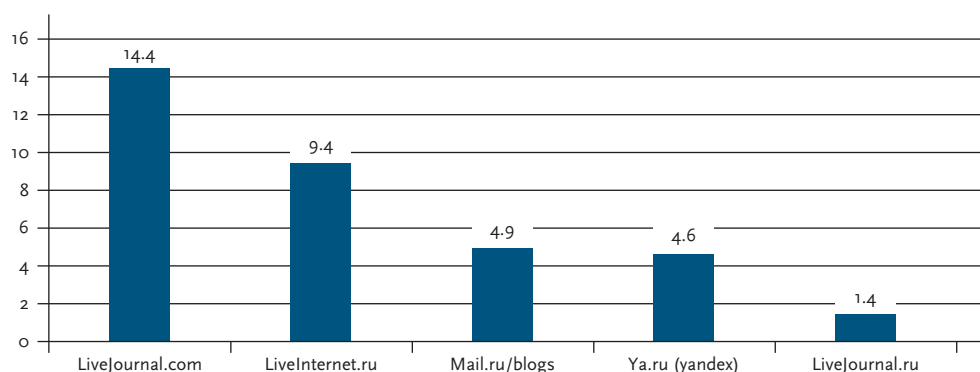
71. TNS Web Index, March 2007.

72. Rospechat, *Internet in Russia: Current Situation, Trends and Prospects*, Moscow, 2010, p. 59.

Microblogging, especially Twitter, is booming too. Several internet-savvy public officials, led by Mr Medvedev, have their own blogs and Twitter accounts. Due to the rapid development of the mobile internet, more than half of blog posts originate from mobile devices.⁷³

Figure 6.

Most popular blog hosting websites, by unique visitors (monthly, million), December 2010



Source: TNS Web Index, December 2010.

The rapid development of broadband access has given momentum to the development of video and photo sharing websites: 38 percent of Runet users access photo content regularly and 34 percent use video content.⁷⁴ Today, Russian video hosting resources have, altogether, more than 50 million videos,⁷⁵ and one user, on average, views 140 videos per month. The global video sharing website Youtube.com is a definite leader in popularity, and attracts 21 million monthly unique visitors in Russia, but local video sharing websites draw sizeable audiences too, ranging from three million to nine million monthly visitors (see Figure 7). Experts believe video is a factor that has determined the great popularity of the social network Vkontakte.ru among young people: the network facilitates the posting of music and videos, which a user can then share with his or her friends. The video hosting resources are frequently used for watching television programs, including newscasts. Video and photo sharing is mainly popular among 12–18 year-olds: 17 percent of internet users in this age group download television programs regularly, while 8 percent produce and post their own videos.⁷⁶

73. Ishunkina, “The numbers of Runet.”

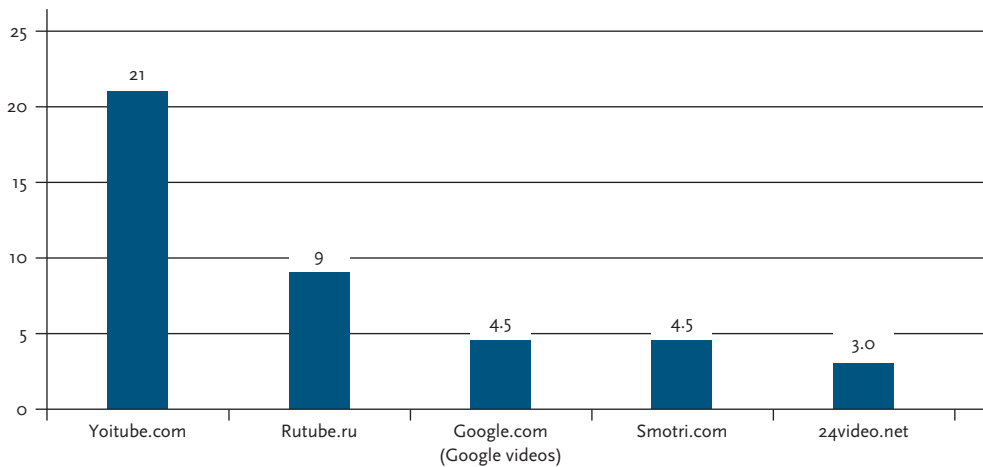
74. Ishunkina, “The numbers of Runet.”

75. “Internet in Russia in 2009,” presentation by the forum organizers at the Russian *Internet Forum and Conference Internet and Business* (RIF&KIB), Moscow, 21–23 April 2010, available at <http://www.slideshare.net/fedorvirin/russian-internet-in-2010-3845553> (accessed 18 May 2011) (hereafter “Internet in Russia in 2009”).

76. Lebedev, “Internet in Regions v.2.0.”

Figure 7.

Most popular video hosting websites, by unique visitors (monthly, million), August 2010⁷⁷



3.1.2 Social Networks

The largest Russian social networks are among the leaders of Runet not just in terms of audience size, but also in terms of their rapid growth rate. About 40 million Russian internet users have at least one profile on a social network, and more than 20 million have accounts on two or more.⁷⁸ A typical social network user is between 18 and 24 (75 percent), with a university degree (57 percent) and a stable income. According to internet marketing research company comScore, Russia ranks first worldwide in terms of time spent on social networking sites: Russian users spend on average about 40 percent of their total time online (about 10 hours per month) on them.⁷⁹

Social networks started booming in 2008. Since then, the leaders—Vkontakte.ru, Mail.ru/moi mir and Odnoklassniki.ru—have been growing at a rate of 30–35 percent a year.⁸⁰ The most popular network, Vkontakte, had 96 million registered accounts in mid-2010, about 30 percent of which were active. About one-third of active users were visiting Vkontakte.ru daily.⁸¹ Odnoklassniki.ru (“classmates” in Russian) had 43 million user accounts in mid-2010; 21 percent of users were visiting it daily, and 28 percent were visiting it at least once per week.⁸² (See Figure 8.)

77. Read, “The state of the Russian internet.”

78. “Internet in Russia in 2009.”

79. Read, “The state of the Russian internet.”

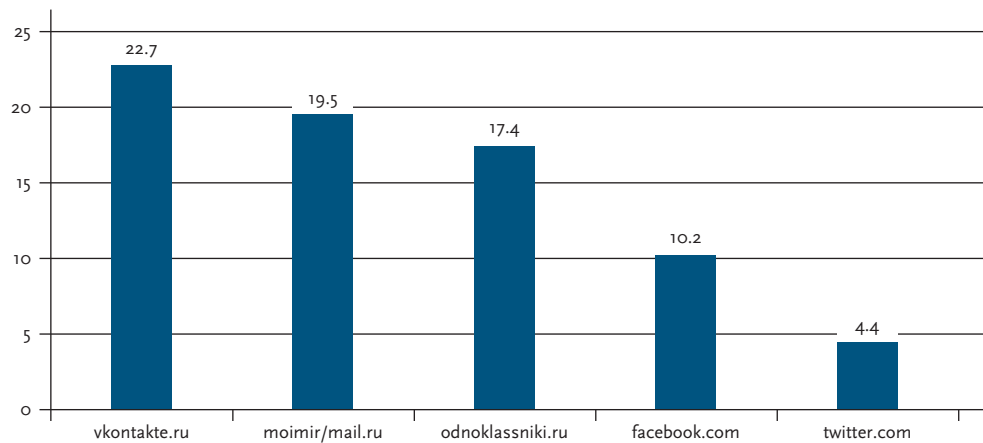
80. Ishunkina, “The numbers of Runet.”

81. VCIOM, “Popularity ratings.”

82. Ibid.

Figure 8.

Most popular social networks, by unique visitors (monthly, million), December 2010



Source: TNS Web Index, December 2010.

There are notable dissimilarities between the audiences of different social networks, mainly in terms of the average age. Nearly all users of Vkontakte.ru are very young, up to 20 years old (91 percent), whereas the majority of those who prefer Odnoklassniki.ru are aged between 30 and 40 (68 percent) and the core audience of Mail.ru/moi mir are between 20 and 30 (35 percent).⁸³ The global social networks, such as Facebook and Twitter, have significantly smaller user bases than their Russian rivals, but their current growth rate suggests that the situation may change soon. For instance, the Russian audience of Facebook grew by 376 percent in 2010,⁸⁴ following the launch of the Russian version in mid-2010. Since March 2010, Russian Twitter has had a threefold growth, and the number of daily tweets has increased twofold.⁸⁵

3.1.3 News in Social Media

No systematic data on the share of news consumption on Russian UGC websites are available. According to the general RuMetrika statistics, news consumption⁸⁶ on all types of online resources represents about half of the total time spent on the internet (46.7 percent),⁸⁷ but the share of UGC is not specified. However, some studies indicate that online communities have become key sources of information, including news,

83. Superjob.ru, "Employers do not look for employees on social networks," 30 June 2010, available at http://www.superjob.ru/community/otdel_kadrov/46853/ (accessed 18 May 2011) (hereafter Superjob.ru, "Employers do not look for employees on social networks").

84. ComScore, "Russia has most engaged social networking audience worldwide," 20 October, 2010, available at http://www.comscore.com/Press_Events/Press_Releases/2010/10/Russia_Has_Most_Engaged_Social_Networking_Audience_Worldwide (accessed 18 May 2011) (hereafter ComScore, "Russia has most engaged social networking audience").

85. A. Volnukhin, "Twitter, blogs and other social services on Runet," presentation at the I-COMference 2011, Moscow, 10 February 2011 (hereafter Volnukhin, "Twitter, blogs").

86. RuMetrika does not specify what it counts as news.

87. RuMetrika, "Online TV winning audience in Russia," available at <http://rumetrika.rambler.ru/review/25/4516> (accessed 17 March 2011) (hereafter RuMetrika, "Online TV"). RuMetrika is a service run by the media company Rambler that provides statistics of the Russian-speaking segment of the internet.

for a proportion of their members. According to a poll by the FOM agency, 4 percent of Russians learn news primarily from blogs, internet forums, and social networks.⁸⁸ The numbers are higher among younger audiences: 19 percent of people aged between 18 and 24 get their news from Vkontakte.ru, and 16 percent get news from Odnoklassniki.ru.⁸⁹

News makes up a significant proportion of the content on Russian blogs: posted, re-posted and commented media material comprises 25–30 percent of all information on blogs. Another fact that gives an insight into the usage of UGC for news consumption is the high number of users of video sharing services of traditional media. The sites of established media are among the most popular video and photo sharing resources: Ria.ru (the site of RIA Novosti) has 9.2 million unique visitors monthly, and Vesti.ru (the site of Rossiya 24) has 8.2 million monthly visitors.⁹⁰

3.2 Digital Activism

3.2.1 Digital Platforms and Civil Society Activism

Political and social activism by digital means has become commonplace. It ranges from using interactive tools to performing watchdog functions, to news production, political and social mobilization, and fundraising for political and humanitarian purposes. In this section we shall provide case studies in all of these categories.

88. K. Kazaryan, “Print media in the digital century,” presentation at the I-COMference 2011 in Moscow, 10 February 2011.

89. Lebedev, “Internet vs analog media.”

90. TNS Web Index, December 2010, available at <http://www.tns-global.ru> (accessed 18 May 2011).

The Alexei Dymovsky Affair

An example of bottom-up digital activism with a particularly significant political impact is the Alexei Dymovsky affair. On 5 November 2009, Mr Dymovsky, a police major from Novorossiysk (in the Krasnodar Region), posted two appeals to Mr Putin: one on his personal website, Dymovskiy.ru, and another on YouTube.⁹¹ In the videos, he criticized his own police department for corruption and inefficiency. The posts seemed to serve as a tipping point for widespread public discontent with corruption and violence in the law enforcement system. In the course of just one day, nearly 300,000 people watched the posts. A year later, the address on YouTube had had 993,101 visits.⁹² The video also sparked a flurry of comments in both traditional and online media. The respected weekly magazine *Russkyi Reporter* made Mr Dymovsky's appeal top in its rating of the 100 most efficient and effective political acts of the year in 2009. The magazine considers his posts the starting point of police reform in Russia:

Several weeks after Mr Dymovsky's video address appeared, the Head of the Interior Ministry, Rashid Nurgaliev, had to change the discredited system of collecting crime statistics. Then, on 24 December 2009, the Decree of the President No. 1468 On Measures to Improve Police Activities appeared, scandalous resignations of senior police officers followed, and finally the draft bill On Police was made public.⁹³

On 7 August, the draft bill On Police was posted on a specially created website⁹⁴ for public consultation. Between 7 August and 15 September, when the discussion was closed, over 1.5 million people had visited the site and left 21,000 comments.⁹⁵ The amended bill was introduced in Parliament on 27 October 2010 and came into force on 1 March 2011.

As for Mr Dymovsky's own fate, soon after his online addresses appeared he was discharged from the police service, a criminal investigation on charges of fraud was initiated against him, and he spent over a month in pre-trial detention. The charges were dropped in April 2010, because the time limit had expired.⁹⁶ Mr Dymovsky later founded the anti-corruption movement White Ribbon (*Belaya Lenta*). However, it has failed to gain significant prominence; the forum of the movement's website has only 178 registered users, and only 30 of them have participated in a discussion.⁹⁷

An excellent example of bottom-up watchdog activism enabled by digital media is the so-called Altagate case. On 9 January 2010, a helicopter carrying the presidential envoy in the State Duma, Alexander Kosopkin, and the Deputy Prime Minister of the Government of the Altai Region (West Siberia), Nikolai Kapranov, crashed in the Altai Mountains, killing several passengers, including Mr Kosopkin. On 13 January, the

91. See <http://www.youtube.com/watch?v=2G3KbBfpg24> (accessed 18 May 2011).

92. See <http://www.youtube.com/watch?v=2G3KbBfpg24> (accessed December 2 2010).

93. *Russkyi Reporter*, "100 political gestures," No. 40, 14–21 October 2010, p. 25 (hereafter *Russkyi Reporter*, "100 political gestures").

94. The website for public discussions on draft legislation is <http://www.zakonoproekt2010.ru>.

95. RIA Novosti, "Interior Ministry: public consultations on police law lets us take into consideration the whole spectrum of opinions," 29 September 2011, available at <http://www.Ria.ru/society/20100923/278527907.html> (accessed 17 March 2011).

96. Gzt.ru, "Dymovsky calls 'his victory' settlement out of court with investigation," 6 April 2010, available at <http://www.gzt.ru/topnews/accidents/-maior-dymovskii-poshel-na-mirovuyu-so-sledstviem-/300262.html> (accessed 1 June 2011) (hereafter Gzt.ru, "Dymovsky calls").

97. See <http://dymovskiy.ru/forum/> (accessed 1 June 2011).

website of Altapress, a major local multimedia holding whose flagship title is *Svobodny Kurs* weekly, published anonymous photos from the accident site, where dead bodies of argali, an endangered mountain sheep, were clearly visible.⁹⁸ Hunting argali is illegal. The WWF and Greenpeace asked the Prosecutor General to open a criminal investigation into possible illegal hunting. The story was picked up by the national press (*Izvestia*, *Kommersant*) and online outlets (*Gazeta.ru*, *Lenta.ru*, *RIA Novosti*). It also triggered a series of local environmental protests. Eventually the local official who survived the crash was forced to resign, and, after several months of procrastination a criminal case was opened.⁹⁹ On 23 May 2011, the local district court acquitted the survivors of the charges of illegal hunting.¹⁰⁰ Over the months following the crash, *Altapress.ru* monitored developments closely and reported on them.

The Spravedlivost Rallies

The mass rallies in the city of Kaliningrad on 12 December 2009 and 30 January 2010, organized by a local social movement, Fairness (*Spravedlivost*), gained national attention. Around 12,000 people came on to the streets in January, the largest protest in Russia for several years. They were mainly protesting against some acute increases in road tax, but the protesters also demanded the resignations of Governor Georgy Boos and (at the January rally) Mr Putin. The mobilization of participants was achieved by using a combination of digital (SMS, online news) and traditional tools. Modest Kolerov, editor-in-chief of the Regnum news agency and formerly a high-ranking Kremlin official, described the phenomenon in a speech at the local Immanuel Kant State University in March 2010:

The leading role was played by a free newspaper, *Dvornik*, with a print run equal to one quarter of the city's population. At the same time, SMS notices were being sent out, students were canvassing door to door, radio and online media were broadcasting information about the forthcoming event, and leaflets were distributed on flights. Thus, the media in Kaliningrad showed their might.¹⁰¹

He also estimated the strength of the two rallies: "Six thousand and twelve thousand protesters are a lot for a city the size of Kaliningrad (population 420,000), but ridiculously low for the one million population of the Kaliningrad region."¹⁰²

The authorities in Moscow reacted by firing a Presidential Administration official responsible for relations with the Kaliningrad Region. And the incumbent governor was not re-nominated when his term expired.

98. *Altapress.ru*, Photos from the Crash Site of the Helicopter in the Altai Mountains, available at <http://altapress.ru/story/38389> (accessed 18 May 2011).

99. *Altapress.ru*, "VIP hunting: timeline of the crash," available at <http://altapress.ru/story/39724> (accessed 18 May 2011).

100. *Altapress.ru*, "Altagate: court acquitted surviving after the MI-171 helicopter crash suspects of hunting rare animals in the Altai Republic," 23 May 2011, available at <http://altapress.ru/vertolet/story/67410/> (accessed 1 June 2011).

101. *Rugrad.eu*, Interview with Modest Kolerov, "Modest Kolerov: nobody has ever promoted a rally by the same means as pampers," 4 March 2010, available at <http://rugrad.eu/interview/376500/> (accessed 18 May 2011) (hereafter Interview with Modest Kolerov).

102. Interview with Modest Kolerov.

There are several examples of successful mobilizations for charitable causes by prominent charities or individual activists. The most notable have been Doctorliza.ru, a website run by the popular blogger and charity activist Elizaveta Glinka of Fair Aid Foundation (*Spravedlivaya Pomosch*), and the Aid Map project carried out through Russian fires.ru and Pozar.ru. Both projects are hosted on the blog site LiveJournal, one of the most prominent platforms for charitable activities in Russia. The sites used the crowdsourcing platform Ushahidi as a model to coordinate the activities of volunteers who wished either to assist in putting out the fires that engulfed Central Russia in August 2010, or to help the victims of the fires. The activities were widely covered by mainstream traditional (RIA Novosti, *Rosyiskaya Gazeta*, *Kommersant*, *Vedomosti*), and online (Lenta.ru, Gazeta.ru) media. On 25 November 2010, the Aid Map won the prestigious national Runet Prize in the category of State and Society. The prize, established by the Russian Association of Electronic Communications (RAEC), and supported by Rospechat, credits internet projects that contribute to the development of the Russian segment of the internet. The home page of the Aid Map features a disclaimer: “Our project is not related in any way to any political parties or communities of their supporters, particularly United Russia. All claims or impressions to the contrary are false.”¹⁰³

Openly distancing oneself from political power is not unusual in Russian online activism. The organizers of the Kaliningrad rallies also tried to keep the envoys of opposition political parties at arm’s length, regardless of what political wing they represented, either the Communist Party (KPRF) and the nationalist Liberal Democratic Party (LDPR), represented in the State Duma, or the liberal movement Solidarnost, including political celebrities such as the former deputy prime minister and prominent opposition figure Boris Nemtsov (who was present at the January event).¹⁰⁴

The internet has also been used for fundraising, with varying degrees of success. On 4 October 2010, the Moscow City Court upheld the decision of a lower court finding Yuri Samodurov and Andrei Erofeev, organizers of the controversial art exhibition *Forbidden Art-2006*, guilty of inciting religious hatred, and fined them RUB 350,000 (US\$ 12,000). After the court ruling was announced, three activists initiated a fundraising campaign to collect enough money to pay the fine. In an appeal published on Facebook and distributed by email they called on supporters to report in person to a number of locations in Moscow on 15 October and donate money. “We believe there are at least 3,500 individuals in Moscow who value their freedom as worth at least RUB 100 [about US\$ 3],” the message said. Alexandra Polivanova, one of the event organizers, reported upon completion of the action that RUB 179,100 (about US\$ 6,000) had been raised and over 1,000 people had participated,¹⁰⁵ 2,500 fewer than the organizers had anticipated.

103. Aid Map Project website available at <http://russian-fires.ru/> (accessed 18 May 2011).

104. A. Rudnitskaya, “Middle class is coming,” *Russkyi Reporter*, 17 February 2010, available at <http://www.rusrep.ru/2010/06/protest/>; M. Kosty-
aev, “The truth about mass protests in Kaliningrad: no to the power vertical, yes to change,” IKD news agency, available at [http://www.ikd.ru/
node/12413](http://www.ikd.ru/node/12413) (both accessed 23 March 2011).

105. Email interview with charity activist Alexandra Polivanova, 27 February 2011.

In autumn 2009, Natalya Radulova, a columnist for *Ogonyok* weekly magazine and a popular blogger,¹⁰⁶ raised RUB 206,400 (about US\$ 7,000) through her blog for a charitable cause. The funds, raised in the course of just three days, were meant for cancer treatment for a girl from Tajikistan. Radulova says she did not know the girl before and learned of her plight by pure chance.¹⁰⁷

Fundraising via blogs of trusted bloggers has become a popular trend on Runet.

3.2.2 The Importance of Digital Mobilizations

The episode of Mr Dymovsky's video blog is unique in terms both of the degree of galvanizing public opinion and of overall impact, that is, a viral video blog as an impetus for long overdue police reform. The impact was achieved without any underlying political movement or mass protest actions. This seems to indicate that the federal authorities, aware of their own ineptitude in dealing with the endemic problem of corruption, are receptive to pressures from public opinion expressed via UGC websites and traditional media when they feel a particular grievance is justified, or threatens their popularity, or both.

Mass mobilization by digital means is more likely in relation to clear-cut local issues that are not tied to mainstream politics than in relation to more abstractly formulated values such as the protection of democratic freedoms. As a freelance journalist, Vadim Nikitin, writes in *The Nation*:

However, Khimki forest [an ongoing debate surrounding the ecological consequences of a controversial highway project connecting Moscow and St Petersburg] was always meant to achieve specific, practical goals, not broad sociopolitical reform. Given the failure of the liberal opposition during the past decade, perhaps it is time to try bringing democracy in through the backdoor.¹⁰⁸

Other non-political mobilizations seem to confirm Mr Nikitin's point. Raising funds for charitable causes by prominent bloggers such as Ms Radulova tend to produce tangible results, as do responses to immediate disasters, for example, the award-winning Aid Map project. The Aid Map reached hundreds of thousands of wired residents of Russia, and many more through the coverage of the project in traditional media. Within the first week of its activity, the site managed to attract 101,000 unique visitors and had about 262,000 page views.¹⁰⁹

106. See <http://radulova.livejournal.com.j> (accessed 25 August 2011).

107. See papers in support of Natalya Radulova's candidacy for the Andrei Sakharov Journalism as an Act of Conscience Award, available through the award executive secretary Boris Timoshenko, boris@gdf.ru

108. V. Nikitin, "The new civic activism in Russia," *Nation*, 8 November 2010. available at <http://www.thenation.com/article/155496/new-civic-activism-russia> (accessed 18 March 2011).

109. A. Sidorenko, "Russian-Fires.ru, First Ushahidi Experience," *Global Voices*, 10 August 2010, available at <http://globalvoicesonline.org/2010/08/10/russia-russian-fires-ru-the-first-ushahidi-experience/> (accessed 18 June 2011).

3.3 Assessments

In Russia, digitization has contributed to the overall news offer by providing new platforms for news distribution and consumption (such as search engines that offer a wide range of additional services, including news, and also blogs and social networks), and by providing new sources of news and information such as UGC.

While the average figure for news consumption via social networks in Russia remains low, young audiences have started including social media in their daily news menu. Today, nearly a fifth of 18–24 year-olds learn news primarily through the Russian-language social networks.

The question of whether citizens take the opportunities offered by new media for civil and political activism is best answered by a quotation from *Russkyi Reporter*, a mainstream weekly and a media partner of WikiLeaks, which is known for detailed analyses of notable cases of digital activism in Russia. In an article on a mass rally in Vladikavkaz, the capital of North Ossetia, which followed terrorist attacks there in September 2010, the paper pointed out both the common features and the socio-cultural diversity of such actions:

It is interesting that, increasingly, such rallies are being assembled exclusively through the internet: all other platforms for civic mobilization are blocked by regional authorities, but the Web proves to be quite efficient. Due to this fact, quite a lot of people attended the protests by car owners in Moscow, or the rallies of the defenders of the Khimki forest, or even the gatherings of Kemerovo miners ... In Mezhdurechensk,¹¹⁰ an analogous situation ended in blocking a railway line and clashes with the police. Had the inhabitants of Vladikavkaz been drinking as much alcohol as miners do, the outcome could have been the same.¹¹¹

The successful examples of digital mobilizations show that locally relevant social issues, environmental problems, and support for persons with critical health conditions or victims of natural disasters tend to attract greater interest both online and in traditional media. Political mobilizations with digital impetuses, such as the rallies in Kaliningrad, remain rare.

110. In Mezhdurechensk, a miners' town near Kemerovo in West Siberia, miners' protests followed a large mining accident in May 2010.

111. D. Velikovsky and P. Burmistrov, "Radiation of hatred," *Russkyi Reporter*, 16 September 2010, available at <http://www.rusrep.ru/2010/36/terror/> (accessed 18 March 2011).

4. Digital Media and Journalism

4.1 Impact on Journalists and Newsrooms

4.1.1 Journalists

A combination of factors, namely, the trends that had started earlier in the decade and the financial crisis of 2008, has led to major changes in the work of journalists in Russia. The vast majority of media outlets, faced with a significant drop in advertising revenues and in their audiences' purchasing power following the crisis, had to minimize costs, which often meant staff reductions and/or salary cuts. Print journalists were included in the list of the top 10 professions that were least in demand in the time of crisis.¹¹² Financial constraints also forced media outlets to look for new, cheaper, and more efficient ways of reaching their audiences. Digitization seemed to provide an answer to both dilemmas. As Mikhail Shubin, director of technology of the leading Russian IT company Terem Media, put it: "Since the crisis, all Moscow-based media companies have become multimedia, multiplatform companies, albeit with varying degrees of professionalism and success."¹¹³

The financial crisis was not solely responsible for these changes, but rather, it accelerated the processes that had started earlier and were prompted by the ascent of the internet. For example, the development of online services by traditional media, which started back in the late 1990s, became widespread, and even vital, as a result of the crisis. The crisis also coincided with the steep rise of the blogosphere and social networks, which added to the pressure to reform the ways traditional media produce and distribute news.

The impact of this particular amalgamation of factors can be broken down into five categories. First, there is the growing prominence of the internet as a news agenda-setter. Most journalists and editors now start their working day by scanning traditional news agencies, but also news websites, blogs, social network accounts, video exchange services, and other UGC sites. "The internet informs us, provides story ideas and personalities to cover, we use videos to cover events in distant locations that our correspondents will not be able to

112. "Ten least popular vocations during the crisis," a rating by *Trud* daily as quoted by RIA Novosti, 27 October 2008, available at <http://Ria.ru/society/20081027/153872206.html> (accessed on 18 March 2011).

113. Interview with Mikhail Shubin, Director of Technology, Terem Media, Moscow, 27 December 2010.

reach quickly,” says Svetlana Elina, chief editor of the weekly “*Nedelya*” (The Week) analytical program on REN-TV.¹¹⁴

Second, there are the changed ways in which journalists go about research and fact-checking: access to both free and commercial resources online helps in researching stories and provides additional details. Also, interviewing is increasingly done by email correspondence, rather than face-to-face. New online tools “allow preparing profound analytical pieces in a relatively short time,” says Dmitry Shkrylev of *Novaya Gazeta* newspaper.¹¹⁵ The time-saving effect of the new tools translates into saved money, a key consideration in the post-crisis media environment.

Third, interactivity and UGC have become part of the news coverage. While most news media outlets have been using various forms of both for several years, from online press conferences to readers’ forums, there are more and more innovative examples of citizen journalists being used for traditional media outlet reporting. In April 2010, the state-owned news agency RIA Novosti launched the project “You are a reporter,”¹¹⁶ which provides an easy interface for posting users’ photos and videos. The agency has established an editorial desk to work with bloggers, to check and verify their information, and to ask follow-up questions or request updates.¹¹⁷ Cooperation with project participants enabled RIA Novosti to be among the first to provide eyewitness accounts from the Katyn airplane crash on 10 April 2010, which killed a number of Polish dignitaries including the president, Lech Kachinsky,¹¹⁸ and the political upheaval in Kyrgyzstan on 6 April 2010.¹¹⁹

Fourth, additional impetus has been provided for multimedia journalism. An increasing number of journalists from print, television, and radio as well as new media have had to work on different platforms, for example submitting photos and writing reports for online versions and blogging on LiveJournal or social networks. The set of skills required of them is changing and they have to be equally at home in traditional and online environments and to be able to master different genres and tools. In some cases, they receive financial incentives for extra work. This is common practice in the newsrooms of *Kommersant* and *Komsomolskaya Pravda*, two major multimedia news publishing holdings. In 2010, both added FM radio stations to their set of media outlets and, in both cases, the stations rely primarily on existing journalists rather than hiring new ones. According to Arina Borodina, a television observer at *Kommersant*, introducing fees for reports prepared for platforms other than paper was an efficient way for management to overcome journalists’ resistance to the extra workload.¹²⁰

114. Interview with Svetlana Elina, Chief editor, *Nedelya* on Ren-TV, Moscow, 27 December 2010.

115. Interview with Dmitry Shkrylev, special correspondent, analytical department, *Novaya Gazeta*, Moscow, 23 November 2010.

116. See <http://reporter.Ria.ru/>

117. Darya Penchilova (RIA Novosti Internet department), presentation at Russian Internet Week, Moscow, 22 October 2010.

118. Special coverage of the Smolensk plane crash investigation, RIA Novosti, available at http://Ria.ru/trend/investigation_aviacrash_smolensk_10042010/ (accessed 18 March 2011).

119. Special coverage of the 2010 events in Kyrgyzstan, RIA Novosti, available at http://Ria.ru/trend/kirgizia_opposition_strikes_06042010/ (accessed 18 March 2011).

120. Interview with Arina Borodina, television observer, *Kommersant*, Moscow, 27 December 2010.

Finally, there is the reorganization of newsrooms. Traditionally, in Russian newsrooms, every editor had his or her separate office and journalists of the same department shared a room. This layout is now giving way to open plan. According to estimates by Mikhail Shubin of Terem Media, around 20 percent of the Moscow-based news publishers have introduced fully convergent newsrooms or some elements of them.¹²¹ One particularly interesting recent development in this area is the emergence of remote editorial offices. Two notable cases are *Chastniy Korrespondent* and *Slon* online newspapers, both established in 2008. *Chastniy Korrespondent* has no office; the communication inside the newspaper happens via a Google mail group. Every editor communicates with his or her journalists by email and instant messaging and then sends edited stories to the output editor.

The underside of the higher speed of news dissemination via digital channels has been an increase in the use of unverified information. Elena Rykovtseva, a correspondent of Radio Liberty specializing in media, in an essay on multimedia journalism, described the conflict of quality and expediency as a typical feature in today's newsrooms in Russia. Online editors insist on real-time coverage of events while traditional journalists think in terms of deadlines and prefer to follow standard procedures of fact-checking and including as many comments in the story as possible.¹²²

The pressures that have emerged as a result of digitization and have been exacerbated by the financial crisis also mean that the market now calls for journalists proficient in digital media and skilled in using digital tools. Journalism schools struggle to keep up with the pace of change and equipping young journalists with the skills required, so becoming a digital native is left, largely, to journalists themselves or the editorial offices they work for.

4.1.2 Ethics

The media experts and editors interviewed for this study were unanimous in their opinion that journalism ethics should apply in the online environment. In the words of Vassily Gatov, vice-president of the Guild of Press Publishers (GIPP), “Basic professional standards of print, radio or TV journalism should apply to [professional] journalism online.”¹²³ However, widely accepted norms of ethics currently do not exist even in traditional Russian media (see section 7.2.4). Nor is there any systemic discussion of ethics online.

A common area of concern identified by the interviewees is data theft. The problem has a legal dimension (direct plagiarism), as well as an ethical one (failures to quote the source that broke the news first). In recent years, major primary news providers such as RIA Novosti and Interfax news agencies, *Kommersant*, *Gazeta.ru*, and *VGTRK* have joined forces to lobby for amendments to the Statute on Mass Media, and to Part 4 of the Civic Code of the RF dealing with intellectual property; they want the law to impose firm restrictions

121. Interview with Mikhail Shubin, Director of Technology, Terem Media, Moscow, 27 December 2010.

122. E. Rykovtseva, “A conflict between traditional and online editorial staff,” 14 February 2011, *WAN-IFRA-GIPP Magazine*, available at <http://www.gipp.ru/viewer.php?id=35522> (accessed 19 March 2011) (hereafter Rykovtseva, “A conflict”).

123. Interview with Vassily Gatov, vice-president of the GIPP, Moscow, 21 November, 2010.

on the unwarranted use of news items. They are also developing an anti-piracy code of conduct, but thus far have not achieved tangible results in either direction. According to Ivan Zassoursky, editor-in-chief of *Chastny Korrespondent*, due to the widespread practice of copy-paste, the quantity of almost identical texts online is so great that it can discourage users from looking for real diversity.¹²⁴

An incident concerning Oleg Kashin, a *Kommersant* journalist who was severely beaten near his home in early November 2010, in addition to highlighting the issue of violence against journalists in Russia, also sparked discussions among media professionals about journalism ethics online. Russian journalists tend to apply different standards to their online and offline writing and Mr Kashin was an illustration of this trend. Ms Rykovtseva points out that, with rare exceptions (such as Radio Liberty, which provides editorial guidelines for bloggers), journalist bloggers observe much lower professional, and even basic moral, standards on their blogs than they do in their journalistic work.

In his writings in *Kommersant's* print outlets he [Kashin] was as objective and balanced as was required by the editorial guidelines. But in his blogs he ventured extremely rude and even insulting remarks about some well-known politicians. ... Perhaps if *Kommersant* had a policy on the conduct of its employees in the blogosphere, Mr Kashin would have been more guarded.¹²⁵

Another area of concern is the number of factual mistakes made by reporters. Dmitry Sokolov-Mitrich, deputy editor of *Russkiy Reporter* weekly, wrote that some commercial companies have now established the position of fact-checker, tasked to verify the accuracy of media reports that might affect their company's business. Mr Sokolov-Mitrich asked his interviewee, a fact-checker, how often journalists distort information. The answer was:

[They do it] every day. Not necessarily the key things, but as far as details are concerned, every third serious news item even in the respected media has factual errors. Names, dates, figures, quotes, names of companies and even states.¹²⁶

The increased number of factual errors may be attributable to the pressure on journalists and editors to compromise quality for the sake of speed and to the staff cuts of editorial fact-checkers. However, more serious distortions or omissions are more often than not explained by the broader setup in which Russian journalists have to live and work. The state-owned or state-controlled outlets, those owned by politically-affiliated commercial companies, and independent media companies cater to different interests and are subject to different types of pressures. Thus they have different approaches to reporting and commenting on the news.

124. Interview with Ivan Zassoursky, chief editor of the *Chastny Korrespondent* (www.chaskor.ru) internet newspaper, head of the Department of New Media and Communication Theory, School of Journalism, Moscow State University, Moscow, 24 November 2010.

125. Rykovtseva, "A conflict."

126. D. Sokolov-Mitrich, "Give me a censor," *Izvestia*, 17 December 2010, available at <http://www.izvestia.ru/comment/article3149529/> (accessed 20 March 2011).

4.2 Investigative Journalism

4.2.1 Opportunities

All media experts interviewed for this study agreed that digitization has significantly assisted the work of investigative journalists. The impact ranges from a greater variety of topics for potential investigation, to easier access to open databases and registers, to the availability of eyewitness accounts in the blogosphere, to being able to gain access to printouts of mobile telephone calls of persons under investigation, to coordinating teamwork by means of SMS. Anton Nosik, a prominent Russian internet guru, calls the blogosphere a “vast expert system” where inside information can be obtained directly from top experts in the areas in which investigative journalists are interested.¹²⁷

One recent example of a successful investigation conducted primarily through access to open online sources was the unearthing of improprieties in public spending by the Interior Ministry. The investigation (which started in 2009) was a joint effort by the *Vedomosti* and *Kommersant* newspapers, the Marker.ru internet publication, and the LiveJournal weblog community *Goszakupki*,¹²⁸ created by the editor-in-chief of Marker.ru, Alexander Maljutin, and *Forbes Russia* economic observer Boris Grozovski. The investigation revealed, among other things, that the ministry had used taxpayers’ money to buy a gilded bed.¹²⁹ Another example is the investigation by the crusading editorially independent newspaper *Novaya Gazeta* (funded by its minority shareholder, the billionaire Alexander Lebedev who is also the proprietor of the London *Evening Standard* and *The Independent* newspapers in the UK). In 2009, the paper used free online access to the income declarations of the government officials for an anti-corruption drive dubbed “Declaration Control,” which revealed dubious practices in disguising the true wealth of various state officials.¹³⁰

4.2.2 Threats

The other side of the coin of easy access to online databases is the fact that less legwork is involved for journalists and the lengths to which they have to go to investigate a story have shrunk. Alexander Amzin, until recently a top manager of the online media outlet Lenta.ru and a highly respected researcher of the blogosphere, believes that this factor is detrimental to investigative journalism, because stories that require deeper digging tend to be neglected, in preference to those that can be found online:

In earlier times journalists had to work hard to produce a good investigative story. Now investigations are often founded on the documents finding their way onto the Web. In other words, with WikiLeaks a journalist does not need to work too hard.¹³¹

127. Interview with Anton Nosik, deputy CEO of United Media holding company, Kiev, 8 December 2010.

128. LiveJournal weblog community on government tenders, available at <http://community.livejournal.com/goszakupki/> (accessed 18 May 2011).

129. Ria Novosti, “Interior ministry has acquired a gilded bed,” available at <http://www.vedomosti.ru/lifestyle/news/2009/10/15/861680> (accessed 21 March 2011).

130. *Novaya Gazeta*, “Declaration Control,” available at <http://www.novayagazeta.ru/data/2009/069/12.html> (accessed 21 March 2011).

131. Interview with Alexander Amzin, foreign media manager, Yandex Corporation (until November 2010, head of the IT Desk, Lenta.ru), Moscow, 22 November 2010.

Other threats identified by the experts lie outside digital media and are related to the state of public institutions, civil society, and the journalism trade in Russia.

Although all experts agreed on the overall weakness of and low demand for investigative reporting, there are several examples of successful recent investigations in Russia. Andrei Konstantinov, founder of the St Petersburg-based Agency of Journalistic Investigations (AJI), and author of a university-level training course on investigative journalism, believes there are reasons to be hopeful: “Where there are sparks there is fire.”¹³²

4.2.3 New Platforms

Digitization has undoubtedly improved the dissemination of investigative content. To cite just one example: recently the magazine *812*, which is distributed in St Petersburg and is part of AJI, revealed new information on the murder of Vladislav Listyev, a highly popular television anchor and later the director-general of ORT (now Channel One) who was killed in 1995 on the staircase of his own home. Yet no reaction to the publication in the magazine came until the same news was published on AJI’s Fontanka.ru. It immediately attracted the attention of journalists from mainstream media and the story became top national news, eventually making its way to television.¹³³ Mr Konstantinov believes that the most attentive audience of the website consists of journalists looking for new stories.¹³⁴

It is not clear what the actual impact of digitally distributed investigative journalism is. In the absence of an independent judiciary and of political competition, a tangible result of journalistic exposures of corruption and wrongdoing (i.e. whether an investigation is followed up by law enforcement institutions), depends on too many variables.

The institutional reputation of media is itself a factor in this analysis, as the following quotation from Mr Gatov of GIPP suggests:

The internet as a source of information and the right place for doing investigations was discredited in 2003–2009 when some web-resources like Compromat.ru and Flb.ru, which are known for their venal practices, were especially active. After that every investigation published on the internet was perceived as black PR and as being paid for even if that was not the case. But readers’ confidence was destroyed. Even the authorities do not believe in internet investigations, because they know themselves how you can pay for not being mentioned in some publications: it was one of the most popular services of the so-called “investigative websites.”¹³⁵

132. Andrei Konstantinov, founder of the St. Petersburg-based Agency of Journalistic Investigations, intervention at the roundtable discussion on investigative journalism at the Forum of European and Asian Media organized by RIA Novosti, Kiev, 9 December 2010 (hereafter Konstantinov, intervention).

133. Konstantinov, intervention.

134. Konstantinov, intervention.

135. Interview with Vassily Gatov, vice-president of the Russian GIPP, Moscow, 21 November 2010.

4.2.4 Dissemination and Impact

All interviewed experts see the internet as a crucial provider of raw material for journalistic investigations. Yet there was only one online resource that all interviewees mentioned as carrying investigative content itself, and that is the blog of the economist and lawyer, Alexey Navalny,¹³⁶ with more than 25,000 friends on LiveJournal. His two most well-known investigations exposed a financial fraud in Transneft, the state-owned oil transportation monopoly. Some posts collected more than 10,000 comments. In addition to conducting his own investigations, Mr Navalny invites visitors to supply him with documents on various violations. Here is how he describes his recent project, Kickback:

1. All those who wish to can contribute information to the site on state procurement tenders of an evidently corrupt nature.
2. We find and register experts online willing to expose fraud.
3. The experts write an assessment, then a lawyer puts together complaints to the Competition Commission and other relevant bodies.
4. If it becomes necessary to physically attend official bodies and courts, this is my own and my colleagues' responsibility.¹³⁷

At the end of May 2011, Kickback reported that it had reviewed 41 cases of potentially corrupt procurement deals and claims it prevented misuse of roughly RUB 339 million (about US\$ 11.5 million) of public money.¹³⁸ It states that almost RUB 7 million (about US\$ 235,000) was donated by the public to cover the work of the project's lawyers and system administrators.¹³⁹

In a 2010 survey of 1,500 national and regional print outlets by the internet library Public.ru, Mr Navalny emerged as the blogger most often quoted by traditional media (250 mentions).¹⁴⁰

In May 2011, a criminal case against Mr Navalny was opened by the Federal Investigative Committee (SKR) on charges of "causing damage to property by deception or breach of trust in the absence of signs of theft" during his tenure as an adviser to the governor of the Kirov region in 2009. Governor Nikita Belykh denies any wrongdoing by Mr Navalny.¹⁴¹

No other serious investigators in blogs or other new entrants were identified by the interviewed experts.

136. See <http://navalny.livejournal.com/>

137. "The final struggle between good and neutrality," <http://navalny.livejournal.com/541417.html>, 29 December 2010 (accessed 21 March 2011).

138. See <http://rospil.info/> (accessed 2 June 2011).

139. See <http://rospil.info/donate> (accessed 2 June 2011).

140. Public.ru, "Blogoshere and traditional media 2010: cooperation or competition. a year in review," available at <http://www.gipp.ru/opennews.php?id=35000> (accessed 21 March 2011).

141. Lenta.ru, "Criminal case opened against Navalny," 10 March 2011, available at <http://www.lenta.ru/news/2011/05/10/navalny/> (accessed 2 June 2011).

4.3 Social and Cultural Diversity

4.3.1 Sensitive Issues

Russia is a country that stretches across nine time zones and two continents. It is inhabited by 140 ethnic groups practicing four religions that are regarded as traditional (Christian Orthodoxy, Islam, Judaism, and Buddhism), and also a variety of other faiths, from Christian denominations to shamanism. As a federation the country is comprised of different constituent parts: the republics, which are a form of quasi-statehood for numerous ethnic groups that have traditionally inhabited the territories where they are located (Bashkortostan in the Volga region, the Altai Republic in Western Siberia, Yakutia-Saha in Eastern Siberia, and the Chechen Republic in the Northern Caucasus, among others); the regions (*oblasts*) based on non-ethnic administrative principles and the one autonomous region (the Jewish autonomous *oblast*); and autonomous districts (*okrug*), that are a form of cultural autonomy for smaller ethnic groups (for example, Chukotka is an autonomous district in the Far East with a high proportion of indigenous people, the Chukchi). The lifestyles practiced in Russia range from the nomadic deer herders Nenets of the Siberian Arctic who practice shamanism, to secular cosmopolitan lifestyles of the big cities, to polygamy as a social, but not legislated, norm in the predominantly Muslim North Caucasian Republics of Chechnya and Ingushetia. Against the backdrop of such unique diversity, it is just not possible to give a brief general account of sensitive issues. Such issues vary from one local culture to another and from one local political regime to another.

Across the country, there are various discriminatory practices that stem from local politics or local prejudice, which the federal government is unwilling to look into as long as the overall situation remains stable and does not reach the proportions of a major crisis. Alexander Verkhovsky, director of SOVA Center, a Moscow-based human rights non-governmental organization (NGO) monitoring ethnic, religious, and cultural discrimination in Russia, cites one example: in the Republic of Bashkortostan, which borders Tatarstan, the extremist manifestations of Bashkir nationalism are aimed against the Tatars who live in Bashkortostan and form a bigger ethnic group than the Bashkirs.¹⁴²

This situation is both stable and volatile. At times inherent tensions come to the fore and produce tragic or dramatic consequences. The most notable event in recent history was the Chechen conflict: two rounds of full-scale military conflict between the federal government and the breakaway Chechen Republic (1994–1996 and 1999–2001). This conflict, which resulted in a great many civilian casualties, also led to “the restoration of Constitutional order” (to use the official terminology) in Chechnya, and also to a wave of terrorist attacks and mutual acrimony.

Russia has adopted legislation banning discrimination on the basis of ethnicity, language, religion, and gender. However, the state has failed to ensure uniform implementation of these norms. In practice, according to Georgi Derluguian, associate professor at Northwestern University of Chicago, and one of the most respected scholars on post-Soviet development:

142. Telephone interview with Alexander Verkhovsky, director of Sova Center, 3 June 2011.

As part of complex governance bargains, Moscow tolerated the formation of political “machines” and patron-client networks in the regions. Within ethnic republics this often meant replacing local ethnic Russians with native appointees, like in Tatarstan where the share of non-Tatars in the leading positions during the 1990s went from half to almost zero.¹⁴³

Furthermore, the legal system and the law enforcement institutions in Russia lack the capacity and knowledge necessary to perform the task of enforcing anti-discriminatory legislation, and, according to Mr Verkhovsky, even civil society organizations that are supposed to represent minorities are often not competent to defend their interests.¹⁴⁴

In Moscow, the national capital and the main source of national news, the most sensitive issues are ethnic. As the country’s richest city, Moscow attracts many migrants from the Northern Caucasian republics of the Russian Federation, and foreign migrants primarily from the Central Asian countries of the former USSR. The newcomers are often the victims of police corruption and oppression by employers. A growing number of Muscovites perceive them as a threat to native culture; additionally, xenophobic attitudes are very much present in this society. In the words of Mr Verkhovsky, for many local people the incomers (*ponayehavshyie*) have replaced the liberal reformers of the 1990s and the oligarchs as the main target for discontent.¹⁴⁵ The most recent case of tensions coming to the fore was the unrest in Moscow on 11 December 2010 following the murder of a football fan, Yegor Sviridov. He was killed in a street fight between a group of Muscovites and a group of people from Kabardino-Balkaria and other republics of the Northern Caucasus. The unrest was sparked by the news that only one of the suspected murderers was detained by the police while the suspected accomplices had been released, allegedly in exchange for a bribe. Following these events, three Russian nationalist organizations, the Movement Against Illegal Immigration, the Slavonic Union and the Russian National Union, were found guilty of inciting ethnic hatred and were banned by the Moscow City Court.

There are no laws in Russia that explicitly ban discrimination against sexual minorities. There is no evidence of systemic discrimination against lesbian, gay, bisexual, and transgender (LGBT) community members in the labor market, particularly in the cosmopolitan metropolises, Moscow and St Petersburg. However, neither Moscow nor St Petersburg nor any of the smaller municipalities in Russia has allowed a gay pride parade, and those gay rights gatherings that have been held despite official bans were violently dispersed. A former Moscow mayor, Yury Luzkhov, who was in power for 18 years before being sacked by Mr Medvedev in September 2010, famously described gay parades as “satanic.” In October 2010, the European Court of Human Rights fined Russia for banning gay parades in Moscow. Despite the ruling, the government of Moscow banned the gay pride parade in 2011.

143. Skype interview with Georgi Derluguian, professor of sociology, Northwestern University, Chicago, IL, USA, 31 May 2011 (hereafter Interview with Derluguian).

144. Interview with Derluguian.

145. Interview with Derluguian.

No legally binding quotas, requirements or standards of minority coverage are imposed on either the state media or on the privately owned. Nor are there any self-regulatory principles on this issue. The editors, journalists and experts interviewed for this study would generally say that, by way of guidelines, they abide by the legislation prohibiting the incitement of religious, ethnic, and racial hatred or propaganda of extremism, and they are guided by their own common sense.

The Federal Service for Supervision of Communications, Information Technologies and Mass Media (Roskomnadzor) monitors media compliance with legislation (see sections 7.1–7.2). On 13 December 2010, following the first wave of riots prompted by the death of Mr Sviridov and in anticipation of new riots on 15 December, it sent out a letter to its territorial bodies demanding an intensification of media monitoring:

Following recent events in Moscow, commentaries began to appear on internet forums, almost daily and in large numbers, calling for violence and interethnic divisions. It is possible that traditional media may be used for these purposes. It is the task of Roskomnadzor not to allow the use of media for extremist pronouncements.¹⁴⁶

The wording indicates that what Roskomnadzor termed the calls for violence were voiced on sites operated by all sides involved in the controversy, which, in this case, could be roughly described, respectively, as Russian nationalists, descendants from the Caucasus, and foreign guest workers. Some of the calls for violence appeared in comments on the sites of established media. While we were not able to track the results of this particular monitoring, Roskomnadzor reported in January 2011 that, in 2010, it made 45 requests to internet media to delete or edit comments that were deemed extremist.¹⁴⁷ (The efficacy of official attempts to limit offensive internet content is discussed in section 7.1.2.2.)

4.3.2 Coverage of Sensitive Issues

Digital media have noticeably enlarged and improved the space for public expression for various groups in Russian society, most notably religious and sexual minorities. A few examples of the most visible internet presences include:

- the independent Islamic information portal Islam.ru, which contains news, useful information, a forum, and an online dating service;
- the global Jewish online center Jewish.ru, which is aimed at a wider community and covers Jewish history, culture, and lifestyle, and offers feedback through social networks;
- the first Russian website for the disabled, Disability.ru, which features blogs, forums, job adverts, and resources on disability;
- the website for migrants living in Moscow, Migraciya.ucoz.ru, which has information and news on migration-related issues, and offers an opportunity to communicate on the forum;

146. As quoted by Prime-TASS news agency, available at http://www.prime-tass.com/news/search/_Medvedev_orders_to_punish_organizers_of_soccer_fan_riots/0/%7BE867C5A9-3F2D-422E-AE3F-C46E31B9A1AB%7D.uif (accessed 25 August 2011).

147. Lenta.ru, “Roskomnadzor discovered 45 extremist comments last year,” available at <http://www.gipp.ru/opennews.php?id=35311> (accessed 27 March 2011).

- the movement Tajik Labor Migrants, active on tajmigrant.com, which states as its goal the “protection of rights of migrants from Tajikistan on the territory of the Russian Federation, social adaptation and job connection assistance;”
- the LGBT network [Lgbtnet.ru](http://lgbtnet.ru), launched in 2006, which publishes news about community life, has a forum and organizes special events in defense of gay rights; the network says its ambition is to turn the LGBT movement into one of the most influential public forces in the country.¹⁴⁸

The list could be extended to include almost every conceivable minority acting legally.

Ivan Zassoursky, editor of *Chastnyi Correspondent*, sums up the situation this way:

Thanks to the internet, various minorities got the opportunity to express themselves irrespectively of mainstream media. This has had a direct effect on the work of journalists whose task now is not to find a hot topic but to locate an interesting blog post or a forum discussion and find an angle how to present it to their audience. Blogging is a good way for minorities to get into mainstream media.¹⁴⁹

4.4 Political Diversity

4.4.1 Elections and Political Coverage

The only relevant changes in the provisions of election coverage in the Russian Federation over the past five years were the amendments introduced in 2006 that relate to the use of the internet. They prohibit candidates from using the “information-telecommunication network internet” for extremist speech before and during election campaigns. These provisions are in addition to the ban on extremist speech in traditional media (for example Article 76 of the Federal Statute on the Basic Guarantees of the Election Rights and the Right to Participate in Referendum of the Russian Federation).¹⁵⁰

Thus far, the impact of new media on elections can only be seen in the local and municipal elections held in March and October 2010, where they became a source of alternative information on candidates. Svetlana Balmayeva, dean of the Journalism Department at the Yekaterinburg-based Humanities University, draws attention to a case where an independent candidate, Leonid Volkov,¹⁵¹ was elected to the city Duma on 1 March 2009, relying primarily on the online community he formed around his blog.¹⁵²

148. Russian LGBT Network, available at <http://www.lgbtnet.ru/news/detail.php?ID=4328> (accessed 21 March 2011).

149. Interview with Ivan Zassoursky, editor-in-chief of *Chastniy Korrespondent*, Moscow, 24 November 2010.

150. Federal Statute of 12 June 2002 N 67-FZ On the Basic Guarantees of the Election Rights and the Right to Participate in Referendum of the Russian Federation, *Collection of Laws of the Russian Federation*, 2002, N 24, p. 2253.

151. Leonid Volkov’s blog, available at <http://www.leonidvolkov.ru/> (accessed 21 March 2011).

152. Interview with Svetlana Balmayeva, Dean of the Journalism Department, University of the Humanities, Ekaterinburg, 20 November 2010.

All experts interviewed on this issue agreed that the potential influence of new media on the electoral process will be first fully tested during the December 2011 parliamentary elections, and then in the presidential elections in 2012.

4.4.2 Digital Political Communications

One of the most digitally active and innovative politicians in Russia is Mr Medvedev, sometimes dubbed blogger-in-chief. He has a video blog, Kremlin.ru, a LiveJournal account with 15,450 friends,¹⁵³ a Facebook profile,¹⁵⁴ and Twitter account¹⁵⁵ with 34,262 followers. The latter, according to *Kommersant* daily, had 15,000 followers within 12 hours of its launch.¹⁵⁶ His video blog is structured around several dozen themes.¹⁵⁷ The one most commented on is Fight Against Corruption (8,627 comments), while the one the least commented on is Space Technologies and Telecommunications (55 comments). The theme Mass Media has attracted 656 comments.¹⁵⁸ Between 19 January 2009, when the blog became open for comments, and 25 March 2011, a total of 116,314 comments were posted.¹⁵⁹

One of the most innovative uses of the president's blogging has been for diplomatic purposes. On 3 October 2010, Mr Medvedev reprimanded his Belorussian counterpart, Alexander Lukashenko, for "anti-Russian rhetoric."¹⁶⁰ A post on 23 November 2010 on the imperfections of Russian democracy provoked a lively discussion in the mainstream media and the blogosphere.¹⁶¹ In October 2010, Profi Online Research recognized Mr Medvedev as the most popular blogger on the Russian internet.¹⁶² However, the comic Twitter account Kermlin Russia,¹⁶³ where an unknown user parodies the real president's posts, attracts a much larger audience than the original: in March 2011 it had 78,000 followers.

Additionally, Mr Medvedev has been encouraging public officials and civil servants to use the internet more and to keep blogs. One result of his appeal has been the emergence in July 2010 of Gosbook.ru, a social network intended specifically for public officials. By March 2011 it had 3,875 members.¹⁶⁴

153. See http://community.livejournal.com/blog_medvedev/profile (accessed 21 March 2011).

154. See <http://www.facebook.com/President.Medvedev?v=wall> (accessed 21 March 2011).

155. See <http://twitter.com/KremlinRussia> (accessed 21 March 2011).

156. "As Twitter Says. President Medvedev in his Annual Address Will Take Into Account Bloggers' Recommendations," *Kommersant*, 26 November 2010.

157. See <http://blog.kremlin.ru/themes/> (accessed 21 March 2011).

158. See <http://blog.kremlin.ru/theme/29> (accessed 27 March 2011).

159. Number of comments as indicated on <http://blog.kremlin.ru/themes/> (accessed 27 March 2011).

160. See <http://blog.kremlin.ru/post/111> (accessed 21 March 2011).

161. See <http://blog.kremlin.ru/post/119> (accessed 21 March 2011).

162. Profi Online Research, "Research results: attitude of bloggers toward online communication with state officials," available at <http://profiresearch.ru/files/pr111010.pdf>

163. See twitter.com/KermlinRussia (accessed 21 March 2011).

164. Users of Gosbuk, available at <http://www.gosbook.ru/people/active/0?num=10> (accessed 21 March 2011).

Blogging has become a daily routine both for public officials and opposition leaders. The governor of the Kirov Region, Mr Belykh, the governor of the Perm Region, Oleg Chirkunov, and the leader of the radical opposition movement Solidarnost, Mr Nemtsov, are among the most popular bloggers on LiveJournal. They describe their daily activities and discuss the public agenda. The daily ratings of the popular political bloggers and popular posts are collected on Gosblogi.ru (launched in July 2010).¹⁶⁵ Some of the politicians write their own blog posts, while others hire a blog secretary, which is rapidly becoming a new profession in the media.

In addition to websites that all political parties (both those represented and those not represented in Parliament) now have, the parties try to build their own social networks. For example, the parliamentary party Spravedlivaya Russia has founded the Soratniki social network.

4.5 Assessments

While the experts interviewed for this study differ on the degree of professionalism and efficiency of online activities of political actors, they agree that the internet is the freest and liveliest political environment in Russia. “These days, the internet is the only thing that stimulates public interest in politics as it provides alternative information,” says Mr Amzin of Yandex.ru.¹⁶⁶ Mr Gatov of GIPP sums up the situation as follows:

In effect, the internet is the only medium where you can still criticize [the ruling party] United Russia. Until very recently and for a variety of reasons traditional media shied away from criticizing the party in power. As far as non-parliamentary opposition is concerned, in 2005–2009 the internet was the only information resource for their activities.¹⁶⁷

Digitization has had a profound effect on the work of journalists in several different respects. First, it has largely changed professional requirements. Journalists and editors now have to master new skills to be able to produce multimedia news products, and have to become more technologically adept to be able to work with new software and multimedia devices. In a converged newsroom, flexibility is vital, as is willingness to produce more news, and for a greater variety of platforms.

With the explosion of search engines and the blogosphere, official and business websites journalists have gained a nearly unlimited source of story ideas and tools to research and develop them. This has particularly benefited investigative journalism. However, the convenience and wealth of online information also had a detrimental side-effect: investigative reporters today are less likely to go to great lengths in search of a story.

165. See <http://www.gosblogi.ru/> (accessed 21 March 2011).

166. Interview with Alexander Amzin, Moscow, 22 November 2010.

167. Interview with Vassily Gatov, vice-president of the Russian GIPP, Moscow, 21 November 2010.

Professional journalism and civic journalism are both merging (for example, UGC gets embedded in traditional media content) and competing for the attention of audiences. One side-effect of this is the erosion of professional standards. Nevertheless, an increase in distorted information that can be traced to digital factors remains marginal as compared with the bias imposed by owners, particularly in the case of state-owned media, or outlets owned by commercial companies for which media are not a primary business.

The mission of professional journalism in society is gradually changing. Its role is evolving toward becoming an intermediary between the blogosphere and the general public, or toward becoming a filter for stories that originate online, rather than as an agenda setter.

We have not had enough experience to judge the effects of digitization on election coverage and, more importantly, on election results. The first national “digital elections,” so to speak, will take place in December 2011. Much will depend on the digital media skills of traditional and new media as well as on those of political actors, but even more will depend on offline factors such as parties’ abilities to devise coherent and attractive agendas, and still more, on vote-counting.

Digitization has vastly improved the opportunities for marginalized groups to express themselves both within their own community and to a broader public. Nevertheless, relative peace and harmony online, even if it consists of the coexistence of the hosts of mutually intolerant opinions, do not automatically translate into offline reality. As Vitaly Leybin, the editor of *Russkyi Reporter*, wrote about the December 2010 interethnic riots in Moscow:

“Everything is under control in Moscow and in the country. All perpetrators will be penalized,” wrote the President for the audience of Twitter. But the clashes that happened were real, not virtual. And the cops who are accused of releasing the suspects in the murder of football fan Yegor Sviridov are hardly seasoned bloggers.¹⁶⁸

This is indicative of the need for an analysis of endemic institutional weaknesses in Russia, which is outside the scope of this study. The weak rule of law, the lack of independent judiciary, as well as endemic corruption and state capture, are just a few problems connected with the governance of the country.

168. V. Leibin, “Non-Russian riot,” *Russkyi Reporter*, 16–23 December 2010, p. 12.

5. Digital Media and Technology

5.1 Spectrum

5.1.1 Spectrum Allocation Policy

The allocation of the broadcasting spectrum is an exclusive right of the government of the Russian Federation. The State Commission on Radio Frequencies (GKRCh), comprised of government officials from several ministries, is in charge of allocating licenses for radio and television frequencies. The allocation is made in accordance with the official Table of Frequency Allocations Between Radio Bodies of the RF (hereafter the Table) and the Plan for the Future Use of Radiofrequency Spectrum by Radio Electronic Means (hereafter the Plan). These documents are elaborated by GKRCh and approved by the government. The Table is revised at least once every four years and the Plan is revised at least once every 10 years. Every two years, GKRCh considers proposals from governmental and industrial bodies—the Ministry of Communications and Mass Communications, the National Association of Television and Radio Broadcasters (NAT), the Association of Cable Television of Russia (AKTR) and telecom operators—regarding the revision of the Table and the Plan.

There are three categories of frequencies: frequencies used for the needs of public administration; frequencies used for civilian purposes, and frequencies used for both of these purposes.¹⁶⁹ GKRCh is responsible for frequency allocation only in the two last categories. Frequency allocation is carried out by issuing a written permission to use the specific frequency with a description of the specific means, goals, and conditions of such use.¹⁷⁰ The Ministry of Defense, the Interior Ministry, and the Ministry of Emergency Situations are privileged in the allocation process. The frequencies for navigation, transportation, satellite communication, and similar services are allocated as a matter of priority. At the moment, 3 percent of the broadcasting spectrum is allocated for civilian purposes only, while the share of public administration is 27 percent.¹⁷¹ The Russian army and other armed forces currently control about 22 percent of all frequency spectrums.

169. Statute on Communication (7 July 2003, with the amendments of 29 December 2006), p. 23.

170. Y. Pokhilko, “The regulation of the use of radio frequencies,” *Standart* magazine, Moscow, February 2006, pp. 23–28.

171. I. Chesnokov, “Forecast: an amnesty on frequencies,” online magazine *Modern Telecommunication in Russia*, No. 30, 17 December 2009, available at <http://www.telecomru.ru/article/?id=5657> (accessed 21 March 2011).

According to expert estimates, about 35 percent of the spectrum ranging between 174–230 and 470–862 MHz assigned for digital broadcasting is presently used for military purposes. A further 30 percent of these bands is jointly used by radio-electronic means for military and civilian purposes.¹⁷² Government organizations own and operate frequencies free of charge. At the moment Roskomnadzor is focusing its efforts on reallocating the frequency spectrum in favor of commercial and civilian organizations and is doing so through auctioning frequencies and related licenses.¹⁷³ Military organizations are making efforts to maintain control on “their” frequencies, blocking the attempts of reallocation or trying to pass the frequencies to affiliated business entities. For instance, in summer 2010, the leading mobile communication operators—MTS, Vimpelcom, and Megafon—sent an open letter to the president demanding a fair competition for frequency allocation for 3GPP Long Term Evolution (LTE) technology for mobile data communication. The reason for this petition was an attempt by the Ministry of Defense to organize the transfer of frequency band 2.3–2.4 GHz for broadband access to small telecoms companies operated by the ministry itself.¹⁷⁴ This case became public. More often than not, however, if such conflicts take place, they are not made public.

In Russia, there are a number of commercial television and radio broadcasters established by the Ministry of Defense and the Interior Ministry. The fact that the ministries mentioned above own frequencies assigned for broadcasting and have to approve their transfer, allows them to lobby for the acquisition of a broadcast license by their own broadcasters.

Only a small portion of the total frequency spectrum is used for television and radio broadcasting.¹⁷⁵

All regulation of broadcasting spectrum is carried out by the government. In accordance with the regulation on Licensing of Television and Radio Broadcasting in the Russian Federation,¹⁷⁶ and the regulation on Competition for the Rights to Air Terrestrial Broadcasting as well as Development and Adaptation of a New Radio Channel for Broadcasting,¹⁷⁷ broadcasting licenses are issued by the Ministry of Communications and Mass Communications (hereafter the Ministry of Communications). Roskomnadzor, a part of the Ministry of Communications, holds monthly tenders for the use of frequencies allocated for broadcasting. To obtain a license, an applicant must submit the GKRCCh resolution on the allocation of a radio frequency band and a resolution on the use and monitoring of the frequency assignment. A description of the applicant’s

172. C. Forrester, “Insight: Russia—the wild east of DTV?,” *SAT* magazine, May 2008, internet edition, available at http://www.satmagazine.com/cgi-bin/display_article.cgi?number=299932028 (accessed 29 March 2011).

173. Government Regulation on Licensing of Television and Radio Broadcasting in the Russian Federation, available at http://minsvyaz.ru/ru/doc/index.php?id_4=157 (accessed 21 March 2011); Order of the Ministry of Communications No. 18 of 23 July 2008 on the Approval of Rules on the Federal Competition Commission on Television and Radio Broadcasting, available at <http://www.rg.ru/2008/09/10/konkomissia-dok.html> (accessed 18 June 2011).

174. RIA Novosti, “Telecom operators call on Medvedev to distribute LTE frequencies transparently,” 28 July 2010, available at <http://www.Ria.ru/technology/20100728/259081168.html> (accessed 21 March 2011).

175. Rospechat, *Television in Russia*, p. 24.

176. Regulation on Licensing of Television and Radio Broadcasting in the Russian Federation, available at http://xn--b1akbpgy3fwa.xn--p1ai/ru/doc?id_4=157 (accessed 18 June 2011); Status on Federal Competition Commission on TV and Radio Broadcasting, available at www.rg.ru/2008/09/10/konkomissia-dok.html (accessed 18 June 2011).

177. Regulation on Competition for the Rights to Air Terrestrial Broadcasting as well as Development and Adaptation of a New Radio Channel for Broadcasting, available at http://xn--b1akbpgy3fwa.xn--p1ai/ru/doc?id_4=150 (accessed 18 June 2011).

communication network and communication facilities, a plan for the network development, and the data on the capacity of transmission devices also need to be attached. If a broadcaster has a contract with a licensed communications operator, it does not need to have a communications license.

The licensing of terrestrial air broadcasting in the capitals of Russian regions and cities with over 200,000 people is carried out on the basis of a competition; the successful applicants must pay a one-time fee for the broadcasting rights. Competitions are called by the FKK, appointed by the Ministry of Communications and primarily responsible for vetting the applications for licenses.¹⁷⁸

Analog television broadcasting currently dominates in Russia. For digital switch-over to happen, the radio-frequency spectrum will have to be converted. This activity is part of the Federal Target Program, according to which Roskomnadzor, in cooperation with two federal state unitary enterprises—RTRS and the General Radio Frequency Center (GRTs)—develops territorial frequency plans for digital television multiplexes and coordinates those, first of all, with military organizations. Roskomnadzor grants permission to use frequencies to the RTRS. In accordance with the GE06 Agreement,¹⁷⁹ the frequencies in the 174–230 MHz range (VHF Band III) and in the 470–862 MHz range (UHF band) for terrestrial digital television are allocated for Russia.

There are no special frequencies allocated for cable television broadcasting. Numerous independent commercial cable operators find themselves outside the Target Program.

The convergence program for broadcasting frequencies spectrum and the use of the digital dividend is currently being developed by the government. The program is to include provisions for the enlargement of the spectrum allocated for television and radio broadcasting. However, the aforementioned draft plans are not on the agenda of public debate.

5.1.2 Transparency

At the moment the allocation of broadcasting spectrum is regulated by official regulations designed for the analog terrestrial broadcasting. New regulations for the digital era are currently neither elaborated nor approved. Whatever discussions are being held, they are confined to the Ministry of Communications, and are not made public.

The current rules for selecting the winner of a contest for terrestrial broadcasting licenses employ some criteria that are open to subjective interpretation (see sections 7.2.2.–7.2.3): for example, “satisfying the needs of the population,” “broadcasting television programs of social significance,” and “supporting social issue-oriented television and radio projects.” These requirements are meant to ensure that the public interest

178. Order of the Ministry of Communications No. 18 of 23 July 2008 on the Approval of Rules on the Federal Competition Commission on Television and Radio Broadcasting, available at http://xn--b1akbpgy3fwa.xn--p1ai/ru/doc/?id_4=120 (accessed 18 June 2011).

179. GE06 Agreement, Geneva 2006, available at <http://www.itu.int/ITU-R/terrestrial/broadcast/plans/ge06/index.html> (accessed 21 March 2011).

is taken into account in the process of licensing broadcasters.¹⁸⁰ Yet the terms are rather vaguely defined and are not accompanied by an independent regulatory mechanism.

Moreover, there is no standardized formula for calculating a license fee. Each case is considered on an individual basis, taking into account the size of the advertising market in the city or region in question as well as the size of the population and its purchasing power. The lack of a clear formula leaves non-transparent gaps in the calculation process.

5.1.3 Competition for Spectrum

Currently, private projects in the field of digital cable and satellite television broadcasting in Russia are rare: except for Moscow and St Petersburg, there is no competition in local markets.

In each regional market in which experimental digital television is present, there is typically only one digital television testing project, or one company that broadcasts digital packages. Thus far, 23 local digital television projects have been launched in a total of 16 regions: Moscow, St Petersburg, Yekaterinburg and the Sverdlovsk Region, Kazan and Tatarstan, Chelyabinsk, Ufa and Bashkortostan, and Novosibirsk, among others.¹⁸¹ Therefore, the problems of obtaining control and management of digital multiplexes is not relevant for the current market situation.

5.2 Digital Gatekeeping

5.2.1 Technical Standards

The technical standards for digital television broadcasting in the RF are determined by the government. The digital video broadcasting (DVB) format as a transmission format was chosen as a standard for the transition to digital television in the early 2000s.¹⁸² The Federal Target Program was approved only in 2009,¹⁸³ but digital television projects in Russia have only been using the DVB standard, including those dating back to the early 2000s. This fact shows that private television is still guided by the state, even in the field of technical standards.

Both compression formats, MPEG-2 and MPEG-4, are used in current private digital television projects. MPEG-4 will be used for terrestrial digital broadcasting.

180. Regulation of the Federal Competition Commission on Broadcasting. Supplement to the order of the Ministry of Communications of 23 July 2008, No. 18, *Rossiyskaya Gazeta*, 10 September 2008, available at <http://medialaw.ru/publications/zip/168/2.htm> (accessed 21 March 2011).

181. See an unofficial list of all current digital television projects in Russia, "DVB coverage in Russia and CIS," available at <http://ru.wikipedia.org/wiki/DVB> (accessed 19 May 2011).

182. Russian Federation Government Decree of 25 May 2005, No. 706-r, available at http://www.rg.ru/2004/05/28/evrotrv_dok.html (accessed 19 June 2010).

183. Concept of Federal Target Program, available at <http://minsvyaz.ru/common/upload/1349R.pdf>, (accessed 19 May 2011).

There is no public debate or discussion in the general media on technical standards. These issues are discussed mainly in expert and professional circles. The main participants in these discussions are relevant state bodies, the Ministry of Communications, and the industry associations NAT and the AKTR. The media industry is more focused on the general issues of the broadcasting landscape, the prospects for regional and local broadcasters, the sources of investment for the period of transition, and the relationship between cable, satellite, IPTV, and terrestrial broadcasting in the period of digitalization.¹⁸⁴ (See section 7.1.1.4.)

5.2.2 Gatekeepers

Two types of digital gatekeepers exist in Russia: private local digital multiplexes and the government, which is developing a program of free digital multiplexes (see section 7.1.1.1). Only a few local digital broadcasters exist, and the number of channels is relatively small (an average of 50 for a regional market).¹⁸⁵

Currently, there are no issues with the access of broadcasters to the private digital multiplexes as there is a lack of business interest in entering them: many leading broadcasters are reluctant to cooperate with the private operators of digital television because the existing projects are not profitable due to the small audience. The state-owned enterprise RTRS is authorized to create national multiplexes under the Federal Target Program and it offers standardized prices for the transmission services. The costs depend on the complexity of transmission only. The annual fee for one federal television network channel is RUB 770 million (about US\$ 26 million). These costs are too high for a number of nationwide networks; according to expert estimations, only the five largest networks (Channel One, Rossiya-1, NTV, CTC, and TNT) out of 21 nationwide networks (including TVC, REN TV, DTV, TV3, Channel 5, and Zvezda, among others), can afford them.¹⁸⁶

A proposal for regional television channels is currently under development. Many local television managers believe that the maintenance costs will also be too high,¹⁸⁷ taking into account the fees for federal networks, and that the costs will be felt particularly acutely during the transition period when analog broadcasting will be operating in parallel (simulcasting). The financially strongest market players among regional and local television broadcasters will be included in the ninth slot of the first multiplex or in the second, third, and fourth multiplexes. In the absence of government support, the transition to digital broadcasting is likely to dramatically reduce the total number of local broadcasters.

Aside from imposing prohibitive fees, the operators of either state-owned or private multiplexes cannot be considered independent gatekeepers, as they have to conform to the policies of federal or regional authorities, which are not clearly spelled out but are rather defined by the current political or practical considerations of the authorities.

184. Documents of the 15th Congress of National Association of TV and Radio Broadcasters, Moscow, 16–18 November, 2010, available at http://www.nat.ru/?an=XIV_congress_nat_2010 (accessed 20 June 2011) (hereafter, Documents of the NAT Congress).

185. Rospechat, *Television in Russia*, p. 36.

186. Transcript of the meeting of the Digital Alliance of Russia, 14 May 2010, available at http://www.nat.ru/?an=news_med_page&cuid=7669 (accessed 19 May 2011).

187. Documents of the NAT Congress.

5.2.3 Transmission Networks

The state-owned enterprise RTRS holds a monopoly on signal transmission by terrestrial analog television broadcasting. The same enterprise is authorized to upgrade the state-owned transmission network within the framework of the transition to digital terrestrial television broadcasting. The Russian satellites used for television broadcasting are also state-owned. Only cable transmission networks have private companies and persons among their owners. In this environment, the state-owned broadcasters are in a privileged position during the period of digitalization: the state budget offsets their costs for the transition, the national state-owned television channels are included in the list of must-carry channels forming the first multiplex,¹⁸⁸ and the private cable networks are obliged to transmit these channels free of charge.

5.3 Telecommunications

5.3.1 Telecoms and News

In 2009, 36 million of Russia's 52 million households had technical access to cable networks. Currently, there are cable networks in all Russian cities with over 100,000 inhabitants. The total coverage of the urban population is 80 percent, while the majority of the rural population has no access to cable television. Over 1,400 cable operators have licenses, but the market is dominated by a handful of players: five leading operators serve 70 percent of the total audience. Most operators have 5,000–10,000 subscriber households.¹⁸⁹

The terrestrial cable networks are mostly analog. About 20 leading cable operators have launched digital television projects, but only two of them are commercially successful: the Moscow-based operator Akado-Capital has about 400,000 subscribers and the state-owned telecom holding company SvyazInvest has about 100,000 subscribers.¹⁹⁰

Cable and satellite television subscribers have access to a wide range of television news providers. The most popular packages include the leading international news channels, such as BBC, CNN, Deutsche Welle, and Euronews, among others, which, in many cases, have a Russian voiceover. The news offer is wider due to the presence of a number of niche channels: sporting, business, documentary, fashion, and so on.

The leading telecommunication operations (owned by communication tycoons with large investment resources and significant lobbying capacity) are now actively entering the broadcasting market. Currently, the business activity of telecom companies in news provision mainly focuses on the development of mobile internet access, but they are and becoming increasingly important players in the segments of satellite, IPTV, and internet television. For instance, one of the biggest telecom companies, the state-controlled Rostelecom,

188. Decree of the President of the Russian Federation "On National Mandatory Free Television Channels and Radio Channels" of 24 June 2009, available at <http://www.rg.ru/2009/06/25/teleradio-dok.html> (accessed 19 June 2011) (hereafter Decree on Mandatory Channels).

189. Rospechat, *Television in Russia*, p. 38.

190. Rospechat, *Television in Russia*, p. 42.

announced in March 2011 that it is interested in acquiring a controlling stake in Orion Express, one of the three leading satellite television operators.¹⁹¹ The largest mobile operators are planning to develop the new internet television technology, OTT (Over the Top). The pilot project is being launched by Megafon company. Vimpelcom (Bee Line) and MTS are planning their own projects.¹⁹² All these activities will change the digital broadcasting market in favor of the leading telecoms companies, which have close relations with the State and are very loyal to the ruling power.

The State-controlled channels already prevail in the program package. Because the Russian television and radio market is dominated by the state-owned news providers, cable, satellite and telecom operators mostly cooperate with them. At the same time, the opposition news channel RTVi, founded in 2002 by the media tycoon Vladimir Gusinski (also the founder of the most popular commercial channel NTV, which was taken over for debts by the state monopoly Gazprom in 2001), is not included in the packages of leading cable, satellite or IPTV operators, despite its popularity, and is available principally via the internet. It has an office in Moscow at the premises of the Gazprom-owned but editorially independent Ekho Mosvky radio station, and it runs a number of programs co-produced with them.

Generally, private operators prefer to deal with entertainment channels, as they generate more income and do not lead to conflicts with the federal or local state authorities.

Today the most burning issue in this segment of the television market is the question of whether cable operators will be required to include the eight must-carry television channels in their packages and bear all costs of delivery. (See sections 7.1.1 and 7.1.1.3 for details about the must-carry rules.) The Decree of the President of the Russian Federation of 24 June 2009 on National Mandatory Free Television Channels and Radio Channels is vague on the subject, providing no specific reference to cable networks.¹⁹³

5.3.2 Pressure of Telecoms on News Providers

Similarly to the operators of digital multiplexes, the cable and telecom operators in Russia cannot be considered independent as they have to conform to the policies, or rather the vested interests, of the authorities in the territory of their operation. Here too the rules are not spelled out. One known case of a denial of access to networks is that of an oppositional channel RTVi (see section 5.3.1). In the regions, issues tend to be settled behind the scenes by means of bargaining that all sides prefer to keep confidential.

191. I.Erokhina and A. Balashova, "Orion Express is Under Control," *Kommersant*, 18 March 2011, p.12, available at <http://www.kommersant.ru/doc/1602487> (accessed 18 June 2011).

192. I.Erokhina and A.Balashova, "Cellular Communication Operators 'Turned On' Internet-TV," *Kommersant*, 23 March 2011, p.13, available at <http://www.kommersant.ru/doc/1606114> (accessed 18 June 2011).

193. Decree on Mandatory Channels, Art. 4, available at <http://www.rg.ru/2009/06/25/teleradio-dok.html> (accessed 19 June 2011) (hereafter, Decree on Mandatory Channels).

5.4 Assessments

In Russia, the State not only regulates and controls the market, but also holds a monopoly on terrestrial television and radio signal transmission and owns a number of leading television and radio broadcasters. The market players have to undergo a series of complex administrative procedures in order to commence or to continue broadcasting and transmission. So the main problems in the area of broadcasting spectrum allocation policy arise in the field of the relationship between the federal and local government bodies, on the one hand, and the independent private media market players, on the other.

The process of spectrum allocation, licensing, broadcasting, and supervision of broadcasting is organized so that all key decisions are taken by state bodies or by bodies under their control. The main rules are formulated vaguely, which enables the state authorities to make decisions that benefit one or other market player. So, the discrimination is of a politico-economic nature: in addition to the direct preferences given the state-owned and/or state-controlled national and local broadcasters, the government bodies assist private media players—cable television, including IPTV and satellite television—in exchange for loyalty.

Russia has begun the process of digital switch-over. The laws, rules, and procedures needed for the digital era are being developed. The state authorities are committed to maintaining their leading positions in television and radio transmission, as is elaborated in the Federal Target Program. Digital transition in the terrestrial television broadcasting involves a step-by-step launch of four or five digital multiplexes. The first and second multiplexes are to have 100 percent coverage of the territory of the RF. The state bodies will choose the broadcasters to be included in the multiplexes, guided primarily by the rather vague criteria of social significance and national interest that are spelled out in the Target Program (see section 7.1.1.3).

In the process of digital switch-over, the commercial interests of the state-owned market players are also being taken into account. Eight television channels out of the total of nine that are included in the first digital multiplex are either state-owned, or state-controlled, or belong to business groups close to the government. The State will pay all the transmission costs of the first multiplex.¹⁹⁴ All other television channels will have to pay for transmission services and the prices are likely to be high.

The private nationwide networks will be competing for slots in the second multiplex. The applicants will have to submit financial guarantees for the transmission costs of RUB 766 million (about US\$ 26 million) a year. The selection of winning broadcasters will be carried out by the Ministry of Communications, taking into consideration recommendations by NAT.

According to television experts and managers of regional media, the majority of local broadcasters, which are predominantly small and medium-sized companies, do not have sufficient financial resources to improve their production capacities and they are likely to be discriminated against.¹⁹⁵ Currently, there are about 20 large

194. Decree on Mandatory Channels.

195. Documents of the NAT Congress.

broadcasters and more than 2,000 small and medium-sized companies. The prices for slots in the second, third, and fourth multiplexes have not been announced yet, but many local broadcasting executives believe that only a relatively small number of local channels will have the chance to be included.¹⁹⁶ (See section 6.3.)

The rules on selecting a license competition winner, as stipulated in the current regulation on FKK activities, include requirements that are meant to ensure that the public interest is taken into account in the process of licensing.¹⁹⁷ But the relevant definitions lack clarity and an independent regulatory mechanism, which may lead to public interest remaining “on paper” rather than being reflected in programming.

The program on the use of the digital dividend is currently being drafted by the government. Only the industry associations NAT and AKTR are participating actively in discussions on the allocation and regulation of white spaces and the digital dividend, trying to ensure both that the public interest is taken into account and that there are a diversity of electronic sources of information at the local level.¹⁹⁸ Civil society groups outside industry are not involved in the process. (The issue of public consultation on the switch-over regulation is discussed in section 7.1.1.3.)

196. Documents of the NAT Congress.

197. Regulation of the Federal Competition Commission on Broadcasting, Supplement to the Order of the Ministry of Communications and Mass Communications of 23 July 2008, No. 18, *Rossiyskaya gazeta*, 10 September 2008, available at <http://medialaw.ru/publications/zip/168/2.htm> (accessed 21 March 2011).

198. Transcript of the meeting of the Digital Alliance of Russia, 14 May 2010, available at http://www.nat.ru/?an=news_med_page&cuid=7669 (accessed 19 May 2011).

6. Digital Business

6.1 Ownership

6.1.1 Legal Developments in Media Ownership

Strict restrictions on foreign broadcasting media ownership were introduced on 7 May 2008 with the coming into force of federal statute No. 57-FZ On the Procedures of Foreign Investments in Commercial Joint-stock Companies that Present Strategic Importance for the Defense and Security of the Nation (2008) (hereafter Statute on the Procedures of Foreign Investments). Television and radio companies whose broadcasts reach more than half of the population of any given subject of the Russian Federation are included in the list of strategically important companies. Any foreign investor is obliged to inform the relevant government agency (currently the Federal Antimonopoly Service) of any contract that results in obtaining 5 or more percent of the stock of such a strategically important company (art. 14). Transactions that provide a foreign investor with 50 percent or more of ownership, as well as those that give foreigners rights to appoint the management of a strategically important company, require prior permission from the government agency (art. 7). Prior permission is also compulsory for transactions that give foreign governments, international organizations and entities under their control a direct or indirect right to 25 percent of the stock of a strategically important company, or any other means of blocking decisions of its management, but no permission may be granted for transactions leading to the acquisition of a majority of the company's shares (arts 2 and 7). Transactions and contracts concluded without following the required prior procedures are to be declared null and void.

The criteria for granting official permission are not specified in the Statute on the Procedures of Foreign Investments. However, it does stipulate that permissions can be awarded with conditions attached. Refusals can only be challenged in the Supreme Arbitration Court of the RF.

There is one known instance where the regulatory authority refused to permit the acquisition of a broadcasting company and that was in the case of the Walt Disney Company. The reason given by the regulator was incorrect information provided by the applicant. Generally, foreign media companies tend to avoid entering the business of Russian political media where loyalty to the ruling power plays a key role and thus the effect of the Federal Statute on the Procedures of Foreign Investments is minimal.

6.1.2 New Entrants in the News Market

Currently, the Russian media market is dominated by 50 holdings, most of them formed between 2003 and 2008.¹⁹⁹ Commodity companies have been most active in creating new large diversified multimedia holdings. The ownership of the nine largest national television and radio broadcasting companies by revenue has remained quite stable in the last five years.

The most significant mergers, acquisitions, and launches in the Russian media market during 2005–2011 were as follows:

- purchase of the publishing house Independent Media by Sanoma Magazines from a group of Dutch investors (including the founder of the company, Dirk Sauer) in 2005 (RUB 5.4 billion or US\$ 185 million);
- purchase in August 2006 of Kommersant Publishing House by Alisher Usmanov, director general of Gazprominvestholding (according to unofficial information, the price was RUB 8.16 billion or US\$ 300 million),²⁰⁰ followed by the acquisition by the same buyer of Gazeta.ru, the television channel 7TV, and a number of magazines; and the purchase of a 45 percent stake in the internet mail server Mail.ru;²⁰¹
- launch of free local weeklies *Moy Rayon* by the Norwegian media group Schibsted in St Petersburg in March 2006 (in 2008 Schibsted entered the Moscow market with a similar project);
- formation of a network of city newspapers in the regions by *Novosti Regionov*, established by the German company WAZ Mediengruppe in February 2008;
- consolidation of the media assets of the financial-industrial group PromSvyazCapital under control of the Media3 company (owner of *Argumenty i Fakty* weekly, the national dailies *Trud* and *Ekstra M Media*, the local weeklies *Okruga*, press distribution companies, and the telecom operator Sinterra);
- takeover of Obedinennye Media (formerly owned by the Israeli billionaire Arkady Gaydamak), which controls the business newspaper *Business&FM*, the radio stations *Business FM* and *Kino FM*, and the internet portal Bfm.ru, by Vladimir Lisin, owner of Novolipetsk Steel, one of the biggest steel producers in Russia (the estimated sum for the deal is US\$ 23.5 million), in 2009;²⁰²
- purchase of the media holding RBC (three main shareholders: Alexander Morgoolchik, Dmitri Belik, and Herman Kaplun) by the Onexim Group, owned by the billionaire Mikhail Prokhorov, who also owns the U.S. baseball team, the New Jersey Nets.²⁰³ This holding currently owns a number of popular internet resources, including Rbc.ru, CNews.ru, Autonews.ru, the business news agency RosBusinessConsulting, a number of business press titles, including the newspaper and monthly magazine *RBC*, the publishing house EDI S Press Holding, and the news business television channel RBC TV;²⁰⁴

199. Rospechat, *Radio Broadcasting in Russia*, p. 22.

200. Rospechat, *Television in Russia*, p. 24.

201. Rospechat, *Periodical Press in Russia 2006*, p. 12.

202. Rospechat, *Periodical Press in Russia 2010*, p. 16.

203. RBC Infosystems, Consolidated Financial Statement for 2008, available at <http://www.rbcinfosystems.ru/ir/fstate2008.pdf> (accessed 18 June 2011).

204. RBC Infosystems company website, available at <http://www.rbcinfosystems.ru/company/> (accessed 18 June 2011).

- formation of the media holding National Media Group (NMG) jointly by Rossiya Bank, the companies Severstal and Surgutneftegaz, and the SOGAZ insurance group (currently, NMG controls the national daily *Izvestia*, the publishing house News-Media-Rus, the telecom company Natsionalnye Telekommunikatsii, and the nationwide channels REN TV (68 percent) and St Petersburg Channel 5 (72 percent).

One major addition was announced in February 2011. NMG, controlled by Mr Kovalchuk, who is widely believed to be a close friend of Mr Putin, paid US\$ 150 million (RUB 4.4 billion) for a 25 percent share of Channel One from the companies belonging to Mr Abramovich, another oligarch close to Mr Putin.²⁰⁵ The media interpreted the deal as indicating Mr Putin's desire to consolidate his hold on the leading national channels by putting relevant eggs in different baskets.²⁰⁶

Deals involving foreign owners are commercially motivated and are aimed either at strengthening the position in the market (Sanoma), or developing new market niches (WAZ, Schibsted). Russian commodity companies that have become major players in the media market are not immune to considerations of profit or diversification of their core activities, yet those considerations are superseded by a strong political motivation: often they act as proxies of federal authorities in controlling the media.

The above mergers and acquisitions are the most important that have occurred in the last five years, and they serve as a vivid illustration of a strong trend in media ownership in Russia, namely, the consolidation of proprietorship of politically significant media in the hands of corporations or local tycoons affiliated with the ruling power (see section 6.1.3).

6.1.3 Ownership Consolidation

As a rule, takeovers of existing companies by foreign investors (e.g. the purchase by Sanoma of Independent Media, the publisher of the influential English-language daily, the *Moscow Times*, and a co-publisher— together with the *Financial Times* and the *Wall Street Journal*—of *Vedomosti* business daily) have no effect on editorial policies. Additionally, while the new launches usually make the local media scene livelier, they have no effect on pluralism and diversity nationwide.

The same cannot be said about the outcomes of another recent development, namely the further intensification of state control over media that started in the beginning of the 2000s. This often takes the form of media companies being bought out from the oligarchs who are either known to be disloyal to the Kremlin (e.g. the purchase of one of the largest publishing holdings *Kommersant* from the runaway oligarch Boris Berezovsky by Gazprom-related businessman Mr Usmanov), or who have lost interest in news publishing (e.g. the purchase of *Izvestia* from ProfMedia, owned by the politically neutral oligarch Vladimir Potanin, by the media wing of the gas giant Gazprom, Gazprom Media, and subsequently sold to NMG). Such transfers may or may not lead directly to changes in editorial policies. For example, after being purchased by NMG,

205. E. Kiseleva, S. Sobolev, "Yuri Kovalchuk + 1," *Kommersant*, 2 February 2011, available at <http://www.kommersant.ru/doc.aspx?DocsID=1581792> (accessed 21 March 2011).

206. E. Rykovtseva, "Putin One," *Novaya Gazeta*, 10 February, 2011, p. 2.

REN TV retained its reputation as a moderately oppositional channel and Channel 5 remained a channel with the highest degree of pluralism in its current affairs programming.²⁰⁷ This seems to indicate that the state is prepared to tolerate pluralism and even moderate criticism in the media controlled by it, as its main motivation is to pre-empt the possibility of news outlets being used as tools in aggressive information wars, as happened in the 1990s: in other words, the control over these channels ensures that mild criticism will not turn into outright opposition.

However, in some cases editorial policies changed dramatically with the arrival of new owners. *Izvestia*, a national broadsheet, changed to tabloid format and more entertainment-oriented content after NMG took over. The majority of staff were laid off and Russia's tabloid king, Aram Gabrelyanov, former owner and editor of the popular scandal sheet *Zhizn*, was appointed CEO of the *Izvestia* company. A former deputy editor of the paper, Viktoria Voloshina, has remarked that *Izvestia* has changed almost beyond recognition: "There is very little left of the paper I came to work for [in 2000]. Now it seems what little that remained has left to publish a new paper under the old brand."²⁰⁸

In other words, there is certainly a trend to use newly acquired media outlets for the owners' personal political or/and business purposes. Usually, however, the changes are more subtle than in the case of *Izvestia*. As Mikhail Osokin, one of the most respected television news anchors currently working for REN TV, put it:

An owner of a TV channel or print outlet may have certain political views that journalists are bound to reflect. The main thing is that they do it creatively; otherwise instead of journalism we are going to have party propaganda.²⁰⁹

Even if mergers and acquisitions did not always result in media outlets becoming party propaganda tools, the trend toward greater ownership consolidation in recent years has been undeniable: the government has strengthened its hold over the main nationwide television channels and leading daily newspapers, either directly or through state-owned commodity companies and loyal oligarchs.

6.1.4 Telecoms Business and the Media

The leading telecom companies (among others, Svyazinvest, Mobile TeleSystems, and Vimpelcom) have not bought media outlets in recent years and therefore have had no influence on the independent performance of the media. Telecom companies have been cooperating with the established news providers to include access to news sources in the package of telecom services for private clients. This cooperation has led to an increase in the number of news sources available and has enlarged the audience of news media. For instance, in February 2009, the largest Russian mobile operator, MTS, cooperated with the leading Russian news agency, RIA Novosti, to launch a news service, MTS News, for MTS cellular subscribers. Similar projects are now being implemented by other mobile operators.

207. Interview with Mikhail Fedotov, Kiev, 8 December 2010.

208. T. Balmforth, "Russia's *Izvestia* undergoes transformation from broadsheet to tabloid," Radio Free Europe/Radio Liberty, 11 June 2011, available at http://www.rferl.org/content/russia_izvestia_transformed_from_broadsheet_to_tabloid/24229673.html (accessed 23 August 2011).

209. Interview with Mikhail Osokin, *TV Park*, No. 66, 8-12 December 2010, p. 66.

6.1.5 Transparency of Media Ownership

Asked who were the beneficiaries of the three companies listed in the official register as 49 percent shareholders of Channel One, the director general, Konstantin Ernst, replied:

I cannot answer your question because as the director general I am not entitled to have this information, and I do not have it. But even if I had it, I would not be obliged to reveal it.²¹⁰

Channel One is the leading national television company and the State is the majority stakeholder (51 percent). It receives state subsidies and was among the first to be included, by a decree of the President, as a must-carry channel in the first digital multiplex. Mr Ernst's answer best describes the situation of how transparent media ownership is in Russia.

Legally speaking, article 10 of the Statute on Mass Media²¹¹ requires the founders of any media outlet to inform the regulatory authority²¹² about other media outlets "in which the applicant is a founder, owner, editor-in-chief in the editorial office or distributor."²¹³ This is the only requirement for media organizations or media owners to report ownership information to the media authority. All data on Russian companies are contained in the Unified State Register of Legal Entities (EGRYuL) of the Federal Tax Service (FNS), which is available on the internet;²¹⁴ however, it lists only the nominal owners who may not necessarily be the beneficial ones.

On the other hand, media ownership in Russia is not totally opaque. The reports on the state of the print media (published annually since 2005), television, radio, and internet industries (published annually since 2010) by Rospechat, which are produced in cooperation with leading industry associations, media research companies, and respected experts, list major mergers and acquisitions in the market, and are as reliable a source as anything one can find in Russia. Most sensitive business deals are covered extensively by the generalist and professional media. While it may not be possible to find out who exactly is behind every official beneficiary, attentive members of the public should have no problem finding out who is behind the specific news agenda.

No serious discussions about media ownership and the need to make it more transparent have occurred to this point in Russia.

210. Interview with Konstantin Ernst, *Kommersant*, 3 November 2010, p. 4.

211. Statute of the Russian Federation On Mass Media of 27 December 1991 N 2124-I, available at http://minsvyaz.ru/ru/doc/index.php?id_4=127, and in English at http://medialaw.ru/e_pages/laws/russian/massmedia_eng/massmedia_eng.html (accessed 20 June 2011) (hereafter Statute on Mass Media).

212. Today the regulatory authority is the Federal Service for Supervision of Communications, Information Technologies and Mass Media (Roskomnadzor) under the Ministry of Communications and Mass Communications. It is also both the licensing (for broadcasters) and registration (for all mass media outlets) authority.

213. Statute on Mass Media, Art. 10.

214. Reference Service of Legal Entities, available at <http://www.egrul.ru/sved.html> (accessed 20 June 2011).

6.2 Media Funding

6.2.1 Public and Private Funding

The main sources of income for Russian media are advertising, and state and private subsidies and grants.

Between 2005 and 2010, federal budget subsidies to mass media increased from RUB 5.2 billion (US\$ 183 million) to RUB 61.5 billion (US\$ 2.05 billion). In 2011, they are planned at the level of RUB 58.8 billion (about US\$ 2 billion), or 4 percent less than in 2010. In 2012, the year of presidential elections in Russia, they will grow to RUB 60,600 million (about US\$ 2.2 billion). In 2013, a reduction to RUB 54,400 million (about US\$ 1.9 billion) is envisaged.²¹⁵

Retail sales and subscription sales remain an important source of income for the magazine market: the share of copy sales and subscriptions in the total income of periodicals had been growing until the crisis of 2008: from 50 percent in 2006 to 73.6 percent. In 2009 there was a decline to 63.4 percent.²¹⁶

The period 2006–2008 saw rapid growth in the advertising market, averaging some 30 percent per year. In 2008, the market was worth US\$ 9.26 billion (see Table 9). For the first time in Russian history, the media industry became attractive for commercial investment. The global financial crisis caused a sharp drop in such revenues at the end of 2008 and the first half of 2009, however. The market began to recover slightly at the end of 2009. As a result of the crisis, the total advertising revenues in media in 2009 declined by 26 percent in local currency (by 40 percent in US\$) compared to 2008.

Table 9.
Advertising revenue in media, US\$ bn, 2005–2010

	2005	2006	2007	2008	2009	2010
Air TV	2.33	3.16	4.39	5.62	3.53	2.74
Cable and satellite TV	n/a	n/a	0.02	0.05	0.04	0.03
Radio	0.30	0.35	0.61	0.56	0.28	0.23
Periodical press	1.39	1.64	2.03	2.32	1.03	0.80
Internet	0.06*	0.10*	0.21*	0.71	0.60	0.61
Total	4.08**	5.25**	7.28	9.26	5.49	4.43

Notes: n/a: not available.

Data for 2010 are for the period January–September.

* Does not include contextual advertising.

** Does not include ad spending on non-terrestrial platforms.

Source: Russian Association of Communication Agencies (AKAR).

215. Finance Ministry of the Russian Federation, *Main Trends of the Budget Policy for 2011 and for the Period of Planning, 2012 and 2013*, pp. 122, 245.

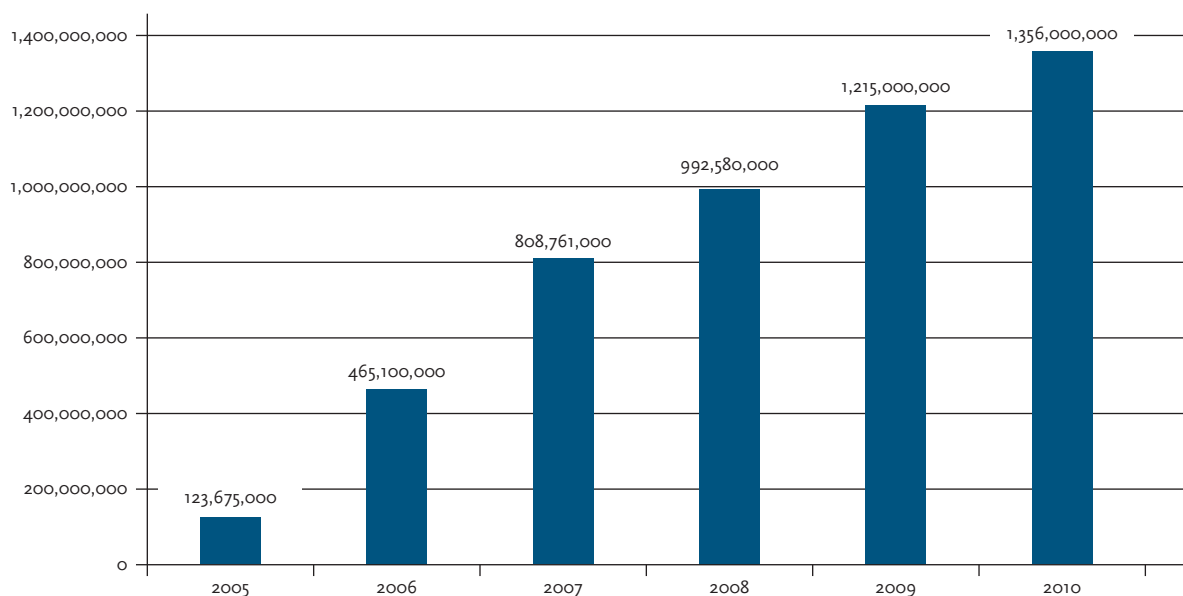
216. Rospechat, *Periodical Press in Russia 2006/2007/2008/2009/2010*, p. 4.

The high proportion of television advertising in the total advertising spend (about 60 percent) is one of the most stable features of the Russian media market. About 70 percent of the total spend is concentrated in Moscow.²¹⁷ Internet advertising showed the quickest growth (more than threefold during 2005–2007), and experienced a smaller decline during the crisis than in the traditional media. Also, in the post-crisis years the internet has increased its share of total revenue (from 7.6 percent in 2008 to 13.9 percent in 2010).

According to some expert estimates,²¹⁸ the majority of regional and 80 percent of local newspapers are state-owned. The state-owned outlets are partially or entirely funded from federal or local budgets, which are also used to finance media and media projects of high social importance (see section 7.3.1).

The proportion of state funding in the total revenues of FTA television channels reached 25 percent in 2009, or RUB 26,800 million (more than US\$ 800 million). (See Figure 9.)

Figure 9.
State funding for television and radio, US\$, 2005–2010



Source: Calculation in US\$ is based on the market volume data of the Association of Communication Agencies of Russia (AKAR) and the official exchange rate by the Central Bank of Russia.²¹⁹

A number of television channels of high social importance (Kultura, channels for children) are fully funded by the state, while other state-owned channels are partially funded. The government also supports the state-owned television and radio broadcasting networks.²²⁰ In the period of digitalization, state funding for

217. Rospechat, *Television in Russia 2011*, p. 91.

218. Rospechat, *Periodical Press in Russia 2008*, p. 6.

219. See http://www.akarussia.ru/knowledge/market_size/, and http://www.cbr.ru/currency_base/ (both accessed 18 June 2011).

220. Rospechat, *Television in Russia 2010*, p. 81.

terrestrial television will increase significantly: 62 percent (more than RUB 76.3 billion or US\$ 2.5 billion) of the total investment in the frameworks of the Federal Target Program will come from the federal budget. About US\$ 1 billion or RUB 29 billion will be invested in updating the infrastructure and building the state-owned terrestrial transmission system for digital television; about US\$ 500 million (RUB 14.7 billion) will go to creating multifunctional satellites; and more than US\$ 500 million will be devoted to building the system of terrestrial digital radio broadcasting. The cost of broadcasting must-carry television channels and radio stations in the transition period will come to about US\$ 700 million (RUB 20.6 billion).²²¹ An opportunity to join the state-owned system of multiplexes will be offered to all types of broadcasters, both state-owned and private.

State funding for periodicals is provided in the form of direct subsidies and grants, allocated annually. The recipients of the subsidies are listed in the annual Budget Act of the Russian Federation, which is approved by Parliament. The volume of state grants distributed by Rospechat to the titles considered of high social importance (such as, for instance, the traditional literary monthlies *Novyi Mir* and *Druzhba Narodov*) also grew, from RUB 47.5 million (about US\$ 1.6 million) in 2005 to RUB 116.7 million (about US\$ 4 million) in 2009. Financial support in the form of direct subsidies from local budgets to local media has been provided in all regions of Russia and the volume of this support had been growing steadily before the crisis. No explicit editorial requirements are made of these periodicals in order to ensure continuous funding. However, editors are aware of the unwritten rules: in traditional media outlets, criticism of the government is seldom tolerated.

Advertising revenues made up about 75 percent of the total income for FTA television²²² and 34 percent for print media in 2009.²²³

Subscription payments constitute the main source of income for non-air television (cable and satellite): the share of this source came to three-quarters in 2009 (RUB 23,000 million or US\$ 0.8 million). The share of advertising revenues in the total income of cable and satellite television was about 25 percent in 2009. It should be noted that 20 percent of the total income of the cable and satellite operators goes to pay the television channels they broadcast.²²⁴

Another trend resulting from the financial and economic crisis is what the GIPP, a major professional association that since autumn 2008 has produced six monitoring reports on the print market, describes as “a return to uncivilized practices: kickbacks, dumping, gray schemes.”²²⁵ (Gray schemes means hidden advertising, where commercial or political advertising is disguised as editorial content.)

221. Concept of Federal Target Program, available at <http://minsvyaz.ru/common/upload/1349R.pdf> (accessed 19 May 2011).

222. Rospechat, *Television in Russia 2010*, p. 82.

223. Rospechat, *Periodical Press in Russia 2010*, p. 9.

224. Rospechat, *Television in Russia 2010*, p. 84.

225. Guild of Press Publishers (GIPP), *Russian Periodical Press market: Preliminary Results of 2010, Prospects for 2011, Industry Monitoring, January—November 2010*, presentation at Publishing Expo-2010, Moscow, 16 November 2010.

Given Russia's huge size and the relatively low income per head, as well as the absence of a recognized set of rules (either regulatory or self-regulatory) in the marketplace of information and ideas (see section 7.4), assessment of which sources of funding are most helpful or detrimental to media sustainability or independence would require a case-by-case analysis. For instance, in print media the main beneficiaries of most of the advertising boom of the recent period were the producers of entertainment, infotainment products or television guides.²²⁶ On the other hand, professionally organized and editorially independent news media outlets like *Kommersant*, or Gazprom-owned but editorially independent radio Ekho Mosvki, have evolved into successful multimedia operations extending their reach far beyond the area of distribution of their traditional versions.

The proportion of state funding to the media has increased steadily over the last five years, in line with the growing economic weight of the country and the growing governmental control over traditional outlets. However, bigger subsidies have not automatically harmed the independence or sustainability of these outlets. For example, the fully state-owned VGTRK and RIA Novosti have been responsible for two breakthrough projects whose importance goes beyond the level of their editorial independence. In the latter case it was the creation in 2006 of the 24-hour news channel Vesti 24 (rebranded as Rossyia 24 in 2010), which, apart from obvious taboos such as criticizing the president and the prime minister, offers arguably the most balanced and comprehensive coverage of domestic and international events among all channels with nationwide coverage. RIA Novosti created a world-class integrated newsroom, and developed from a traditional news agency into a full-scale new media multichannel outlet, which serves as a training ground for the new breed of multimedia journalists, and does not shy away from critical analysis of government policies. Neither would have been possible without state funding.

6.2.2 Other Sources of Funding

To the best of our knowledge, no new sources of funding have emerged in recent years other than the efforts to monetize the distribution of content online and on mobile platforms, as well as the diversification of traditional sources of revenue (see section 6.3).

6.3 Media Business Models

6.3.1 Changes in Media Business Models

Digitization is beginning to change dramatically the television market as well as prevailing business models. The main problems of the transition period were identified at the 15th Congress of NAT in Moscow in November 2010.²²⁷

226. Rospechat, *Periodical Press in Russia 2010*, p. 67.

227. Documents of the NAT Congress.

In the FTA television segment, the implementation of the government's Target Program will change the market positions of the television channels that will be included in the first and second multiplexes (see section 1.1): they will have a 100 percent national reach and will no longer need regional and local partners. The existing cooperation system between federal and regional (local) channels, which allows them to share broadcasting frequencies as well as broadcasting costs and advertising revenues, will become redundant. The future of local channels is therefore under question in the new market environment. In order to continue to exist, they will have to seek funds for digital broadcasting in multiplexes, as well as for extended content production for 24-hour broadcasting instead of the current one or two hours of broadcasting.

Moreover, they will have to continue paying for analog broadcasting during the transition (simulcast) period. The most respected experts in the field share the opinion that, in this situation, the majority of local media is not likely to survive without substantial financial support from regional and local authorities.²²⁸ Thus, the influence of all levels of state power as well as that of local businesses on the television market is expected to increase sharply. All types of cooperation between media at a local level are needed, from joint content purchase or production to mergers and acquisitions. In the new market landscape, media competition for the small local advertising budgets will grow. The transition period has just begun and television companies have not yet developed strategies and tactics for digitization, and have not calculated their budgets, costs, and benefits for this period. The likely increase of dependence on external sources of funding may well be detrimental to pluralism, media diversity, and independence.

The main trend in the field of print media over the last five years has been the attempts to earn money from the internet and mobile versions of established titles. Activity in this area has risen sharply due to booming internet penetration, the ongoing audience migration to the web, and the fall of advertising revenues in and audience demand for print media. Since 2010, there has been a new tendency in the print media market: iPad apps (and, more recently, other tablets too) to access content produced by print media.

The discussions at the annual forum Publishing Business—2010,²²⁹ held in Moscow in November 2010, confirmed that there are considerable expectations that new technologies will result in the monetization of the content produced by publishing houses. Brand extension (also called 360° publishing) is becoming the main business model for the leading publishing houses. This model entails using all available channels and platforms: from printing and selling collections of “Patchwork Heroes” game books to the event management business under the brand media title (for instance, held by business newspaper *Vedomosti*), to radio business (FM radio stations *Komsomolskaya Pravda*, *Kommersant*, radio projects of *Altapress* in Barnaul, Siberia), to internet television (*Komsomolskaya Pravda*, RIA Novosti).

228. Documents of the NAT Congress.

229. Documents of the Annual Forum Publishing Business—2010, Moscow, November 2010, available at <http://www.press-expo.ru> (accessed 19 May 2011).

6.4 Assessments

Thus far, digitization, understood as both the digital switch-over and the spread of online media, has not weakened the dominant role of the State in the media market. One of the most noticeable features of the 2000s has been the control gained over popular media outlets by big businesses loyal to the government.

In terrestrial broadcasting, the state-controlled channels continue to dominate, irrespective of the nominal ownership of these channels. Digital switch-over requires high levels of investment unavailable to those national companies, and even less to medium-sized or small regional companies that have to turn to outside sources of funding. In Russia, those sources are typically either the State or big businesses with strong connections to the State. The economic and financial crisis increased the need for subsidies from media owners. In addition, the State retains a monopoly position in setting the price for signal transmission, and decides on the volume and types of state financial support for media companies during the transition period from analog to digital broadcasting.

In the last decade, data on the financial performance of media companies became more transparent, media management became more business-minded and these developments translated into greater interest on the part of investors. This is particularly true of companies that were planning to go public. Another contribution to transparency has been the publication of the annual reports on the state of print, broadcasting, and the internet industries by Rospechat.

No radical changes in relationships between the owners of the media companies and their editors and journalists have been observed, compared with the pre-digital era.

In business models there is no clear distinction between the State and private media in Russia, which makes an assessment of the impact of various sources of funding on media independence, diversity, and pluralism not possible. News media owned by foreign capital, as a rule, enjoy the greatest independence from the State, and the journalists working in these outlets are more independent of their proprietors. But this rule applies only to print media, because ownership of broadcast media by foreigners is restricted by law.

7. Policies, Laws, and Regulators

7.1 Policies and Laws

7.1.1 Digital Switch-over of Terrestrial Transmission

7.1.1.1 Access and Affordability

The government's legal and political commitments are spelled out in the Ordinance of the Government of the Russian Federation No. 985 on the Federal Target Program. It states, in particular, that the total number of persons who will not have access to terrestrial television by the switch-off date in 2015 will be less than 1,000 across the entire country (today this number stands at 1.6 million people).²³⁰ Access to 20 free television channels that include eight must-carry programs will be provided as a result of implementation of the Federal Target Program. The list of must-carry channels (see section 7.1.1.3) was approved by the Decree of the President of the Russian Federation on National Mandatory Free Television Channels and Radio Stations of 24 June 2009²³¹ and they are to be provided to 100 percent of the viewers. Some RUB 76.3 billion (about US\$ 2.6 billion) to develop the broadcasting networks and other costs related to the switch-over come from the federal budget allocated to implementing the Federal Target Program, while the expenses of private companies are expected to be RUB 47.2 billion (about US\$ 1.7 billion). The Federal Target Program is already being implemented, although no interim results have been yet made public.

The provisions are fair as they aim to provide a minimum set of mandatory programs for all, though the economic burden of purchasing the set-top boxes lies exclusively on the shoulders of the customers.

7.1.1.2 Subsidies for Equipment

Thus far, no scheme exists to subsidize the purchase of set-top boxes or new television sets. Two members of the FKK, Mr Fedotov and Heinrikas Ioshkiavitchus, explained in separate interviews that this would be beyond the capacity of the federal budget. The latter also added that during the switch-over period a massive replacement of largely outdated television sets (see section 1.1.1) will be taking place anyway, since

230. The government plans to achieve that by constructing additional 300 communication units with low-power transmitters at the cost of RUB 1.3 billion (about US\$ 40 million).

231. Decree on Mandatory Channels, Art. 4, available at <http://www.rg.ru/2009/06/25/teleradio-dok.html> (accessed 19 June 2011).

the Soviet-era television sets have long since exceeded their lifespan and families will need to purchase new ones.²³² Based on previous experience, it can be expected that, eventually, some assistance to Second World War veterans and similar groups will be provided (possibly from municipal budgets), but no decisions have been taken. With an average monthly income of just US\$ 360 or RUB 10, 616 (2009), even the most basic television set would be a heavy burden on the family budget.

7.1.1.3 Legal Provisions on Public Interest

The Government Commission on Development of Television and Radio Broadcasting (PKRT) prepared the Concept Paper for the Development of Television and Radio Broadcasting in the Russian Federation in 2008–2015 (hereafter the Development Concept), in order to set the standards for the digital transition, which was later approved by the government.²³³ The Development Concept sought to facilitate citizens' enjoyment of their "constitutional right to obtain socially important information." As envisaged by the Development Concept, the switch-over from analog to digital television and radio by 2015 would be the main instrument in broadcasting development.

The Development Concept says that:

in order to preserve and provide for a unified information space in the Russian Federation and coverage of the state policy in the sphere of social and economic development of Russia, to preserve and develop cultural heritage of the country, it is necessary to form a package of television and radio channels that, in their entirety, provide for socially important information obligatory for dissemination all over the Russian Federation.

Such a package shall include:

an all-Russia information channel that covers the main events that take place in our country and abroad; all-Russia information-entertainment channels; an all-Russia channel that covers cultural events in public life; an all-Russia children's channel; an all-Russia sports channel; [and a] regional channel to cover events in every region of the Russian Federation.

Essentially, these criteria describe the programming of three Moscow-based national broadcasting companies, Channel One, Rossiya (four channels), NTV, and Channel 5, distributed nationwide from St Petersburg.

However, one aspect of the Development Concept does not apply to them: the channels, so far, have not fully provided "for socially important information," largely due to the tendency to use the national broadcasters as a propaganda tool for the executive power, which owns—either directly or through government-friendly

232. Interview with Mikhail Fedotov, Kiev, 8 December 2010.

233. Concept of Development of TV and Radio Broadcasting in Russian Federation in 2008–2015, Collection of Law of the Russian Federation, 2007, No. 49, 6221, available in Russian at: <http://www.government.ru/docs/7781/> (accessed 19 May 2011); the Concept was approved by Government Resolution No. 1700-r of 29 November 2007.

businesses—the country’s leading television channels. With the current ownership structure remaining the same, it is hard to envisage that public interest will be served in practice, not just in government documents. (The programming of the three main nationwide channels is analyzed in section 2 and the consolidation of government ownership in section 6.)

The Federal Target Program is transparent with regard to funding for switch-over, as it provides general figures for expenses. For example, the overall expenses are expected to reach RUB 117 billion (about US\$ 4 billion), of which RUB 47 billion (about US\$ 1.6 billion) will be private investment and RUB 67 billion (about US\$ 2.3 billion) will come from the state budget.

7.1.1.4 Public Consultation

All major documents on the switch-over have been elaborated by the high-level PKRT.²³⁴ This commission was originally chaired by Mr Medvedev in his capacity as the first deputy prime minister of the RF,²³⁵ and was mandated to coordinate the activities of different ministries and government agencies and other stakeholders in the process of switching to digital television. The commission comprises high-ranking officials from different branches of government, state enterprises, two major national broadcasters (VGTRK and Channel One), and two media holdings that own television and radio stations (NMG and Gazprom Media), as well as the head of NAT. Currently it is chaired by Vyacheslav Volodin, deputy prime minister and chief of staff of the Government’s Executive Office.

“No decision on implementation of the digital switch-over is taken without prior consultation with or expert assessment from NAT,” claims Vladimir Livshits, head of the Analytical Center of NAT, a representative group of broadcasters, cable and satellite operators, and content producers.²³⁶ The coordination goes on within the framework of the Digital Alliance, a body chaired by the minister of communications and co-chaired by the head of RTRS and the president of NAT. In summer 2010, consultations with market players were held in all subjects of the RF which resulted in devising eight models of digital switch-over and five criteria for the FKK to select regional channels to be included in the ninth slot of the first multiplex and in the second multiplex (namely, independent programming, independent program production and broadcasting, creative, financial and technological ability to develop full-scale broadcasting independently of network partners, and so forth). According to Mr Livshits, NAT aims to level the playing field for independent, responsible companies in competition with the state-run “gubernatorial channels” and the overtly commercialized channels. At the same time, NAT is creating a detailed database of all television companies in Russia, from local to nationwide, in order to provide the regulator with relevant information when making decisions on licensing. Since no tenders on local slots in digital multiplexes have taken place thus far, it is impossible to assess to what extent NAT’s efforts to level the playing field are being successful.

234. The Government Commission on Development of Television and Radio Broadcasting was established by Government Resolution No. 304 of 22 May 2006.

235. Resolution on the Governmental Commission on Development of Television and Radio Broadcasting, *Rossiyskaya gazeta*, 31 May 2006.

236. Interview with Vladimir Livshits, head of NAT Analytical Center, Moscow, 10 November 2010.

Leveling the playing field may prove to be a challenge as up until today, the competitions tended to favor the state-controlled broadcasting giants: all recent competitions (between 2009 and 2011) for the scarce remaining terrestrial frequencies in the regions have been won by state-owned or state-supported broadcasters: the Interstate Television and Radio Company Mir, established by the CIS member states, Zvezda, run by the Defense Ministry, and Soyuz, the channel of the Russian Orthodox Church. One reason is that the license fees are too high for small and medium-sized local companies. For example, the fee for developing a radio frequency for radio broadcasting in Astrakhan (a city of one million) in 2011 was US\$ 71,000 or a little over RUB 2 million.

In the last couple of years, the International Academy of Television and Radio Broadcasters (IATR), a Moscow-based international NGO comprised of broadcasting professionals and experts, has held a number of hearings on the digital switch-over, including one at the State Duma.

Both NAT and IATR represent the interests of the broadcasting industry vis-à-vis the government. Such consultations are better than no dialogue at all, and the industry NGOs did have some limited influence on the criteria for digital licensing (see section 7.2.3); however, all decisions are still taken exclusively by the government.

To date, no citizen or civil society groups have been involved in the decision-making process on digital switch-over and have expressed no interest in it. There has also been very little interest in the mainstream media in discussing the implications of the digitization of television.

7.1.2 The Internet

7.1.2.1 Regulation of News on the Internet

Generally, content on the internet or mobile phones is not specifically regulated in Russia; there is no law on the internet as such, though the need for internet regulation is discussed in the Duma and among professionals.

That said, there do exist separate provisions on the regulation of content specifically on the internet in the following federal statutes:

- The Federal Statute on Narcotic Drugs and Psychotropic Substances 1998 in art. 46 bans the use of “computer networks” to disseminate information on means, methods of research, production and use, and places of purchase of narcotic drugs.²³⁷ This norm is supported with sanctions in the Criminal Code of the RF.
- The Federal Statute on Counteracting Extremist Activities 2002 bans the use of the “internet network” to engage in such activities (art. 12).²³⁸

237. Federal Statute of 8 January 1998 N 3-FZ On Narcotic Drugs and Psychotropic Substances, *Collection of Law of the Russian Federation*, 1998, N 2, 219.

238. Federal Statute of 25 July 2002 N 114-FZ On Counteracting Extremist Activities, *Collection of Law of the Russian Federation*, 2002, N 30, 3031.

- The Federal Statute on the Basic Guarantees of the Election Rights and the Right to Participate in Referendum of the Russian Federation 2002 bans providing data on election (referendum) results in “information-telecommunication networks of general access (including the internet)” on the ballot day until the polling stations are closed (art. 45).²³⁹ An identical norm is found in article 55, para. 6 of the Federal Constitutional Statute on Referendum of the Russian Federation 2004.²⁴⁰ The latter also bans (in art. 56) provision of the results of public opinion polls regarding possible results of a vote (including exit polls), forecasts of such results, and other research on a referendum within five days prior to the ballot day and on the voting day itself.
- The Federal Statute on Advertising 2006 bans the dissemination of spam—advertising materials without the user’s prior consent (art. 18).²⁴¹

With the exception of the last, these provisions are generally implemented. According to the latest available official report of the regulator, Roskomnadzor, for example, in 2010 it issued 53 warnings to media outlets for violations of the Statute on Mass Media, including 28 for extremist activities. Of those five were sent to online media outlets.²⁴² Thus, the editorial staff of the online Argumenti.ru received a written warning for the publication of the story “Shock! Doku Umarov Threatens: Terrorist Attacks in Russia will go on,” with a video statement by Doku Umarov, referring to him as a “leader of the North Caucasian extremists.” Following the warning the video was removed, although the editorial comment denied any wrongdoing and pointed out that the video was also available on other websites.²⁴³

The first case of criminal prosecution of an individual for his comments on the internet was in 2008 when a musician, Savva Terentyev, received a one-year suspended sentence for a comment he wrote on the journalist Boris Suranov’s blog. Ms Terentyev suggested setting “the treacherous policemen” on fire in the main square of the city of Syktyvkar. Again, in 2009, the court in Samara sentenced a blogger, Dmitry Kirillin, to a one-year suspended sentence for his calls to overthrow the current system of governance in Russia, which “leads to degeneration, moral degradation and extinction of Russian people.” There have also been court cases where bloggers were fined for their blog posts.²⁴⁴

7.1.2.2 Legal Liability for Internet Content

There exist various civil, criminal, and administrative sanctions for content, including on the internet, that violates the human rights to honor, dignity, and privacy. There also exist possible sanctions for violations of

239. Federal Statute of 12 June 2002 N 67-FZ On the Basic Guarantees of the Election Rights and the Right to Participate in Referendum of the Russian Federation, *Collection of Law of the Russian Federation*, 2002, N 24, 2253.

240. Federal Constitutional Statute of 28 June 2004 N 5-FKZ On Referendum of the Russian Federation, *Collection of Law of the Russian Federation*, 2004, N 27, 2710.

241. Federal Statute of 13 March 2006 N 38-FZ On Advertising, *Collection of Law of the Russian Federation*, 2006, N 12, 1232.

242. Roskomnadzor, Public Report 2010, available at http://rsoc.ru/docs/doc_744.pdf (accessed 20 June 2011).

243. D. Fedotov, “Shock! Doku Umarov Threatens: Terrorist Attacks in Russia will Go On,” 20 April 2010, Argumenti.ru; <http://news.argumenti.ru/society/2010/04/55411?type=all#fulltext> (accessed 20 June 2011).

244. M. Iurshina, “The Cases of Criminal Persecution of Citizens Breaking the Law on Commenting on the Internet,” available at <http://www.gzt.ru/addition/-sluchai-ugolovnogo-presledovaniya-grazhdan-za-/310345.html> (accessed 20 June 2011).

advertising law, copyright, and election rules, and for divulging state or other secrets protected by law, for offending public morals, and so forth.

Internet service providers and servers bear no civil liability for the content of information on condition that they merely carry or retransmit it without changes and are not aware of its illegal character (art. 17, para. 3 of the Federal Statute on Information, Information Technologies and on Protection of Information 2006).²⁴⁵ Thus liability rests with the author of the content (who may not be employed by the outlet publishing it) or the website.

If a site is registered as a mass medium, then it bears responsibility, in accordance with the Statute on Mass Media, in cases of “abuse of the freedom of mass information” as listed in article 4.²⁴⁶ If non-linear audiovisual media services fall under the Statute on Mass Media, then the rules on the special system of registration of all media outlets (see below) apply. Furthermore, should new media services fall into that category, they are required to comply with numerous obligations regarding the content supplied by their authors (who would be considered journalists), and they would come within the purview of the media regulators and could be subject to sanctions for specific violations arising out of the dissemination of mass information. Possible sanctions include registration suspension. Additional restrictions on the dissemination of information through mass media imposed by the election law, the advertising law, and the defamation law, among others, would also apply.

On the other hand, if they are acknowledged as regular (traditional) mass media, such as print and broadcast media, new media services would enjoy the benefits of access to information and would have a number of specific rights granted by the Statute on Mass Media and other pieces of legislation related to journalists.

The Plenum of the Supreme Court of the RF, in its Resolution on the Practice of Application by the Courts of the Statute of the Russian Federation on Mass Media No. 16 of 15 June 2010,²⁴⁷ noted under what circumstances the online media are not liable. If a website is registered as a mass media outlet and it publishes comments of its readers without pre-moderation, then the rules set forth in article 24, part 2 and article 57, part 1, para. 5 of the Statute on Mass Media (on author’s works that go on air without pre-recording) apply to the content of these comments. These rules exempt the editors of a media outlet from liability for the content of live broadcasts. In the event of a petition from an authorized state body that has found an abuse of the freedom of mass information in certain UGCs, the editors of the outlet are required to delete or edit the comments, in line with the provisions of article 42 of the Statute on Mass Media. If the comments that violate the freedom of mass information remain accessible to website users, then the provisions of Article

245. Federal Statute of 27 June 2006 N 149-FZ On Information, Information Technologies and on Protection of Information, *Collection of Law of the Russian Federation*, 2006, N 31 (Part 1), 3448.

246. Statute On Mass Media, available in English at http://medialaw.ru/e_pages/laws/russian/massmedia_eng/massmedia_eng.html (accessed 22 March 2011).

247. Resolution of the Plenum of the Supreme Court of the Russian Federation On the practice of application by the courts of the Statute of the Russian Federation On Mass Media, available in English at http://www.medialaw.ru/e_pages/laws/russian/courts-en.htm (accessed 22 March 2011).

57, part 1, para. 5 of the Statute on Mass Media (related to media privileges) do not apply; in other words, the editorial staff of the media outlet in question is no longer exempt from liability. The courts are advised to consider this when judging whether to hold the editorial staff liable for a violation; that is, they need to determine whether any petitions from the authorized state body to remove the comments in question were brought, and whether the comments were subsequently deleted or edited.

To date, and for the most part, attempts by the authorities to suppress online media in Russia have failed. The well-known cases of the Bankfax online news agency or *Vyatskiy nablyudatel* (see below) indicate that online services do not tend to be held liable or get shut down.

In 2006, the government attempted to shut down Bankfax for hate speech that appeared briefly on its forum webpage. The remarks on the website had quoted an Argentinian newspaper on the attacks on Western embassies in Muslim countries and they had accused local officials of employing double standards in the matter of religious strife. The authorities filed a lawsuit both to suspend the site and to revoke the registration of the news service as a mass media outlet. The courts dismissed the suit; and the appeals reached the Supreme Court of the RF, which stood behind the media outlet on the basis that it acted in a fair way and did not provoke the racist commentary. According to the court, Bankfax was simply providing a non-moderated forum for readers; hence this was not a form of extremist activity *per se* and Bankfax should not be held liable for a reader's comment.²⁴⁸

In 2008, the website of the newspaper *Vyatskiy nablyudatel* was temporarily suspended as the prosecutors alleged that its readers' comments spread enmity towards the regional government and thus had to be considered extremist speech. The closure prompted a public outcry and, several days later, the site resumed its work. No explanation for dropping the charges was given.

7.2 Regulators

7.2.1 Changes in Content Regulation

Media and communications in Russia are regulated by the Ministry of Communications, established in 2008. The authority in charge of registration and licensing of broadcasters is Roskomnadzor, which operates under the ministry's authority. The ministry also has within its structure Rospechat, the authority that administers the media assets of the government and public subsidies to the press. Another body, the Federal Communications Agency (Rossvyaz), supervises all state-run postal and communications facilities as well as the state-run service provider in the communications sphere. GKRCh is in charge of license allocation for radio spectrum frequencies. The FKK also operates under the ministry's authority.

248. SOVA Center, "The Decision of the Supreme Court of the Russian Federation in the Case of Rosohrankultura vs Banfax," 13 January 2007, available at <http://www.sova-center.ru/racism-xenophobia/docs/2007/01/d9952/> (accessed 22 March 2011).

From 2004 till May 2008, media and communications were parts of two different ministries (the Ministry of Culture and Mass Communication, and the Ministry of Information Technologies and Communications) and, since March 2007, Roskomnadzor (under the name Rosokhrankultura or the Federal Service on Control in the Sphere of Mass Communications, Communications and Protection of Cultural Heritage) was under the direct authority of the government.²⁴⁹

There have been no changes in the regulatory system related to, or arising out of, digitization.

7.2.2 Regulatory Independence

In the absence of a specific law on broadcasting, all regulation is promulgated by the government by means of government resolutions that may be politically motivated. Furthermore, the regulatory bodies are either appointed by the government or are part of the government structure, so we can, at best, speak of only relative regulatory independence.

According to the Statute on Mass Media (art. 8), a mass medium may begin its activity only after it is registered. An application for registration is subject to consideration by the registration authority. A mass medium will be deemed to be registered upon receiving a registration certificate. If the production and dissemination of the mass medium does not start within one year of registration, the certificate is deemed null and void.²⁵⁰ Currently, Roskomnadzor is the registration authority for all mass media outlets; its sole funding is from the state budget.

Roskomnadzor is not only the registration and licensing body; one of its other main functions is to monitor media content and ensure there are no violations of the mass media law by registered media outlets and licensed broadcasters, including registered online media.

Until recently, the FKK also played an important role in the licensing process for analog television and radio frequencies. The current Regulation of the FKK, which regulates its composition and tasks, was approved on 23 July 2008 by an order of the Ministry of Communications.²⁵¹ The FKK consists of nine members, all of whom, including the chair, are appointed by an order of the Minister of Communications. However, when the FKK discusses licenses for the territory of only one province (subject) of the RF, the panel also includes ad hoc delegates from the regional legislative and executive bodies, and a delegate from the office of the president's representative in the relevant federal district; in such cases, therefore, it is comprised of 12 members. The FKK works directly under the Ministry of Communications, which provides it with the necessary technical, financial, and administrative support.

249. A. Richter, "Russian Federation: Executive Control over Media Restructured," *IRIS 2008-6/25*, available at <http://merlin.obs.coe.int/iris/2008/6/article25.en.html>, and D. Golovanov, "Russian Federation: Emergence of the Super Authority in the Broadcasting Sector," *IRIS 2007-7/30*, available at <http://merlin.obs.coe.int/iris/2007/7/article30.en.html> (both last accessed 22 March 2011).

250. Statute On Mass Media, available in English at http://medialaw.ru/e_pages/laws/russian/massmedia_eng/massmedia_eng.html (accessed 22 March 2011).

251. Regulation of the Federal Competition Commission on Broadcasting (supplement to the order of the Ministry of Communications and Mass Communications of 23 July 2008, N 18), *Rossiyskaya gazeta*, 10 September 2008, available at: <http://medialaw.ru/publications/zip/168/2.htm> (accessed 19 May 2011).

The current composition of the FKK was originally approved on 18 December 2007 and then was reconfirmed in September 2008. Five of its members were newly appointed in 2007: Sergey Sitnikov, head of *Roskomnadzor*; Margarita Avdeeva, deputy director of the government department on mass communications; Alexei Malinin, deputy minister of communications and mass communications; Vladimir Gusev, director of the Russian Museum in St Petersburg; and Gennady Khazanov, director of the State Cabaret Theater in Moscow. The remaining four members are Mikhail Seslavinsky, head of Rospechat; Daniil Dondurei, a renowned film critic; Mr Fedotov, a secretary of the Russian Union of Journalists (SZR), who was recently appointed the head of the Presidential Human Rights Commission; and Mr Ioshkavitchus, Russian adviser to the UNESCO director-general in Paris. Both Mr Fedotov and Mr Ioshkavitchus, when asked independently whether they were aware of any formal criteria for selecting FKK members, answered “No.”²⁵²

At least a third of the core members of the FKK rotate each year. This rule was introduced in late 2007 in order to “raise the quality of the Commission’s work, provide impartiality of the voting, and facilitate maximum effectiveness of the use of the scarce natural resource of frequencies allocated for broadcasting purposes.”²⁵³ However, no rotation has actually taken place since 2007.

No provisions to hold open meetings with the records available to the public and/or journalists exist or are planned. Only license applicants or their representatives are permitted to be present during the evaluation of their bids.

The absence of clear-cut legal regulation and member selection criteria, the failure to implement the required member rotation and the almost entirely non-transparent decision-making process make the FKK an institution open to political pressure (see also 7.2.3).

7.2.3 Digital Licensing

The FKK’s primary responsibility is licensing. In addition to the technical and financial data provided by a license applicant documenting its ability to fulfill its proposal, the FKK takes into consideration the broadcaster’s programming policy. The programming policy is a blueprint document in which the broadcaster should conceptualize and describe the range of programs it proposes to offer and includes a preliminary schedule. The regulatory instruments fail to provide a clear, unambiguous and detailed definition of the criteria that the FKK members are to use to make their decisions on licensing. The Internal Rules of the FKK is a 500-word document that sets out for the most part the procedures of its meetings. The FKK also lacks established criteria for assessing the applicants’ financial proposals. All this invites subjectivity as well as political or economic pressure on the competition body. Nevertheless, Mr Fedotov claims that the FKK is not a rubber-stamping body, and that decisions are often taken by a one-vote margin.²⁵⁴

252. Interview with Mikhail Fedotov, Kiev, 8 December 2010.

253. Memo to the Rules of the Federal Competition Commission on Broadcasting approved by the Order of the Ministry of Communications and Mass Communications of 21 September 2007, available at <http://www.medialaw.ru/publications/zip/161/4.htm> (accessed 22 March 2011).

254. Interview with Mikhail Fedotov, Kiev, 8 December 2010.

The Development Concept does not encourage or envision any change in this setup, with one exception: eight must-carry channels for the first digital multiplex were appointed by a decree of the President without any public competition or tender required by law.

In the framework of the Digital Alliance consisting of the representatives of the Ministry of Communications, NAT and RTRS, a set of criteria for digital licensing aimed primarily at safeguarding the interests of independent and reputable regional and local channels have been developed. According to Mr Livshits, they will strengthen the autonomous role of the FKK.²⁵⁵ The practice of implementation will only be assessable late in 2011, when the FKK will make decisions with respect to the ninth regional slot of the first multiplex and the federal and regional slots of the second multiplex. At this time of writing, no decisions had been made.

7.2.4 Role of Self-regulatory Mechanisms

Thus far, the Russian media community has failed to produce a meaningful system of self-regulation.

Members of the SZR are supposed to adhere to the Professional Code of Ethics of a Russian Journalist modeled after the International Federation of Journalists (IFJ) Code of Conduct. Yet after 18 years of covering the Russian media scene, six of them in the capacity of the editor of a journalism review, the lead reporter of this research cannot think of a single SZR member truly familiar with it. This is not to say that self-evident norms such as distributing or commenting upon only reliable information, or distinguishing between fact and opinion as included in the Code are universally neglected.

Previous attempts to introduce codes of ethics and self-regulation systems in Russia were in response to the threat of legal restrictions on the media. All such initiatives were abandoned as soon as the risk of government interference was alleviated.

For example, in 1999 the State Duma passed a Statute on the Supreme Council for Protection of Morality on Television and Radio in the Russian Federation.²⁵⁶ In response, the top executives of Russia's largest national and regional television companies adopted the Broadcasters' Charter,²⁵⁷ in which they defined behavior that is incompatible with "civilized journalism" and declared an intention to set up their own public broadcasting council to oversee compliance. The statute was vetoed by the then president, Boris Yeltsin, and a broadcasters' council was never created.

Similarly, the Charter Against Violence and Cruelty was adopted by the heads of the largest television networks on 8 June 2005, to curb violence and cruelty on television.²⁵⁸ However, none of the Charter signatories (including Channel One, Rossiya, NTV, TVC, and REN TV) has subsequently posted it on their websites, nor has the text appeared in print or been followed by concrete actions.

255. Interview with Vladimir Livshits, Moscow, 10 November 2010.

256. Statute On the Supreme Council for Protection of Morality on Television and Radio in the Russian Federation of 10 March 1999, available at http://www.medialaw.ru/laws/russian_laws/projects/sov_nrav.htm (accessed 20 June 2011).

257. Broadcasters' Charter, signed on 28 April 1999, available at: <http://medialaw.ru/selfreg/13/texts/319.htm> (accessed 20 June 2011).

258. Broadcasters' Charter Against Violence and Cruelty, 8 June 2005, available at <http://medialaw.ru/selfreg/13/texts/318.htm> (accessed 19 May 2011).

One active self-regulatory body, the Public Board on Complaints against the Press (the Public Board),²⁵⁹ was set up in 2005. Anyone filing a complaint with the Public Board must sign an agreement recognizing its jurisdiction over professional and ethical matters and agreeing not to take the case to a court of justice. The Public Board consists of the Chamber of Media Professionals, formed by the media organizations, and the Chamber of Media Audience, formed by non-media-related NGOs and public institutions. This is a close analogue to a press council. Since its inception, the Public Board has reviewed around 60 cases. At the time of writing, according to the Chairman of the Chamber of Media Audience, Yuri Kazakov, the Public Board had 14 cases under consideration, a record number. He could not say whether this was an example of reinvigorated interest in self-regulation or just a coincidence. Generally, the Public Board's decisions are binding only on the parties in dispute and are not discussed by the general media. The public at large is unaware of the opportunity the Public Board provides to file complaints against the unethical behavior of the media. The lack of publicity of the Public Board's work and decisions limits its impact, as does the absence of generally recognized standards of journalism in Russia. According to Mr Kazakov, a long-standing champion of media self-regulation, the lack of ethical norms is the main problem impeding media self-regulation in the country.

In November 2010, the newly-born RAEC, whose members comprise all major Russian internet service providers and platforms including social networks, adopted its Code of Practice and rules for adjudicating conflicts related to its violations.²⁶¹ Whether this document will have real authority is yet to be determined. The text of the Code is not dissimilar to the existing regular user's agreement with a service provider, which mixes legal and ethical provisions with issues of copyright, the dissemination of program viruses, the use of domain names, access to users' personal data, spam, and advertising.

7.3 Government Interference

7.3.1 The Market

Russia's media market is systemically distorted by the mixed business model of the state-administered media, which receive budget funding while generating commercial revenues from advertising, subscriptions, and other sources. Such practices of direct funding to select news organizations either directly state-owned, or controlled via proxies, exists in both national and regional media. This puts privately-owned media at a competitive disadvantage.

The other form of state support for the media is the grants distributed by Rospechat. The grants are given on the basis of tender and fall into various categories, such as support for "socially significant" media projects (e.g. a series of articles or programs), or support for specific topical content in individual outlets (e.g.

259. Public Board on Complaints Against the Press, official website available at www.persscouncil.ru (accessed 19 May 2011).

260. Interview with Yuri Kazakov, Chairman, Chamber of Media Audience, Public Board on Complaints Against the Press, Moscow, 11 November 2010.

261. RAEC, The Code of Professional Conduct on the Internet, available at <http://raec.ru/right/200/> (accessed on 21 March 2011).

promotion of democracy, protection of rights against terrorism and extremism, “information support” for social programs, combating corruption, agricultural security, family values). (Direct government subsidies to media are discussed in section 6.2.1.)

With minor exceptions (such as the temporary reduction of payments to social funds in 2011–2014),²⁶² Russian media do not enjoy any special economic benefits (such as tax relief, or subsidies for press distribution).

7.3.2 The Regulator

Roskomnadzor monitors the compliance of media outlets with the Statute on Mass Media. The statute sets out the potential bases for interference with the media by state authorities through the regulatory bodies. In particular, the regulatory body may decide to revoke a broadcasting license where there have been violations of terms and conditions. The main requirement for a license is the broadcaster’s “strict adherence to all applicable law.” The license can only be revoked after a second violation of article 4 of the Statute on Mass Media and a written warning by Roskomnadzor. Such a notification usually includes the requirement to cease and desist from any further unlawful practice.

In 2009, Roskomnadzor found violations of licenses and “applicable law” in 171 cases and issued warnings accordingly. These cases fall into four categories:

- violations of programming policy (65 warnings);
- failure to broadcast within a given period (96 warnings);
- overstepping the boundaries of the area licensed for broadcasting (seven warnings);
- other violations of the mass media law (three warnings).

During 2008 three broadcast license holders had their licenses withdrawn for violations of license conditions.²⁶³

As Roskomnadzor is also the authority in charge of media registration, it supervises, among others, media compliance with the mass media law. According to its official report for 2009,²⁶⁴ it issued 67 written warnings to various media outlets for violations of article 4 (Inadmissibility of Abuse of the Freedom of Mass Information) of the Statute on Mass Media, just under half of which (33) were for violations of the prohibition on publication or broadcast of extremist content. The regulator’s warnings are always based on the provisions of current legislation. However, the regulator tends to apply these provisions selectively and arbitrarily. Given the institution’s limited capacity to monitor compliance in a vast country with a very densely populated media scene, Roskomnadzor relies on tips, which may be politically motivated or based on a desire to weaken a competitor.

262. In accordance with Art. 58 of the Federal Statute of 24 July 2009 N 212-FZ On Insurance Fees to the Pension Fund of the Russian Federation, Social Security Fund of the Russian Federation, Federal Fund of Mandatory Medical Care and Territorial Funds of Mandatory Medical Care.

263. Roskomnadzor, *Public Report for 2009*, Moscow, 2010, p. 56, available at http://www.rsoc.ru/docs/doc_530.pdf (accessed 22 March 2011) (hereafter, Roskomnadzor, *Public Report for 2009*).

264. Roskomnadzor, *Public Report for 2009*.

7.3.3 Other Forms of Interference

The relationship between executive power and the major national broadcasters (Channel One, VGTRK, and NTV) could be described as symbiotic or feudal. The sovereign (executive) grants the vassal (top management) the right to engage in unrestricted commercial activity in entertainment programming and, in exchange, the vassal follows the sovereign's agenda in news and current affairs programming. As Boris Timoshenko, head of the Information Service of the Glasnost Defense Foundation (GDF), a watchdog that monitors infringements of press freedom, puts it, "the situation is so stable that no conflicts have been recorded."²⁶⁵

One exception has been the removal of the program "A Moment of Truth" from the air of TVC, a national channel established by Moscow City Government in September 2010. The program sought to defend the recently fired Mayor of Moscow, Yuri Luzhkov, from attacks he was subjected to on Rossiya-1 (VGTRK) and NTV. According to a report in *Novaya Gazeta*, there are strong reasons to believe it was removed at the direct order of the Kremlin after it had been broadcast in the far eastern territories of Russia.²⁶⁶ The firing of Mr Luzhkov also represents the final takeover of nationally distributed general interest channels by the federal executive. Given the expected continuation of current trends, this type of feudal setup is likely to migrate into the digital era.

Otherwise, such forms of pressure on the media as the institution of court cases, selective taxation, and inspections for such things as compliance with fire regulations and violations of prohibitions on software piracy, as well as direct orders or requests to the owners and/or editors of privately-owned media outlets, have remained widespread practices. Concrete incidents are documented on a daily basis by two media watchdogs, the GDF²⁶⁷ and the Center for Journalism in Extreme Situations.²⁶⁸

One relatively new trend identified by Mr Timoshenko has been demands from law enforcement authorities to internet service providers to temporarily suspend websites suspected of carrying extremist content, rather than demanding that the websites remove it.²⁶⁹

Violence against journalists and media outlets, the perpetrators and instigators of which are rarely identified, is another threat. It can be divided into two categories: physical violence against individual journalists and cyber violence against news outlets.

In the first 10 days of November 2010 alone, three journalists in Moscow, Moscow Region, and Saratov were beaten. The case that acquired the most notoriety was the brutal attack on Mr Kashin, a political columnist for the daily newspaper *Kommersant*, on 6 November.

265. Interview with Boris Timoshenko, head of information service, GDF, Moscow, 11 November 2010 (hereafter interview with Boris Timoshenko).

266. E. Rykovtseva, "A Documentary with Restricted Circulation," *Novaya Gazeta*, 27 September 2010.

267. Glasnost Defense Foundation, official website available at www.gdf.ru.

268. Center for Journalism in Extreme Situations, official website available at <http://cjes.ru/>

269. Interview with Boris Timoshenko.

According to a 2009 report by the New York-based Center to Protect Journalists (CPJ), 19 journalists have been murdered in Russia since 2000. While each of the many cases of violence against journalists should be treated on its individual merits, the authorities have proved to be remarkably inept at investigating even the most spectacular cases, let alone convicting the perpetrators. Murder convictions were achieved in only one case.²⁷⁰ On the other hand, as RIA Novosti reported on 11 November 2010, “The majority of Russians (73 percent) oppose the proposed amendments to the Russian law granting journalists special protection, according to a poll conducted by the Superjob.ru recruitment portal. The proposal was put forward by Mr Medvedev following the brutal attack on Mr Kashin.”²⁷¹

The latest Impunity Index published by CPJ shows that the situation of violence against journalists in Russia improved somewhat in 2010.²⁷² It was the first year since 1999 when no targeted journalist killings were reported in Russia, although at least one journalist was brutally beaten in retaliation for his work. Also, late in the year the perpetrators of the 2009 double murder of a *Novaya Gazeta* reporter, Anastasiya Baburova, and a human rights lawyer, Stanislav Markelov, were in detention awaiting trial; they were eventually found guilty and convicted in May 2011. However, there still remain 16 unsolved cases of journalist killings perpetrated in the last decade. They include the contract killings of the investigative journalists Anna Politkovskaya and Paul Khlebnikov, and the abduction and murder of Natalya Estemirova, a human rights journalist covering the volatile North Caucasus, as well as the poisoning of the outspoken newspaper editor Yuri Shchekochikhin. After the Impunity Index was published there was some progress in Ms Politkovskaya’s case and the long-elusive gunman was arrested.²⁷³

Hackers’ attacks on the websites of established media and other websites carrying news content seem to be another growing trend in violence against the media. According to Mr Timoshenko, they take two main forms: DDoS (distributed denial-of-service) attacks and breaking into servers and manipulating content.²⁷⁴ Of the former, the most striking case was a massive attack against *Kommersant.ru* in March 2008, which lasted for several weeks. According to Pavel Filenkov, *Kommersant’s* commercial director, the company had to spend US\$ 155,000 (about RUB 4.6 million) on protective measures.²⁷⁵ No official investigation into the attack was undertaken, notwithstanding that *Kommersant* is one of Russia’s top 10 multimedia publishing holdings.

270. CPJ, *Attacks on the Press 2009: Russia*, available at <http://cpj.org/2010/02/attacks-on-the-press-2009-russia.php> (accessed 20 June 2011).

271. “Russians oppose safety privileges for journalists —poll,” RIA Novosti, available at <http://en.rian.ru/russia/20101111/161295668.html> (accessed 23 March 2011).

272. CPJ, *Getting Away With Murder*, 2011 Impunity Index, available at <http://cpj.org/reports/2011/06/2011-impunity-index-getting-away-murder.php> (accessed 23 March 2011).

273. R. Mahmudov, “The Suspect in Politkovskaya Murder Case Thrown Out of Belgium,” Lenta.ru, available at <http://lenta.ru/news/2011/05/31/help/> (accessed 20 June 2011) (hereafter, Mahmudov, “The Suspect in Politkovskaya Murder Case Thrown Out of Belgium”).

274. Mahmudov, “The Suspect in Politkovskaya Murder Case Thrown Out of Belgium.”

275. A. Pankin, “Toilet Paper, Spam and Political Hit,” the *Moscow Times*, 25 March 2008.

7.4 Assessments

The main feature of the overall framework of media policy, law, and regulation is the absence of a parliamentary statute on broadcasting and a public service broadcasting system, and the omnipresence of the mixed business model combining state subsidies and commercial revenues in the state-administered media.

In the absence of a comprehensive parliamentary statute, the procedure of licensing analog and digital broadcasting is defined through presidential decrees and government resolutions. Mixing subsidies and business makes every regulatory decision fraught with commercial implications for both state-administered broadcasters and their competitors from the private sector.

The rudimentary state of self-regulation of the media community itself and the persistent lack of interest in it represent another glaring gap in the overall framework of media policies and regulation. Russian journalists and editors working under different business models and types of political and editorial control play by different sets of rules. Thus, the notion of a unitary Russian media community is a gross and largely meaningless fiction. This also feeds public mistrust in the traditional media. Against this background, digital switch-over becomes primarily a technological endeavor that may well improve the quality of signal and may also result in a number of free programs for the disadvantaged part of the population, either low-income or living in distant locations.

The current setup of the tightly state-controlled national television, relatively free print environment and virtually unregulated internet environment was well established before 2006 and no major changes in it have occurred in this respect. Digitization, understood as the switch-over from analog to digital broadcasting and the explosion of new non-linear media, is either a relatively new development (in the latter case) or has yet to occur (in the former case). In either case, the full implications remain to be seen.

Since new media technologies pose an entirely new set of problems compared with the analog era, there has been a relative increase in public consultation. Two industrial associations, NAT, representing the broadcasting value chain, and RAEC, representing the electronic communications value chain, are active players in shaping government policies in these fields. Yet thus far consultation has only focused on technological and business aspects and the final say has remained with the government. Public interest issues have hardly been considered in this interaction, and civic groups from outside industry have not been involved.

To date, no policies or legal provisions relating to digitization have had an impact, direct or indirect, on pluralism and diversity in digital terrestrial broadcasting.

8. Conclusions

8.1 Media Today

The evolution of the news media over the last five years has occurred within a legal and political framework that was in place well before 2006, but that also has been greatly affected by recent economic and technological developments. The current setup of strictly-controlled television (with some degree of pluralism), the relatively free (but not necessarily independent from their owners) radio and print media, and the virtually unregulated internet has persisted since the beginning of the 2000s.

8.1.1 Positive Developments

The economic and advertising boom that lasted for some years, ending in autumn 2008, generally made the news media more business-oriented and professionally run than in earlier, leaner years. It also left the population with more disposable income to acquire PCs and mobile devices, as well as subscriptions to cable and satellite channels and internet connections. Moreover, it stimulated state and private investment in communications infrastructure. The two former developments opened new opportunities for citizens to seek and receive news. The subsequent economic crisis provided a powerful stimulus for the media to digitize their operations and for consumers to switch to the cheaper ways of receiving information that were to be found online.

Technological developments, or digitization understood as a high rate of penetration of new communication technologies, the spread of constantly evolving mobile devices, and the mushrooming of new media (e.g. the blogosphere and social networks) have occurred in a legally unregulated environment, which has led to a rapid increase in the diversity of news media and news media content; and to a pluralism of voices across the new media that is significantly wider than in the traditional outlets—indeed, the internet is virtually the only medium where criticism of the ruling party can be found.

8.1.2 Negative Developments

Increased commercialization has caused news media to focus more on entertainment content, and to opt for the “news lite” style of presenting current affairs (with notable exceptions in print media and radio). The consolidation of direct state ownership or ownership by Kremlin-loyal oligarchs of traditional broadcasting

and print news media has cemented government influence over those news carriers that, despite gradually shrinking audiences, still remain primary sources of news for the majority of the population. Due to these developments and the current legal setup, there has been little progress in moving toward a more independent traditional media system and there have been no serious attempts to introduce and implement the concept of public service media.

8.2 Media Tomorrow

Given the high rate of technological development, the volatile economic situation and the forthcoming 2012 presidential election (which is bound to change the political climate in Russia one way or another), projecting current trends into the future is really not possible at this moment. Besides, the Russian media are in the early phase of a new cycle of development. The digital switch-over from terrestrial broadcasting is due to be completed only in 2015. All the main problems for both national and regional broadcasting have been identified, but no durable solutions have been found. In a broader sense, the traditional media are only beginning to cope with the challenges posed by many aspects of digitization, and the new media are too new to have formed any coherent patterns, particularly in the realm of news offer and news consumption.

All types of news media are in search of a business models that could sustain their role as distributors of news and opinion. This quest can be summed up in the following way: within existing economic constraints, media must develop in every available direction, without knowing which will lead to success.

Nevertheless, there are several trends that are likely to persist. An ever-growing share of content by all types of media will continue to be distributed via the internet. Media will strive to offer increasingly individualized and localized news and on-demand services will play an ever-increasing role.

With hours and costs of broadcasting sharply increased after the switch-over, a number of regional broadcasters are likely to disappear or to seek substantial financial support from regional and local authorities in order to survive. The latter scenario will increase the influence of state authorities over the media. Such influence is detrimental to pluralism, media diversity, and independence.

The importance of traditional media will continue to be eroded. Yet at the same time, these media will continue to employ new platforms and formats and to diversify the range of services they offer. This will bring about new demands on journalists and editors. Acquiring multimedia skills will become as integral a part of their trade as their ability to gather and interpret news, and not just in major metropolitan newsrooms.

It is conceivable that as people become increasingly engulfed in mounting news flow, their interest in the established and trustworthy brands on convenient platforms will eventually increase.



9. Recommendations

This report will be discussed with professional media representatives and policy makers, and recommendations will be drafted, published and presented for public debate.

List of Abbreviations, Figures, Tables, Companies

Abbreviations

ADSL	Asymmetric Digital Subscriber Line
AIPCE	Annual Conference of the Alliance of the Independent Press Councils of Europe
AJI	Agency of Journalistic Investigations
AKAR	Association of Communication Agencies of Russia
AKTR	Association of Cable Television of Russia
CPJ	Center to Protect Journalists
CRT	Cathode ray tube
DVB	Digital video broadcasting
EGRYuL	Unified State Register of Legal Entities
FKK	Federal Competition Commission on Television and Radio Broadcasting
FNS	Federal Tax Service
FOM	Fond Obschestvenoye Mnenie, opinion poll agency
FTA	Free-to-air
GDF	Glasnost Defense Foundation
GIPP	Guild of Press Publishers
GKRC	State Commission on Radio Frequencies
GRTs	General Radio Frequency Centers
HFC	Hybrid Fiber Coaxial
IATR	International Academy of Television and Radio Broadcasters
IFJ	International Federation of Journalists
IMF	International Monetary Fund
IPTV	Internet Protocol Television
ITU	International Telecommunication Union
KPRF	Communist Party
LDPR	Liberal Democratic Party
LGBT	Lesbian, gay, bisexual, and transgender

LTE	Long-term evolution
NAT	National Association of Television and Radio Broadcasters
NGO	Non-governmental organization
NMG	National Media Group
OTT	Over the Top
ORT	Russian Public Television
PKRT	Government Commission on Development of Television and Radio Broadcasting
RAEC	Russian Association of Electronic Communications
RF	Russian Federation
RTRS	Russian TV and Radio Broadcasting Network
RUB	Russian ruble
SKR	Federal Investigative Committee
SZR	Russian Union of Journalists
TVC	TV Tsentr
TVR	Television viewer rating
UGC	User-generated content
VCIOM	Russian Public Opinion Research Center
VGTRK	All Russia State Television and Radio Company
WAP	Wireless Application Protocol

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Companies

Akado-Capital	RBC Information Systems
Altapress	Rossiya Bank
EDI S Press Holding	Rostelecom
Gazprom	Sanoma
Gazprominvestholding	Schibsted
Kommersant Publishing House	Severstal
Media3	Sinterra
Megafon	SOGAZ
Mobile TeleSystems (MTS)	SUP
National Media Group (NMG)	Surgutneftegaz
News Media Rus	Svyazinvest
Novolipetsk Steel	Terem Media
NTV+	Transneft
Obedinennyye Media	Vimpelcom
Onexim Group	Walt Disney Company
Orion Express	Westdeutsche Allgemeine Zeitung (WAZ)
ProfMedia	Mediengruppe
PromSvyazCapital	

Mapping Digital Media is a project of the **Open Society Media Program** and the **Open Society Information Program**.

Open Society Media Program

The Media Program works globally to support independent and professional media as crucial players for informing citizens and allowing for their democratic participation in debate. The program provides operational and developmental support to independent media outlets and networks around the world, proposes engaging media policies, and engages in efforts towards improving media laws and creating an enabling legal environment for good, brave and enterprising journalism to flourish. In order to promote transparency and accountability, and tackle issues of organized crime and corruption the Program also fosters quality investigative journalism.

Open Society Information Program

The Open Society Information Program works to increase public access to knowledge, facilitate civil society communication, and protect civil liberties and the freedom to communicate in the digital environment. The Program pays particular attention to the information needs of disadvantaged groups and people in less developed parts of the world. The Program also uses new tools and techniques to empower civil society groups in their various international, national, and local efforts to promote open society.

Open Society Foundations

The Open Society Foundations work to build vibrant and tolerant democracies whose governments are accountable to their citizens. Working with local communities in more than 70 countries, the Open Society Foundations support justice and human rights, freedom of expression, and access to public health and education.

For more information:

Open Society Media Program
Open Society Foundation

4th Floor Cambridge House, 100 Cambridge Grove
London, W6 0LE, United Kingdom

mappingdigitalmedia@osf-eu.org
www.mappingdigitalmedia.org
www.soros.org/initiatives/media

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