

# Russia's Media Revolution: From Party Control to Money Control

**GENNADI GERASIMOV** 

# AsiaPacific

I S S U E S

# Analysis from the East-West Center No. 37 June 1, 1998

The U.S. Congress established the East-West Center in 1960 to foster mutual understanding and cooperation among the governments and peoples of the Asia Pacific region, including the United States. Funding for the Center comes from the U.S. government with additional support provided by private agencies, individuals, corporations, and Asian and Pacific governments.

The AsiaPacific Issues series contributes to the Center's role as a neutral forum for discussion of issues of regional concern. The views expressed are those of the author and not necessarily those of the Center.

bursting free from state control and enjoying a brief, heady period of liberty. Starting in 1986, many media voices began vying for the attention of voracious readers, who had been deprived for generations of all but the Communist Party line. This newfound free press, however, has now fallen prey to widespread corruption and politicization. Control by the party has been replaced with control by those with money. But old habits die hard, and local and national politicians are getting into the game, financing broadcast and print media with public and private funds to advance their own causes and careers. Commercial publishers have dramatically increased the number and variety of periodicals. Yet, paradoxically, readership which had soared to record highs by 1991 has fallen precipitously. One reason is the new, high cost of publications which no longer receive state subsidies. But disenchantment with content and a sense of futility about the impact of journalism are also to blame.

#### The Soviet Way

From the Russian revolution of 1917 until the reforms of Soviet leader Mikhail Gorbachev in the mid-1980s, the Communist Party tightly controlled the mass media of the Soviet Union. Its main method of coercion was through personnel policy. The gray bureaucrats in the party's Propaganda Department appointed all editors-in-chief, even those of such innocent publications as *Garden and Orchard*. The most important appointments required the approval of the Secretariat or the Politburo of the Communist Party.

The party viewed the mass media as its "transmission belt" (Stalin's metaphor) to the people. The media's job was to "educate" the ignorant and naive masses and lead them to the shining communist future, rather than inform them of what was actually going on. Although official censors existed, the main censor sat in the minds of those editors who were selected for their ability to follow and, even better, to anticipate the ever-changing party line.

The official censors were mainly little old ladies who sat in small offices reading proofs. Their responsibility was not ideology, but "state secrets," and they each had a long and impressive list of such secrets to consult. For example, for many years one of these "state secrets" was the deteriorating ecological situation in the country. The names of the Soviet politicians shot by Stalin's henchmen could not be mentioned. The editors did not fear these censors. They felt secure in their positions, as long as what they published was "politically correct," Soviet style. Usually, the censors did not need to interfere.

**Forbidden fruit.** Despite the tame nature of what was offered to them, the people of the Soviet Union read a great deal in those days. Almost every family subscribed to several publications, because prices were kept low through state subsidies. But the people also wanted more information than was rationed to them by the party, so they bought short-wave radios, a cheap byproduct of the Soviet military industry.

Across the country, they tuned in to the British Broadcasting Corporation, Voice of America, *Deutsche Welle* and, especially, the American-sponsored Radio Liberty programs broadcast from Europe in Russian and other languages of the vast Soviet Motherland. Millions avidly absorbed everything they could from foreign films, books, even jazz. I am convinced that Western radio programs, introducing listeners in the closed Soviet society to Western values and ideas, played a more decisive role in the communist defeat in the Cold War than all the tanks and missiles combined.

Paradoxically, the attempt at party control over the people's hearts and minds enhanced the average Russian's curiosity about things foreign. Forbidden fruit, after all, is always sweeter. Deprived of their own real news, Russians sought out international radio broadcasts. Along the way, they gained substantial knowledge of and interest in the rest of the world, attributes that I find lacking among some ordinary Americans.

#### **Gorbachev Lifts Controls**

By the time Mikhail Gorbachev came to power in 1985, it was already clear to everybody that the Soviet system had failed to deliver on its promise of a "bright communist future." Indeed, it was lagging behind the West in many areas. Gorbachev and the people around him wanted to give the system a second wind. To do so, the new Soviet leader would have to find out how things had gone wrong. The Communist Party and even the secret police (the KGB) proved to be of little help on this. Afraid that their bosses would blame the messengers of bad news, they reported mainly information they thought would please those at the top. As a result, in the words of Yuri Andropov, Gorbachev's predecessor and a former KGB chief, "We lived in a country that was unknown to us."

Hoping to use the media to help identify his nation's problems in order to solve them, Gorbachev gradually lifted Communist Party control of the mass media starting in 1985. In a matter of months,

The party viewed the mass media as its 'transmission belt' to the people he introduced a degree of freedom unheard of before in the Russian press, or, to use his term, *glasnost*. He viewed this opening not only as a window on what was happening in the country, but also as a chance to ensure feedback as he tackled economic and political problems facing the nation.

Gorbachev's move unleashed a media revolution. Constrained for generations, the Russian media by 1986 had unprecedented liberty to report, discuss issues, and comment freely on any subject. Russians, who for years had read their censored press with an exquisite ability to read between the lines, now found their publications full of real news. Every issue became an eye-opener, unveiling dreadful truths about our past and present. The press opened our closets, and armies of skeletons marched out.

People read it all, and the circulation of our publications reached Guinness-Book-of-Records levels. One weekly with an unassuming name, *Arguments and Facts*, published to provide party propagandists with ammunition, had a circulation of 1.5 million in 1985. By 1991, circulation had soared to 23.8 million. A literary magazine, *Novy Mir*, reached an astonishing circulation of more than three million by publishing previously forbidden books by Russian and foreign authors. (A caveat may be in order here. Russian periodicals publish their circulation figures in every issue, but there is no Audit Bureau of Circulations in the country, and some figures are certainly inflated.)

Those exhilarating years also saw the appearance of many new publications and the complete change of heart of many old ones. Some of the latter kept their original names, resulting in such oddities as *Moskovsky Komsomolets*, whose title means "Moscow Young Communist League Member" but whose content had become fiercely anti-communist.

This was the heyday of Russian journalism. Party control had ended but state subsidies continued. From 1986 to 1991 the Russian mass media—although still relying on Soviet money—were free to publish what they wanted. And they were busily "doing in" the old system, biting the hand that fed

them. It was not the U.S. military build-up that brought down the "Evil Empire," I believe, but the snowballing effect of truth-telling that started with Gorbachev's decision to open the gates for freedom of the press. The media showed that the emperor was naked.

Belatedly, Gorbachev tried to stop the avalanche, to take back at least some control of the press. In 1988 he threatened to fire Vladislav Starkov, the editor-in-chief of *Arguments and Facts*, for publishing the results of opinion polls that showed Gorbachev's decline in popularity. The press raised hell, and Gorbachev retreated. Starkov is still the editor.

#### **Privatization: The Ruble Rules**

The golden period in the history of the Russian mass media ended when His Majesty the Market entered the scene. In the process of privatization, journalists became the owners of their respective publications. But that was their last hurrah. The printing presses remained the property of the government, and they became profit oriented. The newsprint suppliers, now private, saw a chance to make some money, and became greedy. The only distribution system, the postal service, raised the price of delivery to prohibitive levels. Everybody was after a quick ruble.

The editors-in-chief put aside their proofs, went back to classes, and began to study the workings of the market. Some failed, while others soon found out that they could not survive on good stories alone; they needed advertisements and investors. It is still rather difficult for many Russian editors to accept the idea that publishing a newspaper or a magazine, or running a television show, is just another business. It goes contrary to all their previous experience under the Soviet system.

**Crony capitalism.** To understand the changes that editors were forced to introduce, a few words on the new economic environment in Russia are in order. The situation today is often described by the Russian equivalents of the American expressions

The press opened our closets, and armies of skeletons marched out

Local authorities
still wield a heavy
hand over the press
today

"crony capitalism" and "robber baron capitalism." The country's enormous wealth has been divided up among several banks and financial-industrial groups.

These struggling new rulers of Russia quickly discovered public relations and started to buy up media. Their aim is not profit but influence. They need instruments with which to smear opponents and competitors. George Soros, an American banker who supports Russian literary periodicals by giving money to libraries for subscriptions, says that there is no free mass media in Russia. The media, he contends, are all in the hands of this or that group of capitalists.

For example, in the summer of 1997, as a result of behind-the-scene dealings, *Izvestia*, the former government newspaper that later became a leading independent newspaper, passed from the hands of one banker (Boris Berezovsky) to another (Vladimir Potanin). Potanin managed to buy a controlling share and sacked the editor-in-chief. The losing side decided to launch another newspaper, *Novy (New) Izvestia*, with Berezovsky's money, hiring away some of the journalists from the first *Izvestia*. Berezovsky also controls one television channel and several other publications.

Moscow Mayor Yuri Luzhkov, a leading political figure who has his eye on the Russian presidential election in the year 2000, provides another example of this trend. He was in a political alliance with the banker Vladimir Gusinsky, who controlled the newspaper Segodnia and the so-called "Independent Television" channel. When the two drifted apart, Luzhkov was left without his own "propaganda department." He immediately used his municipal powers to establish a new TV channel "TV-Tsentr (Center)," owned by the Moscow city government. Luzhkov also had the city government buy shares in two Moscow newspapers, giving him control over them as well. He generally runs the city with an iron hand, and is often compared with the late Mayor Richard J. Daley of Chicago.

Local control. In the Soviet era, national newspapers published in Moscow dominated the media scene across the country. *Pravda, Izvestia*, and other "central" newspapers were printed simultaneously in dozens of cities all over the country. Today they have lost this preeminent position. In 1997, 71 percent of all newspapers were local. And local authorities try to use them to promote their parochial interests. As the saying goes, "Those who pay, order the tune."

Used to controlling the press in the old Soviet days, local authorities still wield a heavy hand today. Because they control the printing plants, they can set prices as they see fit, rewarding friends and punishing adversaries. The opposition in one central Russian province, shut out by local authorities, has resorted to printing its newspaper in the neighboring province and trucking it back in across the border.

The Maritime province, in the Russian Far East, is especially politicized as far as mass media is concerned. Political life there centers on the Herculean struggle between the governor of the province, Evgeny Nazdratenko, and his archenemy, Vladivostok Mayor Victor Cherepkov. They use the mass media as weapons in their duel. The governor controls *Vladivostok* daily (circulation 95,200); the mayor controls *Primorie* (circulation 100,000) and enjoys the support of *Dalekaia okraina* (circulation 50,000).

Other newspapers in the city are being wooed by the two rivals. As if that weren't enough, in 1998, the governor found money in the province's coffers to start his own television channel. But the mayor, using city funds, had already bought the necessary technical equipment to launch his own.

Political squabbles and local pressures aside, newspapers in Vladivostok, Khabarovsk, and other cities of the Russian Far East do publish articles critical of the situation in their regions, including articles about crime and corruption. But they still are very far from being the "fourth estate" there. The main reason remains their dependence on local bosses—economic and political.

#### **More Publications, Fewer Readers**

In recent years, a paradox has developed in the Russian mass media. While the number of publications has exploded, readership has fallen dramatically. Before considering why readers seem to be giving up, let us take a look at the publishing landscape. Since 1991, the number of newspapers and magazines has risen from 8,216 to 26,244 in 1997. There are now Russian versions of American publications: *Playboy, Cosmopolitan, Man's Health*, and *Newsweek (Itogi)*. Moscow has three English-language newspapers: *Moscow Times, Moscow Herald*, and *Moscow News*.

Because of the inflated prices for printing at home, and the lack of modern facilities, many weeklies and monthlies are printed in Finland, Austria, and other neighboring countries. There are publications to suit every taste, including a Russian version of *The Financial Times* and a newspaper whose color is reflected in its name: *Zheltaia Gazeta* (Yellow Gazette).

But with all this abundance in taste and color, something has happened to the Russian reader. The avid, hungry-for-the-news faithfuls simply disappeared in the thick air of everyday problems, the main one being how to make ends meet. In the old days, subsidized periodicals were a small luxury of socialism. Now, the price of any subscription is almost prohibitive.

Still, avid readers exist, though mostly in the provinces, not the big cities. In 1997, the number of periodicals per 1,000 people in Moscow was 161; in St. Petersburg, 87; in the Maritime Province (the Russian Far East), 329; in the province of Bashkorstan, 513. Perhaps more free time in the countryside helps maintain old habits. In the war-torn province of Chechnya, the number of periodicals was zero.

**Sense of futility.** Overall, interest in news is down. Along with the economic explanations, part of the reason is psychological. In the Soviet days, any public criticism of things or people had a practical fol-

low-up. Measures were taken to address the situation. That is because the original criticism was usually already approved by the Communist Party. This was "the power of the press," as controlled by the party.

Today people feel frustrated that, despite all the good advice to improve the situation in the country that fills the pages of Russian periodicals, things are not getting better. They see that despite all the stories about corruption in high places, only extremely rarely does a case reach the court. Many articles may be simply misleading, and reflect intrigues that do not interest the reader. So people simply stop reading news.

As a result, side by side with the proliferation of new publications of all shades and colors, the circulation of all newspapers and magazines has plummeted. The circulation of *Arguments and Facts*, whose 1991 high was 23.8 million, fell to 3.1 million, including the edition printed in New York for Russian émigré. *Novy Mir*, supported by Soros, now has just 17,000 readers. Once-formidable *Pravda*, the Communist Party flagship, is now a poor shadow of itself, supported by Greek money.

At the same time, one of the most successful new ventures is a monthly newspaper with a rather strange name *Spid-info* ("Information on AIDS"). With an impressive circulation of 3.5 million, it is playing the role of a self-appointed instructor of Russians in sex education, something that was previously nonexistent in the puritanical Soviet society.

Another new commercial success is a cluster of publications by Commersant publishing house: a newspaper, *Commersant-Daily*, two weeklies, *Commersant-Power* and *Commersant-Money*, a monthly, *Autopilot*; and some other periodicals. The work of this group is closer to the Western way of reporting than any other Russian publication and they claim to be independent of outside influence.

**Television and radio.** The drop in readership can, of course, also be explained in part by the destructive influence of television, even though here, as far as news shows go, viewers have limited choices: they

Despite stories
about corruption,
only rarely does a
case reach the
court

'Corruption in the Russian mass media has no precedent in history'

can watch news as interpreted by Vladimir Gusinsky (owner of the "Independent" channel) or his archenemy Boris Berezovsky (owner of "Public" and Moscow channels), or by Yuri Luzhkov ("TV-Tsentr"). Whichever show is chosen, it will reflect excessive political influence.

Programs from abroad do offer other options. In the news world, we have access to CNN. And entertainment programming in Russia today offers wider choices than what is available in the United States. We have British, French, Indian, German films and more. We have Mexican and Brazilian soap operas, and of course we are no longer strangers to Hollywood productions. One of the most popular soap operas on Russian TV is "Santa Barbara."

Radio, once considered a crucial "transmission belt" from the Communist Party to the masses (nobody could escape the Voice of the Party), remains important in Russian life. Every apartment building and every apartment in the country is automatically wired for three cable radio stations. Today, these channels are the semi-official national Radio Russia, the commercial "Majak" (music and brief news only), and a local government station.

An excess of transmitters, used in the Soviet days to jam foreign broadcasts, has made possible an explosion of commercial radio stations in Russia. Russian listeners can also now tune in to foreign broadcasts in Russian (BBC and Radio Liberty) on FM—something that is unheard of in other countries. These broadcasters rent Russian technical facilities.

#### **Rampant Corruption**

The overall economic and political situation in the country, combined with the very low wages paid many journalists, has led to rampant corruption. Articles may be "made to order" and paid for by the client. Newspapers and magazines may contain so-called "hidden advertising," articles that appear as news or feature stories when in fact they are paid advertisements. A great divide has developed between journalists who have been "bought" and those who have maintained their professional integrity.

An Italian journalist, Giulietto Chiesa, who spent several years in Moscow as a correspondent for *La Stampa*, says, "Corruption in the Russian mass media has no precedent in history." I tend to agree. Russian journalists must accept a code of ethics, and the sooner, the better.

A "no-holds-barred" attitude is evident in the socalled "information war" playing out in Russia. Nothing is out of bounds in this battle: Tape recordings of private conversations are published, although covert taping is illegal. And who makes the tapes? Your guess is as good as anybody's. The practice shows the degree of lawlessness in the country.

Newspapers even published confidential conversations of Anatoly Chubais, then first deputy prime minister, and he was unable to stop them. A television station aired videotape showing the minister of justice, Valentin Kovalev, cavorting with naked women, and photographs taken from it appeared in newspapers. He had to resign.

The question of media ethics is regularly if not enthusiastically debated in Russia. One of our leading TV personalities, Vladimir Pozner, whom Americans may remember from the Phil Donahue Show, cites the case of Connie Chung of CBS, who he describes as having lost her position for overstepping an interviewee's trust. No such rules exist for the Russian screen.

"It is impossible to imagine that something like this may happen in Russia," he says. "Our work is hindered by a complete lack of ethical criteria. But, on the other hand, this is not surprising, because our society is amoral in general."

Even though Russia today has freedom of the press, guaranteed by the Constitution and by the Law on the Press, old habits die hard. The press offices established by countless ministries and governmental committees act more as self-appointed censors than journalists' helpers. Attempts to mislead are common.

In his book describing his experiences as spokesman for President Boris Yeltsin, Vacheslav Kostikov notes that he was completely shut off from any information on the war in Chechnya. Nobody, certainly not the president, kept him informed of this vital subject, in an apparent attempt to prevent any information from reaching the press. He writes:

"As it usually happens in similar situations, an extremely silly attempt was made to blame everything on journalists. A canard was invented that \$10 million dollars had been sent to Moscow journalists by the rebel general Dudaev to bribe them, and Yeltsin himself said that Chechnya money helps the Russian mass media function."

**Investigative journalists.** Despite the environment they face, many Russian journalists excel in their work. They have individual styles and a flair that escapes some of their colleagues elsewhere. Some Russian journalists remain independent and aggressive, but attempts to investigate corruption can be dangerous. Journalists are being killed at an alarming rate: 19 in 1996 and 14 in 1997.

One young journalist from *Moskovsky Komsomolets*, Yuri Kholodov, was killed in October 1994 by a bomb hidden in an attache case. He had been writing about corruption in high places in the armed forces and about other sensitive military subjects, including Russian submarines that were too noisy to be of real value in a conflict. It took the authorities more than three years to arrest a suspect: the former commander of the intelligence service of the Russian Air Force, Pavel Popovsky. Many observers believe the order to kill may have come from a higher authority.

In 1996 alone, a correspondent for a local newspaper in Chita, two television journalists in the Maritime province, and a correspondent in Sakhalin were murdered. The harassment of journalists continues. In November 1997, for instance, Grigori Pasko, a correspondent for a military newspaper in the Maritime province, was arrested and detained on charges of breaching the rules of security, although he did not even have security clearance. The Pen Club of Russia has published an appeal to the authorities for his release.

In the West, journalists traditionally keep news and views in separate, watertight compartments.

Although "news analysis" that adds explanation and even opinion to the events of the day has become popular among American journalists, it is normally labeled as such. Russian journalists blur the distinction. They find it hard to remain indifferent while reporting. They also feel a civic duty to teach morals to their readers. Russian newspapers are clearly opinionated, especially these days, with diverse political parties and many clashing economic interests.

#### **Media Faces Crisis**

According to a 1997 report of the Union of the Russian Journalists, the situation in the Russian mass media is "critical," with circulation plummeting and costs skyrocketing.

Meanwhile the Duma (the Russian Parliament) plans to reintroduce censorship under another name. The Law of the Press, adopted in December 1991, is really a very liberal one, introducing freedom of the press for the first time in Russian history. Seven years later, it looks too liberal to the Russian government. President Yeltsin has issued several decrees that approve long lists of so-called "executive secrets." Officials are wary of talking to journalists.

The Duma is discussing amendments to the Law on the Press, aimed at curtailing the freedom to criticize officials and at making journalists easy targets in libel suits, etc. One of the aims of these activities is to resurrect that "inner censor," which Soviet editors had in the old days of the party monopoly.

The Union of Russian Journalists adamantly opposes any changes in the law and has criticized the president's decrees on the subject. These attempts to curtail the freedom of the press are considered by many as a violation of Article 29 of the Constitution of the Russian Federation, which says, in part: "Freedom of the mass media shall be guaranteed. Censorship shall be prohibited."

One recent episode, which shows how pressure is applied to "unruly" correspondents, may ultimately have positive consequences for journalistic freedom

Journalists are being killed at an alarming rate: 14 in 1997 alone

#### Analysis from the East-West Center

Mass media owners are sometimes the worst censors, says Yeltsin in Russia. In this case, Denis Demkin lost his accreditation to the Administration of the Maritime province because the provincial governor did not like one of his articles. The correspondent went to the court, but the local judge sided with the governor.

When the Supreme Court in Moscow recently reviewed the case, however, it issued an important decision that will serve as a precedent for future cases. It ruled that the professional activities of journalists are regulated by federal laws, not by regional governments' (or governors') decisions.

## **Continuing to Adjust**

The mass media in Russia have gone through rapid and dramatic changes, practically overnight. The national discourse has been opened to many contending points of view. But the transition has come at a cost. Economic and political bosses exert enormous control over much of the media today. Many readers have been priced out of the publications market. Others are put off by the content proffered to them. While some journalists dare to write stories about corruption and crime, they do so at great risk to themselves. As President Boris Yeltsin conceded in an address to the congress of the International Press Institute in Moscow on May 25, 1998: "There are people at the top in Russia who cannot part with the illusion that journalists must serve the powers-that-be." And, he added, in today's Russia "Our mass media owners sometimes act as the worst censors."

Russia's mass media have traveled a bumpy road from party control to money control. We are not quite sure that they have arrived at the right destination.

# **About this Publication**

The AsiaPacific Issues series reports on topics of regional concern. The views expressed are those of the author and not necessarily those of the Center.

The contents of this paper may be reproduced for personal use. Copies of the paper are available for \$2.50 plus shipping. For information or to order copies, please contact the Publications Office, East-West Center, 1601 East-West Road, Burns Hall Rm. 1079, Honolulu, Hawaii 96848-1601.

Telephone: (808) 944-7145

Facsimile: (808) 944-7376

E-mail: ewcbooks@ewc.hawaii.edu

Home page: http://www.ewc.hawaii.edu

Series Editor: Elisa W. Johnston

# **Recent AsiaPacific Issues**

No. 36 "Indonesia In Crisis" by Richard W. Baker. May 1998. \$2.50 plus shipping.

No 35 "Global Lessons of the Economic Crisis in Asia" by Manuel F. Montes. March 1998. \$2.50 plus shipping.

No. 34 "Toxic Waste: Hazardous to Asia's Health" by David Nelson. November 1997. \$2.50 plus shipping.

No. 33 "Will Population Change Sustain the 'Asian Economic Miracle'?" by Andrew Mason. October 1997. \$2.50 plus shipping.

No. 32 "A New Era for Japan and the Pacific Islands: The Tokyo Summit" by Gerard A. Finin and Terence Wesley-Smith. September 1997. \$2.50 plus shipping.

No. 31 "China and Central Asia's Volatile Mix: Energy, Trade, and Ethnic Relations" by James P. Dorian, Brett H. Wigdortz, and Dru C. Gladney. May 1997. \$2.50 plus shipping.

No. 30 "The Fallacy of Global Sustainable Development" by A. Terry Rambo. March 1997. \$2.50 plus shipping.

### **About the Author**

Gennadi Gerasimov was a Visiting Fellow in the East-West Center Media Program from October 1997 through May 1998. He was chief spokesman for Soviet President Mikhail Gorbachev and Foreign Minister Edward Shevardnaze from 1986 to 1990. He began his career as a journalist in 1955 and has worked in print and broadcast media, including as editor-in-chief of Moscow News. In 1990 he was named Communicator of the Year by the American Association of Government Communicators. the first non-U.S. communicator so named. He served as Russia's ambassador to Portugal from 1990 to 1995 and since then has lectured and written extensively on a variety of international issues. Address: 5, Rostovskaia nab., Apt. 11, 119121 Moscow, Russia Telephone: 7-095-248-1146

Telephone: 7-095-248-1146
Facsimile: 7-095-705-9706
E-mail: lubager@eycis.com