

The Relationship between Russian President Putin's Media Reforms and His Ideological Tendency

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Abstract

In post-Soviet Russia, the Russian media reforms of the Yeltsin era are characterized by the deregulation of national media policy, privatized national-communist party media, and rapid concentration of capitalism in the commercial-industrial oligarchy. In contrast, nationalizing mass media and multiplizing ownership of commercial media to decentralize the Russian media oligarchy characterizes the era of Vladimir Putin. According to these two different media development directions, we assume that the Russian media reforms must be associated with the Putin's ideological tendency regarding globalization and national interests. In this paper the authors will first analyze the media controlling institutions. Secondly, we want to know how Putin's ideological tendency balances the different attitudes and positions toward globalization.

Vladimir Putin was selected as the Russian president in March 2000, and from that moment Russia formally entered an era of Putin, with his background in the KGB he led the Russian people to fight against the terrorists and separatists in the Russian territory and launched an intensive military campaign in Chechnya, during his position as Russian prime minister before the parliamentary election of Duma in 1999 and the Presidential election of 2000.

Boris Yeltsin implemented the liberal policy reflected in the freedom of the press, initiated regular elections, and promoted a free economical market system, he also produced so-called financial-industrial oligarchs who controlled the Russian media and national energy enterprises. As the successor of Yeltsin, Putin has a different viewpoint of national development reflected in his public expression that the Russian politicians whom he adores are the Peter I and Andropov. In the process of nationalization, Putin on the one hand controls the national energy enterprises, which can be the tool of manipulating foreign exchanges and implementing the Russian foreign policy, and, on the other hand, he controls the mass media especially the broadcasting, which can be the effective weapon to shape the new Russian ideological system in his attempt to strengthen the country.

In 2004, some editors and journalists of the most popular daily newspaper Izvestiya, who supported the arrested Mikhail Khodorkovsky, the former president of the oil company Yukos and bank of Menatep, left the Izvestiya newspaper organization. Their departure created intense protests in the press. In contrast, the Russian media elites support Putin's ideology of national development as a stabilizing factor of the Russian society. Then, the Russian media and economical elites still want more power to control the media under the Putin's media manipulation.

We assume that the freedom of the press and media globalization meet Putin's economical and cultural policy for the integration with the European countries. On the

contrary, the Russian political elites tend to adopt a more conservative anti-globalization attitude, because they assert that Russia has rich natural resources and gets nothing from the economic globalization. For example, the foundation of the Counter-Oligarchic Front of Russia (COFR) was the first officially antiglobalistic Russian movement. This new organization is headed by the two Left Front leaders, Boris Kagarlitsky and Alexey Nezhivoi. COFR has chosen as its first target TNK-BP and its partner Alfa Group, headed by Mikhail Fridman, calling them “an example of the most harmful and dangerous oligarchic structure.” We can find these opinions of anti-globalization in some other articles which were written by the Russian intellectuals and politicians, and were published in the Russian newspapers. The present article will analyze the relationships among the Russian president Vladimir Putin, media elites, political elites and intellectuals who make up the mainstream of the Russian policy-making.

Vertical Broadcasting Controlling Institute

The mass media reform is undergoing nationalization with the stimulation of globalization. In our study we assume that Putin thinks there is not much contradiction between nationalism and globalization, because one crucial factor fostering globalization is fighting the Russian oligarchies, who basically empower the oil, banking and communication areas. Countering the Russian oligarchies will first of all solve the problem of concentrated commercial capitalism. The national capital will be the main support center for the media development and foreign investment would expand the media ownership market. Here we locate a basic issue: while the national media monopoly protects of the national and social interests, the commercial media monopoly purloins of the natural resources. The government control of mass media in Russia has three major concerns: natural resources, information sources, and governmental subsidies.

Broadcasting Control Systems

First, the government controls and monopolizes the TV towers of broadcasting. In other words, all the national and commercial media corporations rely on the contracts with the national TV tower technological transmitting center “Octankino” and its distributions in the regions. Secondly, the government controls the channels and issuing licenses of broadcasting. In other words, if any broadcasting applicers or owners can not meet the government’s requirements, the government will not provide or prolong the licenses for broadcasting. So, we can say that the broadcasting is limited to the national broadcasting companies and those commercial broadcasting companies that possess good relationships with the government. The broadcasting market strongly relies on the government’s regulation and control. Thirdly, the leading broadcasting company—the All-Russian National TV and Radio Broadcasting Company—controls the budgets and personnel assignments of all the distributions of the regional national broadcasting technological centers and companies. In other words, the centralization of media controlling and management of the federal government is formed and much more strongly strengthened in the ruling era of Putin than in the era of Yelsin.

Technical Print Controlling Systems

After the Russian media were deregulated President Putin has given more attention to the management of media market, its operation, and organization. How to take charge of media in democratic ways that will not effect interests of the media and the oligarchy might

be the big challenge for Putin. In Soviet Russia as well as now most of the media staff and personnel graduated and were recruited from the Journalism program at Moscow State University, foreign news reporters usually came from Moscow State Institute of International Relations. If Putin tries to control the media through educational systems, then the faculty and students, and colleagues in the media, will join the media against oligarchy governmental administration. So that would be foolish for Putin and the civilian society. An alternative for President Putin is to control the media in technical ways.

To control print, firstly, the government limits the quantity of printeries, and limits equipment with the color print capability to national printeries. Secondly, the government controls the price of the newspapers. The national printeries can get cheaper prices of the domestically produced newspapers, but the commercial printeries usually use imported paper which has much higher prices than domestic paper. Thus, the newspapers' printing relies on the national printeries, if for no other reason than those newspapers with color printing get more advertisements and attraction from the readers. Since the collapse of Soviet Union, the Russian media oligarchy has ignored control of printeries and paper factories, because of the cost in updating and renewing the equipment. When the government controls the prices of these resources and increases the import tariff, the imported paper and equipment would add further to the cost of production. The commercial newspapers, therefore, become much more reliant on good relationships with the government, and that will influence their media coverage and news content.

After the Soviet Union collapsed, the Russian government implemented their first freedom media law. Chinese media analysts still consider that the breakdown of Soviet Union and confusion of Russian status complicate freedom of media. Since 1998, on a five-year planning cycle, the Russian government has invested two billion US\$ in printery equipment updating, but this money was used in only 30-40 national printery factories. As "payback" the national printeries must strictly abide by the requirements of the government, which are more strict than those of the government of the Soviet Union.

According to the report, the media capital available to the Russian government was only 6 billion US\$; in 2008 it will be increased to 7.5-8 billion US\$. So, we can conclude that the development of Russian media is not an open, commercialized media market. It remains more characteristic of the old Soviet Union, even though we cannot see directly the means of control. As the Russian media law writes, building up one newspaper only needs one month and not more than 1000 US\$ for application, but a TV station should take three months and need strict auditing by the Ministry of Finance. In this situation, the Russian government cannot supervise and control the media as closely as they did during the time of Soviet Union.

The printery is an essential element in the producing process of newspapers, and it determines the profits of newspapers. According to their media laws, the Russian government cannot interfere with media operation. In 1996 the Russian government began its management of printeries. For example, in 2000 the number of Russian printeries of different types of ownership was almost 6000, and after two years the number increased another 1000. But most of these printeries were used for private and commercial publications that can only print advertisements and books rather than newspapers. In Russia printeries are organized into three types: national or central government's printery, local printery, and nongovernment's or commercial. Each category has varied management controls.

National printeries belong to the Department of Print and Mass Communication of the Russian federation and include 37 departments. In 1999 the Department of Print and Mass

Communication created one policy, named Government Supporting Printery, that was started in 2000. With this plan 3 printeries can accept the duty of full color printing, and 4 printeries can print half-colored newspaper. So, almost all Moscow and other locally published newspapers are printed by the central government's printeries. Nongovernment printeries only print 27% newspapers which belong to the government. The 1100 local printeries take 31% of the local newspapers. While the local government wants more independence from the central government, they lack the money to update equipment. So, the central government's printeries control the print market. While the number of government's printeries is small, they take charge of most of the print with money and influence. By now 80% of printery equipment needs updating and this will effect the development of the Russian newspapers. Because this newspaper printing is comparatively low and the media reforms are more myth than reality, globalization will embarrass the Russian media.

Three big companies, named Volga, Kandabog and Salicom, dominate the paper industry in Russia. This small number creates a monopolized condition in paper production. Paper at a lower market price is supplied for government printeries. Some anti-government magazine organizations sometimes import paper at a lower price or print their magazines in Finland to avoid government interference. In 2001 three paper companies produced 1.715 million tons for newspaper much more than the 0.58 million tons in 1997. The Russian government printeries buy paper at the price of 420-450 US\$ per ton, much lower than international paper price of 550-600 US\$ per ton. But nongovernment presses or those newspapers which have had bad relations with the government often must pay an even higher price of 620-700 US\$ per ton. After Russia's 1998 financial crisis, the price of paper did not change much. Also very interesting is that most government newspapers always pay on credit and then pay in cash in the middle or end of year, but for small or anti-government newspapers, they can not make these financial arrangements and then face bankruptcy. In 2004 Russian media advertisement capability was about 6 billion US\$, and newspapers attracted 1 billion US\$. Despite the potential, the advertisement market primarily belonged to those newspapers who had good relations with the government, because of its control over the presses, printing equipment, and paper prices.

Globalization and Russian Media Development

Russian professor R. F. Matveev (2006) in his article "Several methodological and theoretical problems of globalization" divides the trend and reality of globalization into several aspects: military, religious, ideological, philosophy, juristic, moral and economical aspects. He assumes that the past historical and empirical experience of globalization presents us more military, religious and ideological expansional factors than the juristic and moral aspects. He said pure economical factor has no meaning to the global process. However, Matveev thinks that "Eurocentrism" and "Christianization" with expansion of totalitarian attempts make up the essence of globalization. But he still also stressed that every process has its positive and negative aspects, otherwise, we will produce new conflicts and sink into the intensive relationship problems, even run into catastrophe.

From Matveev's perspective, let's consider how the Russian elite estimates the positive and negative impact of globalization on Russian media and cultural identity. With this dichotomy framing globalization, we might see the extremist opinion on each side. Since Peter I implemented the policy of Europeanization, Russia has been confronting the issue of state development between the Europeanization and Slavonization. Thus, among the Russian

elite are two attitudes and positions for examining the globalization and Russian state development. One direction supports Russia joining the trend of globalization, which would take the European standard to implement Russian reform, and integrate with EU thereby strengthening the Russian political influence on CIS from its joining into NATO. The other direction is to set up a Russian model, not dependent on foreign technology and international trade market; in other words, Russia should build up its own market system separate from the world market system. Both of these two directions are influencing the Russian political and media elite. From the viewpoint of building up its own world market system, the Russian president Vladimir Putin, who took part in the SCO in Shanghai, expressed his global energy proposal with the giant energy company Gazprom. Energy resource is the most powerful weapon for Russia to implement his control over the world political and economical system.

The paper will conclude with several opinions, published in the Russian media, including the Russian newspapers, magazines, televisions, radio, agencies and internet, so that we can better understand how the Russian elite looks at globalization. Their view points might influence the policy-maker's decisions on the direction of Russian government development.

How does the Russian elite understand globalization of Russian media?

First of all, the Russian media collaborate with foreign media groups in media business to integrate with world market system and to weaken the Russian financial-industrial oligarch's control over the Russian media. The first step or the most visible characteristic of media globalization is the collaboration with foreign media groups in sharing the holding stakes in Russia, or, on the contrary, helping the Russian media expand their own presence in other countries. After Vladimir Putin took his post as Russian president in 2000, he began to weaken the financial-industrial oligarchy's control over many important areas, including the media industry and oil business.

From 2000 to 2002 the Russian private television companies nationalized. On the 24 December of 2002 the Russian newspaper Vedomost reported the revocation of the licenses of the two biggest commercial private television companies NTV and TV-6. Now the industrial group Gazprom is the owner of the NTV. After that, the Russian government controls the three biggest national and federal TV companies: RTR, TV-1 and NTV. The chairman of the U.S.-Russia Investment Fund, Patricia Cloherty, said that five private Russian broadcasters, including REN-TV, share 36.2% of the national audience today. So how will the government cope with the private broadcasting companies after the end of oligarchy rule?

After the Russian government nationalized the biggest and most influential private TV company NTV and clear up the stakes of a media tycoon in the First channel TV-1, it seems that Putin is preparing to liberalize the less than 40% broadcasting market to balance the media development. From the news of RTL's buying part of REN-TV, letting the largest foreign media group invest in the Russian media market might be the ideal way to keep the Russian media in collaboration with the world media system. By doing so, on the one hand, the Russian government can reduce the influence of the oligarchy on media and politics, especially during the period of the elections. The Russian government is still the owner of the three biggest national-federal broadcasting TV companies, which are the most authoritative source of the massive audience and havemore than 60% the broadcasting audience. On the other hand, the Russian government does not have the capability to cover all the broadcasting market. So, a joint-stock broadcasting company arrangement can solve the problem of capital, and, at the same time, can help the new companies learn how to manage from the developed media companies and possibly attract trained personnel from the foreign media companies.

The news resource from the joint-stock companies can be shared as well. This arrangement may help Russian media companies build up a more transparent and effective management institution. So collaboration with foreign media groups, especially with the European media groups, is a good way to integrate and collaborate with western countries, and to balance the simplistic Russian national broadcasting market for enhanced competitiveness.

We would like to use as an example of this joint-stock corporate model in media business, the news source of RIA Novosti. Political commentator Alexander Yurov (2005) of RIA Novosti wrote an article entitled "Foreigners move into Russian media business" saying: "Europe's largest commercial broadcasting holding, RTL, is to buy a 30% stake in the Russian television company REN-TV.... This will give RTL and its parent company, the German media giant Bertelsmann, a blocking stake in the Russian channel. If the Russian regulators approve the deal, which would go ahead by the end of the year, this would be the first time a foreign investor has owned a significant share in a Russian television company." He added: "However, when Anatoly Chubais, the prominent Russian politician and head of Russia's largest energy company RAO UES, bought 70% in REN-TV in 2000, it cost him \$30 million. And now, under pressure from the state, which wants RAO UES to streamline its non-core assets, the new deal has been initiated. The company is being forced to give up its share in the media business," The author thinks that the deal was the aim of the Kremlin to centralize the information flow in Russia. He wrote,

Kremlin must therefore have endorsed the acquisition and that its aim must be to centralize information flows in Russia. Yet this thinking clearly contradicts the processes that are underway in the Russian media market. What some would call the "cleansing" of the Russian mass media has not prevented increased foreign investment in the Russian publishing industry. Last year, the publishing house Axel Springer launched Forbes, Newsweek Russia and Wallpaper in Russia. And since the Finnish company Sanoma Magazines bought over the Independent Media publishing house, Russia has seen collaborative publications by Izvestia and the New York Times and by The Moscow Times and the International Herald Tribune. By the autumn, Russian versions of the Economist (in collaboration with Independent Media) and Business Week (a Rodionov publishing house project) will be on the shelves. Meanwhile, the Russian media is expanding its presence in Europe: the Ekho Moskvy radio station has announced it wants to open a branch in Ukraine, and the business daily Kommersant is launching a local publication there. Vedomosti, another business daily, also has its sights set on Ukraine. So it seems that the main trend in the Russian media business is globalization. (Yurov, 2005)

The TV and radio companies built the public broadcasting station to integrate with European media and European civilization. Part of Russian intellectual elite, who support Russian integration with Europe, regard themselves as European, and this European cultural identity is obvious among media intellectuals, media elites and journalists. The famous Russian media law expert Mikhail Fedotov, interviewed by the Nataliya Rostova of the Russian newspaper Nezavisimaya Gazeta, is the project designer of the Russian national public station draft saying that Russia should integrate with the European civilization, so the Russian broadcasting company VGTRK should let the national television RTR be the public television which will make the national interests accord with the public interest. He thinks that the national interest should not differ from the public interest, and a democratic country should have this characteristic.

Conclusion about Globalization and Media Nationalization

According to our study, we thought that anti-globalization emotion occurred among the political elites, but economical elites and media owners prefer more globalization to attract foreign investments, advanced technology and brainpower talents to run the world market. Putin's attitude toward globalization in his capacity as the coordinator and policy-maker is quite important. We observed that Putin keeps strengthening the power of the national media in the process of controlling institutions to control the media market structure and at the same time allows the commercial media to collaborate with the foreign media corporations in ownership and staff exchange to weaken the concentration of the Russian oligarchy capitalism that might influence and interfere in the policy-making process. From this point of view, Putin might support the globalization process step by step and use globalization to multiply Russian commercial oligarchy media market. Even so, the national media institutions continue to control media of the mainstream of information flow in Russia. In the process of media production industry, the news coverage may be the end of that process and influence public opinion, but technology is the fundamental infrastructure. For Putin, controlling the technological institutions is much better than content censorship. Negotiation among the president, political elite and media elite will be essential for the future of Russian media development and news coverage.

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