

# Russian media system in template

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## 1. Overall characterization of (a) Socio-political context

Major industrial sectors	Oil, gaz
Rate of economic growth	7% (in real terms – 0,2%) (2014)
Main political parties	United Rossija (major, center), Communist Party (center-left), Spravedlivaya Rossiya/Fare Russia (left liberal), Liberal Democratic (right)
Main religions	Christian Orthodox, Muslim, Jewish, Buddhist + a high portion of atheists
Main languages	Russian (98,2%) + more than 150 languages. 23% of population speaks 38 languages, 1% of population speaks 114 languages. Largest language communities speak Tatar +Chuvashi + Chechen
Literacy rate	100 %
Telephones (fixed, mobile) per 1 000	1826,9 / 254,7

## 2. Media structure

### 2.1 Major indicators

Newspapers (dailies, weeklies)	In 2013, the number of newspapers registered in the Russian Federation was 26932; in 2014, their number was reduced by 25788.
Magazines	In 2013, the number of magazines registered in the Russian Federation was 31979; in 2014, their number was reduced by 31714.
Books	In 2012, the total number of printed copies was 116888, including 97996 books and 18892 brochures. In 2014, the total number of printed copies (including books and brochures) was reduced by 112126; 54,1% of them had a total circulation of less than one thousand copies
Radio	In 2012, 2824 radio broadcast licenses were granted
Television (terrestrial on-air broadcasters, cables, satellite)	In 2013, the total number of on-air TV channels in Russian Federation was approximately 950. Twenty of them were available all across the country. Perviy, Rossiya 1, NTV, TNT, CTC, REN TV, TV Tsentr, TV-3, Domashniy, Rossiya 2, Rossiya K, Rossiya 24, etc. The total number of cable and satellite channels was approximately 370. The biggest Russian off-air TV operators are Tricolor TV, Rostelecom, MTC, Er- VimpelCom, Orion Express, Akado, VimpelCom
Film	In 2013, approximately 600 films were produced. Among them 120 were feature films, 400 documentary films, over 80 animation films (including four full-length ones)
Online media	In 2011, the total number of websites was 3000. In 2014, their number was increased by 4600.
News agencies	In 2014, the total number of news agencies in the Russian Federation was approximately 1000, including one global agency (IRAR-TASS), two international agencies (Interfax and Rossiya Segodnya), and a number of special ones (RBC, ASI, etc.). There are also a few hundred regional news agencies.

Production companies	The main producers of TV content in 2013 were the following companies: Red Square, Comedy Club Production, Mir Reality Production, MB-Group/M- Production, and New Company Production. In 2013, the number of production companies in the Russian Federation was 460. The main producers of film and TV content were Good Story Media, Lean-M, 7 Art Media, YBW Group, Studio 2V, RWS, Star Media, Forward Film, Amedia, Piramida, etc.
Search engines (national)	The list of national search engines includes Yandex (57,7%), Mail.ru (8,8%), Rambler (1%)
Other cultural industries (recorded music, computer games, etc.)	In 2010, the total volume of music records' retail sale was \$263 million. This number includes \$185 million records sold as physical copies, \$70 million were sold on mobile devices, and \$8 million on the Internet. In 2013, there were 10 big companies producing video games in the Russian Federation, including Media House, MagnaMedia, Buka Entertainment, Astatix Software, K-D-Lab, etc.

## 2.2 Advertising market

The Commission of Experts of the Association of Communication Agencies of Russia summed up the development of the advertising market in Russia for 2014. The total volume of advertising in its distribution exclusive of VAT amounted to slightly more than **340 billion rubles**, which is 4% more than in the previous year.

Segments	January-December 2014, b. RUR	Growth, %
Television	159.8	2
<i>Incl. broadcast TV</i>	<i>155.7</i>	<i>2</i>
<i>Cable and satellite TV</i>	<i>4.1</i>	<i>3</i>
Radio	16.9	2
Printed mass media	33.0	-11

<i>Incl. newspapers</i>	8.1	-7
<i>Magazines</i>	16.5	-11
<i>Advertising literature</i>	8.5	-14
Outdoor advertising	40.6	0
Internet	84.6	18
<i>Incl. display advertising</i>	19.1	-5
<i>Contextually targeted aadvertising</i>	65.5	27
Other	5.1	-9
<i>Incl. indoor advertising</i>	4.1	-6
<i>Cinema advertising</i>	1.0	-20
<b>OVERALL ON ATL MARKET</b>	<b>340.1</b>	<b>4</b>
<b>OVERALL ON BTL MARKET</b>	<b>98,1</b>	<b>8</b>

## 2.3 Major media companies

### 2.3.1 The 'Big Five': major sectors

<b> Holding </b>	<b> On-air TV </b>	<b> Off-air TV </b>	<b> Radio </b>	<b> Newspapers </b>	<b> Magazines </b>	<b> Movies </b>	<b> Internet </b>	<b> Advertising </b>
VGTRK	V	V	V			V	V	V
'Gazprom Media	V	V	V	V	V	V	V	V

Holding’								
The National Media Group	V		V	V	V	V	V	V
CTC Media	V	V				V	V	V
A. Usmanov’s Media Group	V	V		V	V		V	

Source: publications in media and data provided by organizations

### 2.3.2 Top-five Russian TV holdings according to the total audience of broadcast channels in 2013

Holding	TV Share, %	Number of channels
The National Media Group	24,7	3
‘Gazprom Media Holding’	19,8	2
VGTRK	18,1	5
CTC Media	11,0	3
‘Profmedia TV’ (‘Profmedia’)	4,5	3

Note: The share of The National Media Group includes total audience of Perviy (Channel One), which is partially (25%) controlled by the holding.

Source: TNS Russia, websites of organizations

### 2.3.3 Top-five Russian radio holdings according to the total audience of radio stations in 2013

Holding	AQH Share, %	Number of radio stations
European Media Group	16,9	6
VGTRK	13,5	5

Russian Media Group	12,7	5
VKPM ('Profmedia')	12,5	4
Krutoy Media	6,2	3

Source: TNS Russia, websites of organizations

#### 2.3.4 Top-five Russian publishing houses according to the total audience of newspapers in 2013

Publishing house	AIR, %	Number of newspapers
Komsomolskaya pravda	17,9	5
Argumenty i fakty	11,8	3
Bauer Media Group	10,4	3
Moskovskiy komsomolets	6,3	3
Metro	4,0	2

Source: TNS Russia, websites of organizations

#### 2.3.5 Top-five Russian publishing houses according to the total audience of magazines in 2013

Publishing house	AIR, %	Number of magazines
Burda	29,7	66
Hearst Shkulev Media	22,4	9
Sanoma Independent Media	19,3	22

Sem' dnei	13,1	4
Za rulem	12,9	4

Source: TNS Russia, websites of organizations

### 3. Media Regulation (1991–2015)

#### 3.1 Legal Regulation

№	Title	Year	Key Points
1	The Law on Mass Media	1991	Law on Mass Media guarantees freedom of expression for media, journalists' rights and citizens' right for information. The Law has a strong democratic character; once put into practice it fostered the media freedom development and prompted an increase in the number of publications, as well as television and radio channels. The Law is the key text and guarantor for Russian media. Most of the recent changes to the Law on Mass Media limit the propagation of extremism, terrorism, violence and pornography in the press. Specific limitations are introduced concerning media coverage of anti-terrorist operations.
2	<a href="#">Constitution of Russia</a>	1993	Constitution provides for freedom of speech and freedom of the press. The Constitutional speech freedom norm guarantees the freedom of ideas and speech for everyone, as well as the right «to freely look for, receive, transmit, produce and distribute information by any legal way». With that, the propaganda instigating social, racial, national or religious hatred or supremacy is banned. The Constitutional norm provides for the freedom of mass communication, while Censorship is banned.
3	Law on Advertising	1995	Advertising Law clarifies the general requirements for advertising activities, defines the legal status of advertising of certain types of goods and services, introduces new concepts and regulates the enforcement of, and compliance with, advertising laws.

4	The Law on Communications	2003	This Federal Law establishes the legal basis of activities in the field of communication in the territory of the Russian Federation and on being under jurisdiction of the Russian Federation the territories, determines powers of public authorities in the field of communication, and also the rights and obligations of the persons participating in specified activities or using communication.
5	The Law on Information, Information Technologies and Protection of Information	2006	The Law establishes public access to and basic protection for information. It provides for the protection of information in the database information systems despite it is not protected under copyright; regulates, inter alia, the procedure for blocking the access to information on the internet, which distribution involves violation of exclusive rights in films, and the enforcement function of the Federal Service for Supervision of Communications, IT and Mass Media (Roskomanadzor) in this regard; sets out rules for the transfer of information relating to intellectual property rights, by information and telecommunication networks.
6	The Federal Law on Combating the Terrorism	2006	According to the new law, media cannot be used to propagate or justify terrorism and extremism or to disclose state secrets. Media should not propagate calls for the overthrow of the government or for violating the integrity of the state. The law stipulates that media cannot be used for inciting national, class or religious hatred nor can they be used for war propaganda. Also media cannot be used as a channel for disseminating information about methods and tactics of anti-terrorist operations or for impeding such operations. It is not permitted to publish personal data of officers of special troops or members of headquarters commanding anti-terrorist operations during the periods when such operations are active.
7	Law on Counteracting the Extremist Activity	2006	This Federal Law defines the legal and organizational foundations for counteracting extremist activity and establishes liability for the conduct of extremist activity, consistent with the goals of securing the rights and freedoms of persons and citizens, the foundations of constitutional structure, and the protection of the integrity and security of the Russian Federation.
8	A decree on the creation of Public Television channel in Russia	2012	The interests of the public are represented by the Public Television Council (PTC), which is appointed on the basis of nominations submitted by an all-purpose oversight body called the Public Chamber of Russia. No members of the Channel management are allowed to be members of parliament or government officials.
9	The Amendments to Law On Protection of Children from Information Harmful to Their	2012	The law prohibits the distribution of «harmful» material among minors, including material which «may elicit fear, horror, or panic in children», or depicts violence, unlawful activities, substance abuse, or self-harm. It has been amended twice; an amendment in 2012 instituted a

	Health and Development		mandatory content rating system for material distributed through an «information and telecommunication network» (covering television and the internet), and, in other laws, established a blacklist for censoring websites which describe suicide, glorify illegal drugs, or contain child pornography.
10	Law on Protecting Children from Information that Promotes Negation of Traditional Family Values	2013	The law prohibits propaganda of non-traditional sexual relationships.
11	The Anti-piracy law	2013	A rights holder informs the hosting provider about any possible copyright violations. The provider, in turn, is to inform the website's owner about the complaint within 24 hours. If the owner doesn't respond, the provider is to block access to the disputed content within the next 24 hours. If the provider and owner don't comply, they are facing a fine of between 300,000 rubles and 1 million rubles. The anti-piracy law and the amendments apply for all kinds of online content, except for music.
12	The Amendments to the Law on the State Language of the Russian Federation	2014	This law bans swearing at arts, cultural and entertainment events in the country (media, books, theatres, and movies).
13	The Amendments to the Law on Insulting of the Religious feelings	2014	The law prohibits the insulting of the feelings of religious believers, including by vandalism or the desecration of holy sites. Obstructing the activities of a religious organization or the holding of a religious ceremony would also be a criminal offense.
14	The amendments to the Law on Personal Data	2014	The data operators are obliged to ensure the recording, systemization, accumulation, storage, clarification (update, change) and extraction of personal data of citizens of the Russian Federation with the use of databases located in the territory of the Russian Federation when collecting this personal data in any manner, including via the Internet.
15	The set of amendments to the Administrative Code, the Law on Information and the Law on Communications (the 'Bill on Bloggers')	2014	A law requires bloggers with more than 3,000 unique daily visitors to register with the Russian state agency for media oversight, Roskomnadzor, and follow the same regulations as mass media.

16	The Limit on foreign ownership in Russian mass media	2014	A bill sets the maximum foreign stake in Russian mass media companies at 20 percent. The ban would apply to broadcast, print, and online media.
17	The amendments to the federal law on advertising (ad ban on cable TV channels)	2014	A bill prohibits advertising on pay TV channels in an attempt to prop up the business of Russian state-owned networks, which have been losing market share to newer channels.
18	The amendments to the federal law on advertising (soft ad ban on cable TV channels)	2015	A law prohibits advertisements on cable channels, but the cable channels with 75 percent Russian content can still sell advertising.
19	The law on a global license on the Internet (draft)		The law on a global license on the Internet provides the copyright protection. Internet consumers have to pay a monthly tax for Internet usage. This money will be spread then to copyright holders, who will receive remuneration for the use of their works on the Internet.

### 3.2 Self-Regulation Mechanisms

There exist generally accepted mechanisms of mass media accountability to the public in Russia including the Public Board on Complaints About Mass Media (equivalent to media councils in European countries), professional codes of ethics (of different journalistic organizations, not just a single one), strong body of media criticism mostly in the printed and online media, but also on TV and radio channels, a number of professional journals, online instruments encouraging openness and involving the public, the online ombudsmen, and a developed network of higher educational institutions training new professionals in the sphere of journalism). However, the specific characteristics of the Russian mass media system – described by researchers as a state-and-commercial hybrid – have a strong impact on the infrastructure of media accountability in Russia, resulting in typical features and weaknesses.

## **4. Global and regional dimensions**

### **4.1 Global presence of national media content**

In 2016, 21 local versions of 11 Russian formats were broadcast on foreign television channels. 57 percent of the adaptations went on air in the CIS countries while the others were shown in the Baltic states and the far abroad. In addition, about 20 formats are being negotiated or, alternatively, the deals have been done but the adapted versions of the projects have not been broadcast yet. Among the states that have shown interest in the Russian formats one can list the USA, China, Mexico, European and Arab countries.

Traditionally, it is Russian entertainment program formats and talk show formats that enjoy the greatest popularity (67%) but their share has reduced by 12 percent in comparison with 2015. Almost all the adaptations of this content group are long-lived projects, which have been on air for over 3 years. In these terms, the Ukrainian version of the program “Wait for Me”, which was on air for the 12<sup>th</sup> year, proved to be the “record holder”, while Armenian and Azerbaijan television broadcast the 11<sup>th</sup> seasons of local adaptations of a game “What? Where? When?”

The share of export of entertainment programs and talk shows reduced because of an increased interest in Russian television series. Notably, in 2016 television channels of five countries showed the local adaptations of Russian multipart projects in the sitcom and sketchkom genres. For instance, the local adaptations of the comic series “Kitchen” were seen by television viewers in Georgia, Estonia and Greece. At present, the project is being developed in Slovakia. Moreover, options for the “Kitchen” format have been taken for another 10 territories.

Companies from 17 countries are negotiating or have taken options for such series formats as “Major”, “Mummies”, “With My Eyes” and some others. Altogether 10 series have caught the interest of foreign producers. The project “Insomnia”, a DixiMedia production, is especially noteworthy: this was the first series whose fully fledged adaptation was made in the USA. In October 2016, the Starz Worldwide distribution company presented the American version at the MIPCOM International Forum in Cannes.

### **4.2 Economic presence/ownership of national media in markets abroad**

Some profitable media enterprises were established through the influx of foreign capital into the national media system, but in the 1990s, especially during the period of initial capitalization, the foreign investments were rather unevenly distributed among different media segments. Widescale expansion of foreign media enterprises into the Russian media market only began in the 2000s, in response to increased economic

stability. As a result, a number of foreign media groups entered the market: Axel Springer (Germany), Bertelsmann AG (Germany), Hubert Burda Media (Germany), Bonnier AB (Sweden), Modern Times Group (Sweden), Conde Nast (US), the Edipresse Group (Switzerland), Sanoma Oyj (Finland), Trader Classified Media NV (the Netherlands), and others. US online services such as AOL, MSN (Microsoft), and Google have all sought to enter the Russian Internet market, though so far only Google.ru has secured a significant market share (and lags far behind Russian search engines and online news portals). The key development strategy for foreign print and audiovisual media enterprises in Russia is to localize their global brands, an approach that has been most successful in magazine publishing. Notably, few foreign media organizations have decided to open their own offices in Russia; most of them have confined themselves to buying large share-holdings of publishing houses or forming joint enterprises with Russian partners to offer Russian-language editions of their flagships periodicals.

#### **4.3 Foreign ownership in national media**

On January 1, 2016, the Federal Law of October 14, 2014 № 305-FZ “On Introducing Changes to the Law of the Russian Federation *On Mass Media*” came into force. In accordance with it, the share of foreign investment in the Russian media must not exceed 20 percent.

Prior to the amendments, the limit was set only for radio and television, and the share of investment was much larger – 50 percent. The law in effect applies to all mass media, including print media and online publications.

#### **4.4 Foreign content in national media landscape**

No open data available

### **5. Journalistic community in Russia**

Estimate of total amount: 150,000 journalists. About 90% of journalists have a high education degree though it is estimated that not more than 65% obtained a degree in journalism. Two main degrees are in philology and history. The profession is evidently becoming a female one with a

share of 70% women in the younger groups. Journalists in Russia are also generally younger now: about 70% are under 35 years old, 23% are between 35 and 50, and only 7% are over 51 years old.

Unions:

- Russian Union of Journalists. Chair: Vsevolod Bogdanov. Affiliated to the International Federation of Journalists. 100 000 members.
- Moscow Union of Journalists. Chair: Pavel Gusev. 15 000 members.
- St. Petersburg Union of Journalists. Chair: Ludmila Fomicheva. 2 500 members.

## **6. Trends and issues under debate in the 2010s**

Currently, there are several research projects studying the present state and ongoing trends in the Russian media which have indicated major trends and issues.

### **6.1 Russian Media as Digital Content Industry: Drivers and Barriers of Growth**

The research project supported by the Faculty of Journalism, Moscow State University, is aimed to define the directions of the Russian media ecosystem transformation, describe its future structure and find out the main drivers and barriers for its development (in the period up to 2025). The research design has been developed on the basis of foresight approach (revealing and categorizing the points of research on the basis of Delphi method, conducting numerous media industry expert in-depth interviews, collection and statistical analysis of data in order to supplement the qualitative results, etc.).

The major trends revealed at the pilot stage of the project in 2014-2015 are as follows:

- the political factor of influence seems the most important for Russian media managers and experts,
- due to this the high volatility of media industry (i.e. structure of stakeholders, revenues level, business models etc.) is evident,
- except political factor the technological one seems to be the most influential,
- the future of Russian media will strongly dependent on media education and “enlightenment” of Russian population, therefore the penetration and development of media based on new technologies is inevitable,

- the structure of the Russian media system will be mostly dependent on the regulator’s activity and new technologies implemented,
- press is perceived as the most depressed segment which will rapidly lose market share; dailies are the most threatened part,
- terrestrial TV and online video services (OTT) seem to be the most flourishing segments,
- agent media model will possibly become the most widely spread one, media as an independent social institute will lose the position,
- the state and huge media companies will be the main stakeholders in the Russian media system,
- level of concentration in media industry will grow,
- advertising business model will stay a basic one,
- Russian media companies will be replacing imported content by the domestic one,
- media content tends to be “lighter” and “lighter”, more visual than verbal,
- media content will become more and more expensive, therefore the piracy will be one of the main threats.

## **6.2 Russian Media System: The State of Art**

Workshop of the Research Project “Media Systems in Flux: The Challenge of the BRICS Countries”.  
Faculty of Journalism, Moscow, April, 6, 2015

Basic points discussed

The key feature of the current developments of the Russian media system is the interaction of the processes in all BRICS media system with the processes which are present only inside Russia and Russian media. For BRICS countries it is rather evident that more open and free journalism is emerging. In terms of regulation there exists a certain unevenness between the development of the legal regulation (in all) and self-regulation (not in all countries).

However, the Russian experience in development legal and self-regulation is quite complicated and controversial. In early 1990s the law making process in the media space was very successful while nowadays one could witness its stagnation and even degradation. The main reason for this is the negation of the nature and internal logic, internal dynamics of the media system by legislators. This results in adoption of some laws which distort in public communication and relations between the state and the media as social institutions (Bloggers’ Law).

Many controversies might be found in the area of self-regulation. Regardless of various attempts to create a Code of Journalism Ethics in 1990s there is still a need of a single document supported by journalistic community which is lacking the culture of the freedom of the press together with the culture of journalistic solidarity.

It is clear that the state plays much more important role in the Russian media compared to other countries. However, its role in the media should not be overemphasized, especially bearing in mind that there exist a lot of players in the media market who have no relations to the state. For instance, internet media.

On the other hand, the role of the Russian media business is also rather controversial. The narrow commercial interests of media companies do not help to support journalism solidarity. The context of the public debate on journalism as a service industry leaves aside quite important visions of media/journalism as public good, as public service. The additional complexity also results from the poor financial conditions in regional media where we could not get any deep and serious investigation or feature stories. Here come not only financial, but also political risks since critical attitudes to local authorities might provoke problems for editors and journalists.