

# Deep-Pocketed Owners Closing Media Outlets

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Russia might be known in the West as a dangerous place for journalists. But the country also has long been a pretty place to work, with many media outlets offering salaried employment to reporters and editors without earning any money in return.

But times are changing.

A number of Moscow-based publications are closing after their owners have seemingly decided that they are no longer willing to cover the losses.

On Wednesday, more than 30 journalists for [Gzt.ru](#) were out of work after billionaire businessman Vladimir Lisin cut off financing for the online news portal. Gzt.ru was the continuation of the Gazeta newspaper, also owned by Lisin, which ceased its printed existence more than a year ago.

On May 1, the last 30 or so journalists with the Trud newspaper were laid off, with publishing house Media3 announcing plans to sell the brand. The daily, which had reformed itself from the organ of Soviet trade unions into a left-leaning mainstream tabloid, is now produced by other staff connected to Media3, which publishes the Argumenty i Fakty weekly and belongs to PromSvyazKapital, the bank controlled by the Ananyev brothers.

Another outlet that has gone by the wayside is the Vremya Novostei broadsheet, reportedly financed by former Kremlin chief of staff Alexander Voloshin.

Vremya Novostei ceased publication last December, when its writing staff was rehired under editor Vladimir Guryevich to work for the new Moskovskiye Novosti, a remake of the Soviet-era daily published jointly with the RIA-Novosti state news agency.

All those papers had one thing in common: pages filled with decent journalism but practically empty of advertising.

Experts say that while economic conditions for newspapers in the country have been appalling all along, the perks of media ownership are now receding, too.

Take Vladimir Lisin, owner of Novolipetsk Steel and the country's richest man with a fortune of \$24 billion, according to Forbes magazine. After he founded the Gazeta newspaper in 2001, Lisin frequently called editors to change articles, a former editor told The Moscow Times. According to him, Lisin's motivation was twofold. "On one hand, the paper played the role of a lobbying resource for the metals industry. On the other hand, he just liked the image of being a newspaper man," said the former editor, requesting anonymity in order to speak candidly.

As a consequence, the paper went through four editors in its first four years of existence.

And although it always had very little advertising, the paper seemed to thrive, boasting a staff of more than 100 journalists and entering into cooperation with Britain's Telegraph in 2005.

But Lisin gradually lost interest, which led to the decision to close the paper's print edition in April 2010. As a compromise, he agreed to keep Gzt.ru, an ambitious multimedia site with lots of videos, relaunched a year earlier.

In an interview last year, Lisin conceded that the paper never earned him any money, but he was adamant that the investment was necessary to provide an alternative to the country's state-controlled media. "If not business, who else will support them?" he told the Russian Forbes magazine.

But the former editor suggested another motive. "The decision [to give up the paper] was based on the fact that the power of the printed word has greatly diminished over the course of the last decade," he said.

A spokeswoman for Lisin refused to comment for this article and referred all questions to Gzt.ru's commercial management, who were unavailable for comment Tuesday and Wednesday.

The site's editor, Dmitry Pavlov, confirmed that Tuesday was the last working day for him

and everybody else in the newsroom.

"This is very sad because our readership numbers have grown to 7 million unique users per month," he said.

Experts point out that newspapers have long lost influence in Russia, where overall readership is dismal compared with Western countries.

Forty-four percent of Russians read newspapers, according to a survey by TNS Russia over the five months up to April 2011 based on data from 57 million of the country's population of 142 million. Earlier research, however, indicated that more than 80 percent of Russians do not read daily papers at all.

A similar case has been made about the [Trud](#) newspaper, which saw its circulation dwindle from a Guinness world record-setting 21.5 million in the 1980s to 220,000.

Vladimir Borodin, who worked as Trud's editor until last year, said smaller papers could only survive if they found themselves a niche.

Borodin said he rebranded Trud, which means "labor" in Russian, as a job market paper because of the 2008 economic crisis.

"This was good at the time because everybody was looking for a job," he said by telephone.

The model did not outlast the recession.

In April, national media reported that Media3 had unsuccessfully tried to sell Trud to the Federation of Independent Trade Unions.

Media3 spokeswoman Yana Margasova refused to comment on the paper's future this week.

But many other critical newspapers also have suspiciously little advertising, including Noviy Izvestia, Nezavisimaya Gazeta and Novaya Gazeta, as well as the opposition-minded weekly journal The New Times.

Novaya Gazeta deputy editor Andrei Lipsky said many advertisers dislike critical publications. "They just don't want to see their trendy ads next to negative texts," he said.

Novaya Gazeta, which has an official print run of 270,950, makes most of its money through retail sales, Lipsky said.

He acknowledged that conditions were tough, especially in Moscow, where newspaper kiosks form a monopoly and charge publishers "ridiculous money" to carry their titles. "Basically it is not possible to run a profitable, quality newspaper in this country," he said.

Lipsky would not comment on plans by banker Alexander Lebedev, who holds a 49 percent stake in the paper together with former Soviet leader Mikhail Gorbachev, to unite Novaya Gazeta with London's Independent newspaper, which he bought for £1 in 2009. Lebedev [told](#) Gazeta.ru in an interview last week that he wanted to set up a new publication in two languages. "We need to join forces," he was quoted as saying.

Among other national newspapers facing challenging times is Izvestia, which will start vacating its historic offices on Pushkin Square next week. The former Soviet government mouthpiece, which was famously brought in line after its critical coverage of the Beslan hostage crisis in 2004 drew the Kremlin's ire, has seen its circulation plummet from 1.2 million in 1990 to 139,000 today.

National Media Group, which bought the daily from Gazprom Media in 2008, has said it wants to make the paper more business-oriented. The paper's general manager, Yury Chechikhin, told Interfax that the old building, a prime piece of real estate, wouldn't be sold but would undergo redevelopment.

In the regions, the Novosti Regionov project has attracted considerable attention over the past several years after German media giant WAZ Group bought the Tula-based weekly Sloboda and embarked on grandiose plans to form a regional newspaper chain.

But after launching in five cities, the project has stalled since last year and its future is up in the air, said a source familiar with the matter.

Sloboda's founder, Vera Kiryunina, said no acquisitions are planned for this year. "Maybe next year," she said by telephone.

WAZ spokesman Paul Binder said the publishing house was reviewing its activities in Russia. He noted that this was regular practice in line with company policy. "We are waiting to see where the Russian market is going," he said in e-mailed comments.

Some say journalists are also responsible for the state of the country's newspapers.

"Yes, penetration is low and distribution is weak, but we also need more professionalism from reporters and editors," said Yevgeny Abov, deputy director of the Guild of Press Publishers.

But Mikhail Fedotov, a leading functionary of the country's Union of Journalists, rejected the criticism. "Journalists cannot be blamed for purely economic problems," he said.

Fedotov, who also heads President Dmitry Medvedev's human rights council, conceded, though, that trust in journalists' work was low. "We do have a colossal problem with public confidence, and this is a consequence of the 1990s when the government thought it could buy journalists," he said.

During the turbulent 1990s, many media outlets were controlled by oligarchs, who often meddled with editorial content.

Meanwhile, while journalistic independence remains a problem, safety for reporters has slightly improved, according to a report published Wednesday.

Russia dropped from eighth to ninth place on a list of the 13 most dangerous countries for reporters, the New York-based Committee to Protect Journalists said. No journalists were murdered in the country in reprisal for their work in 2010, the first year since 1999, the organization said on its web site.

At the same time, the authors noted the convictions in the 2009 murder of reporter Anastasia Baburova and human rights lawyer Stanislav Markelov, as well as the Investigative Committee's pledge to re-examine five unsolved killings of journalists.

On Tuesday, authorities announced the arrest of Rustam Makhmudov, the suspected killer of Novaya Gazeta reporter Anna Politkovskaya in 2006.

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