

# Looking West, Russia Beefs Up Spending on Global Media Giants

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The 2015 state funding allocated for Rossiya Segodnya — a global news agency built on the vestiges of the liquidated RIA Novosti — represents triple what the authorities had planned, amounting to 6.48 billion rubles (\$170 million).

Despite a free-falling ruble and a wealth of other economic woes, the Russian government has announced a substantial increase in funding for state-run media outlets, a move analysts linked with the Kremlin's desire to win sympathies abroad.

The measure — which was stipulated in Russia's federal budget for 2015-17 — comes at a high-stakes period for Russian media.

Moscow has made clear its intent to broadcast its own narrative to international audiences, in a bid to counteract Western media outlets' largely negative coverage of Russian affairs.

Meanwhile, Russian lawmakers are grappling with legislation to diminish the presence

of foreigners in media on its own soil. The State Duma passed in its first reading Tuesday a bill limiting foreign ownership of Russian media assets to 20 percent, a significant decrease from the current existing ceiling of 50 percent.

RT, which received 11.87 billion rubles (\$310 million) in state funding this year, will receive 15.38 billion rubles (\$400 million) in 2015, a figure nearly 30 percent higher than what the 2014-16 budget had initially allocated to the network. This represents a 41 percent increase in funding from what the Russian government had originally planned to set aside for RT in 2015, according to the RBC business news agency.

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The 2015-17 budget, Russia's trimmest since the 2008 global financial crisis, also allocates extra funds to domestic state channels, including those of the All-Russia State Television & Radio Broadcasting Company, albeit in smaller measure than for RT and Rossiya Segodnya.

The discrepancy between Russia's support for its domestic outlets and its international news agencies seems to stem from the varying nature of the audiences it hopes to target, analysts said.

President Vladimir Putin, whose approval rating reached a six-year high of 86 percent in May, has more convincing to do abroad than he does at home, according to Yury Saprykin, a prominent Russian media professional who formerly served as chief editor of Afisha magazine.

"The Kremlin feels it is important to provide the West, and mostly the more receptive portions of the population, with an alternative depiction of Russia's actions and policies," Saprykin said. "Western media almost exclusively portrays Russia negatively. The situation has only worsened with the crisis in Ukraine. Investing more into its international outlets is the Kremlin's way of trying to attract a Western audience that would be supportive of its policies."

The measure is meant to make Russia look "white and fluffy" despite facing isolation from the external world, political analyst Dmitry Oreshkin said in comments carried by RBC.

Margarita Simonyan, who serves both as the head of RT and the editor-in-chief of Rossiya Segodnya, defended the increased funds her organizations are set to receive.

Simonyan told RBC that the extra funding RT will receive is meant to support its creation of French and German-language channels.

The state's extra spending on Rossiya Segodnya is a necessary component of the agency's absorption of The Voice of Russia radio station, Simonyan rationalized.

With its latest largesse toward RT and Rossiya Segodnya, the Kremlin appears to be retreating from its former stance on the need to rein in funding for the country's information giants.

Putin's decree to liquidate news agency RIA Novosti in December 2013 and supplant it with

the global news outlet of Russia Segodnya was justified partially on financial grounds by Sergei Ivanov, the head of the Kremlin administration.

Ivanov said at the time that the new agency would represent a "more rational use of budgetary funds." Although he admitted the new agency's inception was meant to ensure the dissemination of Russia's state narrative among a broader audience, Ivanov said it was the initiative was also about reducing — and not increasing — funding.

"Money had nothing to do with it [RIA Novosti's liquidation]," said Anton Nossik, an entrepreneur who created many of Russia's leading online media outlets. "No one believed that explanation at the time. The reason behind the liquidation was to put someone close to Putin in charge. All the companies who are headed by people close to Putin receive more money, as a rule."

The organization's liquidation was combined with a changing of the guard. The longtime head of RIA Novosti, Svetlana Mironyuk, was dismissed in favor of the controversial Dmitry Kiselyov, a pro-Kremlin television host known worldwide for his homophobic and anti-Western tirades.

The allocation of extra resources to propagate Russia's state-approved news abroad, combined with the obedient management of state-owned outlets and the ousting of foreign-owned outlets from the national media market, has only strengthened the Kremlin's grip over an already tightly controlled media environment, according to Maxim Kovalsky, the former editor-in-chief of Kommersant Vlast magazine.

"The issue here is control," Kovalsky said. "Decisions made now about the media environment — like providing more funding to state outlets while restricting foreign ownership of Russian media — are being led in the same direction: toward more control."

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