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Russian Media and Political Turf Wars

By Gregory Feifer

It had been an otherwise slow June news-day in Moscow. The weather — political and otherwise — seemed to have cleared after an unusual cold spell. Russian President Vladimir Putin was away in Madrid making predictable statements about his country's improving investment climate. The foreign press corps hounding him there didn't even bother raising such tiresome-if-smoldering issues such as Moscow's ongoing military campaign in Chechnya — or raids by federal agents against the country's independent media outlets. The shocker came in the last seconds of the seven o'clock newscast: Vladimir Gusinsky had been arrested.

It wasn't just any arrest, as the West would soon find out when the news quickly came to dominate all dispatches from Russia. Gusinsky was the founder of NTV television, Russia's most respected and only independent channel. The station had shot to prominence during Russia's first Chechen war in 1994-1996, swaying public opinion with its brave reporting of the gory campaign by contradicting optimistic official statements and statistics.

While NTV's early stories testified to Russia's new climate of openness, the channel had come under fire from an irate Kremlin for its less-than-friendly coverage in the months leading up to Gusinsky's brief arrest, which was seen as a draconian crackdown on free speech. Western media, especially eager to show Russia in its most-reduced terms, chiefly picked up this line of reasoning to explain the arrest.

The NTV issue is somewhat more complicated than may seem at first, however. It also illustrates the heart of what's unique about Russian media. For one, NTV's reportage isn't a paradigm of objective journalism — far from it. Indeed, the channel has viciously attacked politicians and other figures opposed to Gusinsky. In the run-up to parliamentary elections last December, the local media's war of words became so absurd and vitriolic I switched it off, unable to bear television any longer. And all the while, NTV was also vigorously supporting Russia's second war in Chechnya, which was — and is — more brutal than the first.

More important, while Gusinsky's recent arrest indeed showed the sorry state of relations between Russian journalism and the authorities, the action was not expressly directed at stifling free speech. Rather, it came as part of a political and economic clan-turf war — to which issues such as Soviet-style censorship are largely irrelevant. It went toward showing that the press, dominated by battles between the country's powerful media magnates and their political allies, has essentially been swallowed by its owners. Cash-flows, not Kremlin dictates, color editorial lines, and they have quashed most attempts at objectivity in Russian reporting. In turn, that has serious ramifications on the functioning of so-called democracy in the country. How can an electorate make informed decisions on blatantly biased press coverage?

To understand where the press comes in to the country's political life — and



The Russian press doesn't suffer from its communist-era woes, in which each newspaper printed the same story. Now there are two sides to every story — half the major papers report one; half, the other.

why the media function the way they do — one must also have an inkling of how the country's overarching system of influence and power works. Perhaps it was a lack of that understanding that led many commentators to rejoice after Putin's election last March. (Or was it simply a result of rationalizing bad news?) Optimists said the new president would benefit Russia's political and economic mire by boosting central power and thereby the state's ability to crack down on crime and corruption.

So far, rather, the opposite seems to be true. The atmosphere in the capital is as tense as ever. Ratcheting up central authority seems to have meant boosting the arbitrary power of those with any official position. Police on the streets are as gruff as ever. The fleets of shady-looking, tinted-window Mercedes cruising Moscow's streets seem break to more traffic rules than even a few month before, cutting off the hordes of plebes driving their minuscule Ladas. Even the fact that Gusinsky was released three days after his arrest has been seen as weakness on the part of the government, and testament to the perception that the state — like its press — is hostage to the wealth and influence of robber-barons.

The Gusinsky Affair

Vladimir Gusinsky, a former theater director, began his business career last decade by founding Most Bank, which, while never one of Russia's largest or most powerful, gave him enough leverage to expand into other areas. Chief among them was the country's nascent independent media, which gave him a high degree of influence. Once con-

sidered by many to be the country's most powerful businessman "oligarch," Gusinsky was able to consolidate his business empire by supporting Moscow Mayor Yuri Luzhkov. The mayor, in turn, sent Gusinsky a large number of city contracts and helped out in other ways, for instance, by donating real estate to Gusinsky's growing interests. In addition to starting NTV, Gusinsky owns a number of other media outlets, such as the respected Segodnya newspaper, which he founded, and Radio Echo Moscow, which he bought.

No stranger to highly profitable insider deals, Gusinsky has in recent months been portrayed by some — mainly NTV's own correspondents — as a standard-bearer for individuals' rights. All the more so after his arrest in June, when Gusinsky was sent for a three-day stay in notorious Butyrskaya Prison, a particularly unpleasant 18th-century lockup structure.

Gusinsky's detainment followed a year of nasty relations between the Kremlin and NTV, marked by critical news coverage of the president and his men. Federal agents raided the offices of Gusinsky's Media-Most holding company last May, when journalists and free-speech activists cried out against what they saw as a crackdown by the Kremlin on free speech. Those behind Gusinsky's June arrest could therefore have had no illusions about the response Gusinsky's arrest would provoke — regardless of its merit.

After keeping the public waiting for several days following the arrest, the Prosecutor General's Office accused

Gusinsky of having swindled the state out of at least \$10 million. Media-Most spokesman Dmitry Ostalsky, however, said the action was actually aimed at intimidation. "What we feared so much has happened. The authorities have switched to direct repressions against the leaders of independent media."

Sergei Markov, director of the Center for Political Studies, is one of those who warns that the issue is not so simple. "Free speech is indeed under great threat from the authorities, and Media-Most likes to present itself as the last stand for that freedom, but that's not always the case," he said. "In fact, NTV scrambles to carry out whatever Gusinsky says. Pluralism doesn't necessarily mean free speech."

Prosecutors dropped all charges against Gusinsky in July as suddenly as the tycoon had been arrested, making the "legal process" even more transparent as a political tool. The media magnate immediately hopped on a plane and joined his family in Spain.

Media-Most's publicists and lawyers, who had for months been making loud accusations that the Kremlin was striking down free speech, became suddenly and mysteriously silent after the arrest. That led observers to speculate that Gusinsky had struck a deal with the Kremlin. Rumors flew that Gusinsky's deal to secure his "pardoning" involved the sale of NTV to hands more friendly to the Kremlin. Then, unsurprisingly, came reports that NTV's largest creditor and financial partner, Gazprom-Media, a wing of the state-owned natural gas

monopoly Gazprom, was looking to acquire Media-Most.

Clan War

Gusinsky's alliance with Luzhkov had served the media magnate well when the mayor's fortunes were on the rise. By the end of 1998, Luzhkov's power, built on a tightly-controlled capitalist boom in Moscow, was at its apex, and he was widely expected to become the country's next president. In the run-up to parliamentary elections in December, 1999, Gusinsky's NTV waged a bitter battle to help Luzhkov by smearing Yeltsin and his advisers in the Kremlin, thereby losing a large amount of the credibility the channel had gained when it earned its wings by aggressively reporting the first Chechen war.

NTV also failed to report the murders by Yugoslav military of Kosovo Albanians in 1999. The channel largely ignored the plight of Albanian refugees while documenting in detail almost every Serbian casualty of NATO bombing. When Moscow began its campaign in Chechnya later that year, NTV's reporters trumpeted that cause, reporting from the top of armored personnel carriers converging on the capital Grozny, saying that a quick end to the war would be inevitable. That came as a society-wide wave of nationalism spread through Russia, sending the hawkish Putin's public popularity ratings soaring.

Meanwhile, in a dramatic change of fortune due largely to the success of the pro-Kremlin Unity Party in parliamentary elections last December, Luzhkov's Fatherland political



movement floundered, and the mayor lost his political standing. Relegated to second-tier status, Luzhkov could no longer offer Gusinsky political protection, and the media baron became wide open to attacks from his political enemies. At roughly the same time, NTV changed its tune on Chechnya, adopting its previously critical stance, which angered Kremlin insiders.

Chief among Gusinsky's opponents was rival oligarch and media baron Boris Berezovsky, considered then to have been one of the Kremlin's most influential men. Berezovsky also built a media empire of his own, buying stakes in newspapers such as the Communist-era *Izvestiya* and *Kommersant*, Russia's most respected newspaper, founded last decade. More important, Berezovsky bought into ORT television, the country's most popular channel. The tycoon has made no secret that the officially state-controlled station follows his line. In late June, Berezovsky consolidated his position at ORT further, pushing through the appointments of six members of the station's 11-member board of directors, one of whom is his own daughter.

Another member of the board is Sergei Dorenko, an ORT anchorman. Widely seen as Berezovsky's man, the gruff-voiced presenter shamelessly skewered Luzhkov and his allies on air last year, accusing them of corruption, embezzlement, links to Scientology and even murder. That kind of influence with the public proved crucial to the desperate crew of ailing Boris Yeltsin's sinking ship last year, when it seemed the president and his followers were doomed to lose control of the Kremlin. Using his media outlets to out-smear his political allies' rivals, Berezovsky helped the besieged Kremlin to its previously unexpected victory in parliamentary elections last December when the infant Unity Party snapped up a large percent of the vote.

Even the existence of the party itself largely owes its existence to Berezovsky, who spent several months last year traveling throughout the country's regions drumming up support from Russia's governors. Following the parliamentary victory, Berezovsky helped engineer Putin's tapping as Yeltsin's heir on the back of the popular war in Chechnya. It was a massive coup, dramatically altering what seemed to have been an inevitable end to those with interests tied to Yeltsin's presidency.

After Putin's election, Berezovsky and his representatives in the corridors of power lost no time in using Gusinsky's situation to their advantage. At the time of Gusinsky's arrest, Putin was in Madrid on a week-long for-



The offices of Izvestiya newspaper on central Tverskaya Street. The paper, a communist-era standby, is now controlled by Boris Berezovsky.

eign trip, and said that he had not been aware the arrest would take place. While some analysts have said the arrest is a sign of Putin's draconian policies, it is hard to imagine that the president would want to put himself in an awkward position abroad at the precise moment his chief task was to present Russia as an open, law-abiding state interested in protecting individuals' (and investors') rights.

Berezovsky blamed the arrest on Gusinsky himself. "He became the victim of the machine that he set in motion," he said in an interview with *Vedomosti* newspaper. "We have known for a long time that the Most group has tried to pressure its competitors using law enforcement agencies. This, of course, does not mean that others did not do this, but Most was the leader."

Ironically, Gusinsky also blamed himself. During the presidential campaign of 1996, rival financial oligarchs threw their lots together to support Yeltsin's candidacy against Communist Party boss Gennady Zyuganov. Luzhkov's Moscow fiefdom, and with it Gusinsky's NTV, were chief among Yeltsin's supporters then. Gusinsky has since said that Russia's oligarchs — who contributed huge amounts of cash to the campaign together with support by their media — felt they had at that moment bought the country's politicians once and for all. It was soon after, in 1997, that Berezovsky coined the term "oligarch" in an infamous interview with *The Financial Times*, in which he said he and six other individuals controlled over 50 percent of the country's gross domestic product.

Russian Reporting

At most, Russia can boast of two truly independent

national newspapers. One is *Novaya Gazeta*, the other *Vremya Novostei*, both run by editors and journalists. Their subscription rates, however, fall far below those of papers such as *Izvestiya* and *Kommersant*. Other independent publications distributed in Moscow, such as the English-language daily *Moscow Times*, *Vedomosti* — published by the *Wall Street Journal*, *The Financial Times* and *Moscow Times's* Independent Media group — and the weekly magazine *Itogi*, published in cooperation with *Newsweek*, are run by foreigners. All of the rest of the country's homespun mainstream press is largely split into two camps, Gusinsky's and Berezovsky's. Regional media, meanwhile, are often heavily controlled or funded by local governments.

The same dynamic also largely applies to television. Of the six national television channels, ORT and TV-6 are Berezovsky-controlled. NTV, of course, is Gusinsky's. TV-Center was set up during the 1996 presidential election by Luzhkov supporters, who said the mayor wasn't receiving enough television coverage. State-run Russian Television, or RTR, follows the government's line and differs from ORT only in its more subtle tone. Before NTV's founding, RTR had been considered Russia's best channel, and stood out for its bold reporting in the early 1990s, when it was on the front line in the battle against Soviet rule. All that has changed, of course.

The heady days in which journalists could say what they wanted are gone. No longer do optimistic young reporters rip into their subject matter with candor and enthusiasm. Russian journalists have become much more cynical. To some degree, that is inevitable. Most of the country's important political battles are fought by Gusinskys and Berezovsky behind the scenes, necessitating speculation. In a certain sense, if Russian reporters wrote only about confirmed fact, there would be very little news indeed.

But the speculation wars have reached fevered pitch at times, and articles on the whole are unbalanced, usually lack supporting evidence and predictably lambaste the opposing side.

During a foreign correspondents' lunch I attended in August with German Gref, Minister for Economic Development and Trade — and one of Putin's chief advisers who headed the think-tank that came up with the government's economic plan — the youthful minister suddenly launched into an attack on the Russian press. Unlike most tirades by public figures against the media, this one was heartfelt — and seemingly justified.

"Newspapers are paid to write stories against me and others!" he said, trying hard to moderate his voice. Gref named Berezovsky's *Nezavisimaya Gazeta* as one example. "I'm for strengthening citizens' rights to defend themselves from rumors and lies."

While it is impossible in this space to give examples of each newspaper's and television channel's style, one ex-

ample — of an article in the previously fiercely independent *Kommersant* — gives a sense of the entire state of Russian journalism.

Last June, Berezovsky's *Kommersant* wrote about an agreement by two obscure Swiss companies to donate around \$500 million to the Moscow city administration for the improvement of medical facilities. The deal seemed dubious enough, to be sure, but *Kommersant* immediately began its article with unsubstantiated accusations of corruption.

The story came out of a brief report by the local Interfax news agency stating that Luzhkov had signed an agreement with Terra Humana foundation and Treuhand AG Zurich under which the two companies were due to provide the capital for medical equipment and building and reconstruction work at four medical establishments. The front-page article in *Kommersant* alleged the agreement was anything but transparent and most likely a case of money-laundering. "It's a grandiose event. And the sum is also grandiose — even for the capital," the paper said. "It's possible to say with a high degree of certainty that the mayor was caught up with dubious businessmen and will probably not receive the money."

No proof of those claims exists. City officials confirmed the agreement was signed, but evaded questions about details and would not say which city department was handling the matter. "Officially, we don't know anything about it," Igor Lebedev, adviser to city Finance Minister Yury Korostylov, told me when I called him, adding that the finance department does not have a signed copy of the agreement.

Kommersant went on to say the cost of the projects outlined in the agreement would come to no more than \$35 million, much less than the agreement's \$500 million. The paper also reported that the city's medical authorities knew nothing of the agreement, nor did they know of any other agreements about hospital reconstruction. A search for one of the companies brought up Finanz-Treuhand AG Zurich on a Swiss Internet corporate registry. *Kommersant* reported that the company's owner was Fritz Leibundgut and said he was also the company's commercial director, marketing director and director of technical development. The company office was reported not having its own telephone or fax numbers. *Kommersant* also said Leibundgut owned or directed 17 additional small companies that listed the same address and telephone numbers. Terra Humana turned up on no corporate registry.

Dubious, to be sure. *Kommersant* opined that similar companies were usually set up for the purpose of laundering money, adding that even were that not the case this time, it was unlikely that such small entities could give Moscow \$500 million. The city administration, of course, played down the report. Mikhail Solomentsev, deputy head of the administration's press center, said a number of the country's papers are out to smear the mayor's office. "Any harmless

piece of news can be used unobjectively," he told me.

Kommersant, as I have stated, is controlled by Boris Berezovsky, and while the paper's story is justified in pointing to a shady transaction on the part of Berezovsky's enemy Luzhkov, its direct claims are not only unsubstantiated, but also trumpeted loudly in the lead paragraphs. That's no accident: in Russian journalism, the most important paragraphs, those that contain actual information — those that would come at the top of a story in the western press — almost universally come at the very end in Russian papers.

Ironically, another article in *Kommersant* on Thursday, headed "Luzhkov Rehabilitated," said Putin had decided to improve relations with the mayor, who flew to Italy with the president earlier in the month.

A Change in Society

Today's skewed reporting, sinister raids and arbitrary arrests contrast with the state of affairs only a few years ago. Gusinsky's companies have been raided more than once, most visibly in a highly publicized raid that took place in 1994, when masked commandos stormed the offices of Most-Bank. That action ended up backfiring on its main perpetrator, the head of the presidential bodyguard, Alexander Korzhakov. Outrage expressed over the raid helped turn many political and business leaders against the increasingly arrogant Korzhakov, who was sacked just days before President Boris Yeltsin won his 1996 re-election bid.

A lot has changed since then. After last May's raid on Media-Most, the State Duma's (lower house of parliament) Security Committee voted to support the action. The committee made its decision after listening to evidence from the Prosecutor General's Office to the effect that the raid was a legitimate attempt to unearth evidence that Media-Most's security services had been eavesdropping on prominent political and business leaders. Media-Most officials strongly denied the charges. They accused the commandos of breaking the law by arriving without a search warrant and then exceeding the belatedly produced document's mandate, which limited the search to a few rooms.

Back in 1994, Mayor Yury Luzhkov was especially active in defending Media-Most. He defended Gusinsky's empire this time around as well, but his political clout, as I have mentioned, has been seriously undermined. Analysts

said the Duma decision meanwhile represented a significant sign of support for the Kremlin. "It effectively gives the raid society's approval," said Sergei Markov, director of the Center of Political Studies. "Now it can't be seen as an over-the-top action on the part of the Kremlin."

The latest incidents on the part of law-enforcement agencies have been seen as part of a campaign to discourage critical and independent media outlets — and not as an isolated incident. Critics say Putin's new-found executive strength is responsible for a spate of crackdowns, the most publicized of which was the detainment of Radio Liberty reporter Andrei Babitsky by Russian forces in Chechnya earlier this year. That coincided with an Interior Ministry case against *Moskovsky Komsomolets* investigative



Russian society is not as interested in the freedom of the press as it was in the beginning of the last decade. In difficult times, people want to hear good news, and nationalistic fare — denouncing Chechens as terrorists, for example — sells better than hard reporting.

reporter Alexander Khinshtein, accused of hiding a history of psychiatric disorders when obtaining a driver's license. Khinshtein managed to avoid being committed to a psychiatric hospital — a common Soviet tactic used to silence dissidents — by going into temporary hiding.

While in the past, such actions have drawn sympathy from the population, today, they elicit only boredom. "In 1994, it was characteristic of Russian society to be more interested in openness and honesty in the press," said Yevgenia Sneshkina, program coordinator at the Glasnost Defense Foundation, a free-press advocacy organization. "Now only a few groups are concerned that freedom of the press is increasingly violated."

The makeup of the Duma — heavily stacked in the

Kremlin's favor thanks to the Unity Party's seats — is another major new factor on the Kremlin's side. Before last December's elections, the legislature was dominated by the Communist Party, which bitterly fought against every one of the Kremlin's initiatives, and even successfully pushed for a vote of impeachment against Yeltsin in the spring of 1999. "The current Duma situation significantly complicates the media's situation," Sneshkina said. "In 1994, the Duma opposed the president. Now, it has been elected to support him."

The Center for Political Studies' Markov said a further factor was the Kremlin's newfound unity. "In 1994, liberal advisers surrounding the president saw Media-Most as a possible ally in the [1996 presidential] elections," he said. "Now, the Kremlin's stance [against the media holding company] is unified."

The Protestors

While journalists, editors and others protest over the perceived threat to free speech, their numbers remain small. About 2,000 people rallied in defense of free speech in Moscow last May in the wake of the raid on Media-Most. The group included liberal politicians and human-rights advocates as well as journalists who addressed the crowd. Copies of a special, emergency edition of *Obschchaya Gazeta* (Joint Newspaper) were distributed.

In a tradition that began during a crackdown on the press in 1991, newspapers and other media have come together to produce *Obschchaya Gazeta* at times when they fear a threat to freedom of the press. May's issue, sponsored by 62 newspapers and other media organizations, was the second this year. In February, 30 organizations joined forces to produce an issue in defense of Radio Liberty reporter Babitsky, who was arrested in Chechnya and then traded to masked men.

"It seems that under Putin, we've started to get together too often," the editors of May's four-page issue warned on the front page. The speakers at the rally on Pushkin Square said the Media-Most raid was part of a pattern of attacks on the independent media.

"It's become hard for journalists to breathe," *Moskovsky Komsomolets* editor Pavel Gusev said during the protest. "The government is doing everything to divide our ranks, break us up into different groups — those close to the government and those not close."

"A lot of people we call colleagues have become cowards," NTV director and anchor Yevgeny Kiselyov told the crowd. Kiselyov is considered Russia's most respected and influential journalist.

Leading liberal Duma deputies also turned out to show their support for NTV. "It feels like the honeymoon between the government and the people began with a rape attempt," said Deputy Speaker Boris Nemtsov of the Union of Right-Wing Forces, or SPS, a bloc of ex-reformers. Nemtsov was

joined by fellow SPS member Irina Khakamada and Yabloko leader Grigory Yavlinsky, a social-democrat. But the speaker to get the warmest response from the crowd was radical former dissident Valeria Novodvorskaya, leader of the Democratic Union, who warned of incipient fascism. She compared the Media-Most raid to Nazi Germany's Kristallnacht.

The same month, a Press Ministry official said that U.S.-funded Radio Liberty was hostile to the state and was pursuing the agenda of its foreign backers. Andrei Romanchenko, deputy press minister, told a Moscow news conference that the media law should be changed to allow licenses to be withdrawn if a foreign broadcaster takes a position hostile toward the government. Mikhail Fedotov, who was press minister in the early 1990s, said the country's leadership would not have made such assertions then, when Radio Liberty and its sister station Radio Free Europe played a major role in broadcasting into Russia and other ex-Communist nations.

"In those years when I was the press minister, the ministry could not make such pronouncements — not because we had special relations with Radio Liberty, but because such statements were anti-constitutional," he told *The Moscow Times*.

The current media minister, Mikhail Lesin, was recently named enemy number one by free press advocates for his belief that the government must be able to protect itself against media slander. In July, a delegation of free-press advocates called the Russian Press Freedom Support Group — and made up of representatives from six international free press groups — said a pattern of intimidation and pressure "cast doubts" on Putin's stated intention to protect freedom of the press. "There are not truly free and independent media in Russia," the delegation's statement said.

Telephone Tapping

Problems at Media-Most and the media in general represent only a few instances of the Kremlin's crackdown on Berezovsky rivals, however. In July, government commandos raided Uneximbank chief Vladimir Potanin's crown-jewel firm, Norilsk Nickel, before the Prosecutor General's Office asked Potanin to pay the government \$140 million to make up for what it called the metal producer's undervalued privatization. Vagit Alekperov, head of top oil producer LUKoil, came under tax-evasion accusations, as did the management of AvtoVAZ, Russia's largest car producer. The Tyumen Oil Company, which is controlled by former Finance Minister Pyotr Aven's powerful Alfa Bank, also suffered a raid. Yet another foray was made against Samaraenergo, an electricity-grid operator in the Samara region south of Moscow. The company's director is closely allied with former privatization minister and reformer icon Anatoly Chubais, now head of the national power company UES. A top Kremlin strategist to this day, Chubais is another bitter Berezovsky foe.

The fact that the General Prosecutor's Office raided

Media-Most's so-called security service last May is another hint at how the battles between oligarchic groups are waged. That Media-Most, like most high-profile Russian companies, has a large security operation is not necessarily telling. Gusinsky has received numerous death threats and has been forced to leave the country when he feared for his life. To rely on a corrupt police force for protection would be silly. But companies' security operations are more than for simple protection. They provide protection in a larger sense: they function as the KGB did during the last several decades of the Soviet Union.

In the 1970s and 1980s, the Soviet economic system had become so bloated with privilege-seeking bureaucracy, and so depleted by such wholesale exploitation of the state's resources, that in order for it to continue to exist, all of society had to become corrupt. Reform was impossible because the Brezhnev leadership had come to power promising stability for the nomenklatura, kicking the reforming Khrushchev out of the Kremlin in the process. Instead of cracking down on corruption, the state tacitly allowed for its own form of trickle-down economics. Store clerks could steal and trade the items under their jurisdiction such as, say, cigarettes, to exchange for items they couldn't simply buy, such as car tires. The corruption that had existed at the top of the system spread all the way down, lubricating the wheels of the economy.

Lording over the process was the KGB, which kept tabs on almost everyone. As long as corruption didn't spread past certain accepted limits, there was no problem. Action took place when those accepted bounds were crossed.

Enter today's private-security services, which also tap telephones and keep tabs on anyone posing a threat to their turf. Each business empire is in a sense its own mini-state, with its own organs seeing to it that each rival plays by the rules. Often it is the very men who ran the KGB who now work for private companies, and have taken part in their own kind of "privatization" of the former secret police.

In early July, a Russian Internet site of a journalists' organization published almost 600 files containing transcripts of telephone conversations, pager messages, results of "surveillance" and "operations reports" on hundreds of Russian politicians, businessmen, journalists, actors, public figures and criminals. The files contain not only material gathered by private-security services but also from the regional administration for combating organized crime, the Federal Security Service directorate for Moscow and Moscow Region, and the Moscow City Hall analysis center.

The Website's editor, Sergey Sokolov, said his office bought the database in May. Transcripts include telephone conversations by former Privatization Minister Alfred Kokh, Moscow Mayor Luzhkov; Uneximbank chief Potanin, Berezovsky and many others, including prominent journalists, actors and politicians. The transcripts date from the early 1990s to 1998. Sokolov said the database "ap-

peared in Moscow" at the end of 1998 and was offered for sale for \$50,000 — apparently by laid-off secret-service agents hoping to make a buck in the wake of that year's financial collapse.

How the transcripts really came to light will most likely remain a mystery, as will definitive proof of their authenticity. Regardless, they make for convincing reading. Transcripts of Berezovsky's conversations, for example, contain an insider's who's who of Russian politics and finance — precisely the type of dirty laundry the heads of the country's oligarchic groups don't want exposed to the public. In the transcripts, they are described as making many of the major decisions presented to the public as made by the presidential administration.

Especially interesting is the manner in which decisions are made. When Berezovsky complains in the transcripts, he does it by saying "people don't play by the rules." And he does not usually mean politicians, but other oligarchs. Those rules, of course, are the mafia-style conspiratorial parameters governing the country's oligarchic system of governance.

One excerpt must suffice in this space — from a telephone conversation between Berezovsky and Tatyana Dyachenko, Yeltsin's daughter and chief adviser, said to have held the most influence of the former president during his later years in office. The conversation is said to have taken place on April 23, 1998. The topic is new customs and tax regulations:

Dyachenko: Boris Abramovich [Berezovsky], the important thing is that you all meet there and that there will be some kind of rules, so that there is normal competition.

Berezovsky: Absolutely true. Tanya, to this point, things were slowly reaching a normal situation. We met for the first time three years ago. That was a meeting when [Uneximbank President Vladimir] Potanin didn't even exist on the market. In fact, he's the only one who doesn't play by the rules, if we must talk of it that way. There aren't others who don't play by the rules. Regarding [Privatization Minister Alfred] Kokh, then I can tell you, Tanya, he has to go. I told [First Deputy Prime Minister] Anatoly Borisovich Chubais: "Kokh must leave. That's not right." Anatoly Borisovich did say that the decision had been made, but it would take some time. Let it take some time...

About tax reform:

Berezovsky: ...Tanya, I spoke to [First Deputy Prime Minister Boris] Borya Nemtsov on that topic, and when he began his idiotic jokes about tax declarations, everything looks funny. Everything just looks funny. I told Borya: "Borya, before doing anything, there has to be a law about amnestying the

first stage of capital collection." A line has to be drawn, after which everything must begin, because until a line is drawn, everyone's a crook. I can tell you confidently that no one will fill out a tax declaration honestly, except the president, of course.

Dyachenko: We filled it out properly.

The transcripts reinforce the common perception that it has been people like Berezovsky, who, acting in their informal capacities, have had a massive amount of influence on the way the country is ruled. In that high-stakes game, private security forces able to tap telephone lines and retrieve vital information are key for staying in the game.

Political Swings

As recently as 1998, the tables were turned against Berezovsky. It was then that Communist-allied Yevgeny Primakov sat in the prime minister's seat, a direct political result of the country's ruinous economic collapse in August of that year, after which Yeltsin's Kremlin lost much of its political clout. The Primakov-led government approved a number of raids of its own — against a number of companies connected to Berezovsky.

Primakov — who for many months ranked at the top of public-popularity ratings — was also touted as a pos-

sible presidential candidate. His mistake, as was Luzhkov's, was to stake out his ground too soon. That does not mean he made a single coherent statement on political or economic policy, which have little to do with jockeying for power in Russia. Rather, he violated the chief rule for a potential ruler of Russia's clan-based political system: he made enemies.

In April 1999, Luzhkov came out hard against the Kremlin, criticizing it for corruption and ineffectuality. His ratings plummeted soon after. Primakov joined Luzhkov's political movement at the height of his own popularity, in August of the same year. While he attempted to retain his consensus-building popularity, Primakov's close alignment with Luzhkov against the Kremlin was enough to sink his ratings. It was precisely at that time that Putin — with hard-line statements in support of Moscow's second campaign in Chechnya — rose to the top of the ratings.

The president has been careful to avoid the mistakes of his would-be rivals. His statements have remained vague, and his rhetoric essentially does not move beyond calls for restoring Russia's status as a great power, cracking down on corruption and boosting the economy. That is to say, Putin is not the authoritarian ruler many set him out to be. Rather, he presents the appearance of a strong leader to obscure the actions of such power brokers as Berezovsky and other members of the unofficial Kremlin inner circle.



Who is really in control behind the Kremlin walls? That's a guessing game fueled in large part by speculation in the Russian media.

That has been Putin's secret for success, of which the chief benefactors seem to have been those very members of the Kremlin family who looked doomed before Putin came onto the scene.

It is no mistake that accusations and investigations against Berezovsky that cropped up during Primakov's tenure have since been stifled. Berezovsky, it seems, is having his revenge. All of which supports the interpretation of present-day Russian politics as an ongoing turf war between rival oligarchic groups. Raids on NTV as well as Gusinsky's arrest come as part of the battle. While they reflect on the sorry state of Russian media, they do not represent a direct crackdown by Putin on free speech.

At the same time, the closed nature of Russian politics also contributes to the erosion of press integrity since journalists have to speculate when interpreting daily events

involving the country's major politicians. That reinforces an atmosphere in which media are used for volleys of accusations and recriminations between rival political and business groups.

It is perhaps needless to say that at a time in which an aggressive, independent press corps is most needed in Russia — when its nascent democratic processes and institutions are at their weakest — the country has the opposite. As a result, the electorate is not properly informed and cannot make reasoned choices. That, in turn, contributes to continued manipulation by those controlling the press — the oligarchs and bureaucrats who stand behind the face of state power. It is no accident that Berezovsky's media neither criticize the government nor are penalized, like Gusinsky's holdings. For it is the country's oligarchs, not Putin himself, who benefit when crackdowns against the media take place. □

INSTITUTE OF CURRENT WORLD AFFAIRS

Fellows and their Activities

EUROPE/RUSSIA

Gregory Feifer—Russia

With fluent Russian and a Master's from Harvard, Gregory worked in Moscow as political editor for *Agence France-Presse* and the weekly *Russia Journal* in 1998-9. Greg sees Russia's latest failures at economic and political reform as a continuation of failed attempts at Westernization that began with Peter the Great — failures that a long succession of behind-the-scenes elites have used to run Russia behind a mythic facade of "strong rulers" for centuries. He plans to assess the continuation of these cultural underpinnings of Russian governance in the wake of the Gorbachev/Yeltsin succession.

Whitney Mason—Turkey

A freelance print and television journalist, Whit began his career by founding a newspaper called *The Siberian Review* in Novosibirsk in 1991, then worked as an editor of the Vladivostok News and wrote for *Asiaweek* magazine in Hong Kong. In 1995 he switched to radio- and video-journalism, working in Bosnia and Korea for CBS. As an ICWA Fellow, he is studying and writing about Turkey's role as nexus between East and West, and between traditional and secular Islam.

Jean Benoît Nadeau—France

A French-Canadian journalist and playwright, Jean Benoît studied drama at the National Theater School in Montreal, then received a B.A. from McGill University in Political Science and History. The holder of several Canadian magazine and investigative-journalism awards, he is spending his ICWA-fellowship years in France studying "the resistance of the French to the trend of economic and cultural globalization."

SOUTH ASIA

Shelly Renae Browning—Australia

A surgeon specializing in ears and hearing, Dr. Browning is studying the approaches of traditional healers among the Aborigines of Australia and the indigenous peoples of Vanuatu to hearing loss and ear problems. She won her B.S. in Chemistry at the University of the South, studied physician/patient relationships in China and Australia on a Thomas J. Watson Fellowship and won her M.D. at Emory University in Atlanta. Before her ICWA fellowship, she was a Fellow in Skull-Base Surgery in Montreal at McGill University's Department of Otolaryngology.

THE AMERICAS

Wendy Call—Mexico

A "Healthy Societies" Fellow, Wendy is spending two years in Mexico's Isthmus of Tehuantepec, immersed in contradictory trends: an attempt to industrialize and "develop" land along a proposed Caribbean-to-Pacific containerized railway, and the desire of indigenous peoples to preserve their way of life and some of Mexico's last remaining old-growth forests. With a B.A. in Biology from Oberlin, Wendy has worked as a communications coordinator for Grassroots International and national campaign director for Infact, a corporate accountability organization.

Peter Keller—Chile

Public affairs officer at Redwood National Park and a park planner at Yosemite National Park before his fellowship, Peter holds a B.S. in Recreation Resource Management from the University of Montana and a Masters in Environmental Law from the Vermont Law School. As a John Miller Musser Memorial Forest & Society Fellow, he is spending two years in Chile and Argentina comparing the operations of parks and forest reserves controlled by the Chilean and Argentine governments to those controlled by private persons and non-governmental organizations.

Susan Sterner—Brazil

A staff photographer for the Associated Press in Los Angeles, Susan received her B.A. in International Studies and Cultural Anthropology at Emory University and a Master's in Latin American Studies at Vanderbilt. AP gave her a wide-ranging beat, with assignments in Haiti, Mexico and along the U.S.-Mexican border. Her fellowship topic: the lives and status of Brazilian women.

Tyrone Turner—Brazil

A photojournalist (Black Star) whose work has appeared in many U.S. newspapers and magazines, Tyrone holds a Master's degree in Government and Latin American politics from Georgetown University and has produced photo-essays on youth violence in New Orleans, genocide in Rwanda and mining in Indonesia. As an Institute Fellow he is photographing and writing about Brazilian youth from São Paulo in the industrial South to Recife and Salvador in the Northeast.

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