

Not with tanks but money

Russia divides the German media landscape

The question of what to think of Putin's Russia causes a great rift between true believers in capital and business on the one hand, and skeptics and investigative journalists on the other. It is hotly debated in the media and potentially highly explosive in its outcome.

"Putin is the red godfather. He plays a decisive role in the criminal structures, that is at the top levels of the financial transactions by white-collar crime." Jürgen Roth, Mafia expert

By far the most important protagonist in the debate, Russia's President Vladimir Putin, has an unambiguous opinion on the matter: "Russians do not arrive with Kalashnikovs and tanks but with money." He is irrefutably right on that one. After all, in the case of the murdered journalist Anna Politkovskaya, the murder weapon was not a Kalaschnikov, but a Russian Makarov military pistol. And Russian tanks from the NVA contingents (Nationale Volksarmee, former East German army) are still sitting in Germany anyway.

Russian oligarchs would bring additional money into the country, if only one would let them. And they not only come to Germany, German businesses are also going to them: For risk seeking entrepreneurs, in the issue of November 22nd, 2006, the **Frankfurter Allgemeine Zeitung** attributed half a page to Russian business practices and even called for a better understanding between the two people: The negative image of the Russian way of business or corporate culture "was doing less and less justice to reality". This was typical of the German media coverage on Russia in 2006: The country's image is changing slowly but steadily. Media Tenor's analyses confirm

this not only in isolated cases, but reveal a clear trend. The result is a report on changes of minds, delusions and media schizophrenia.

Russian episode

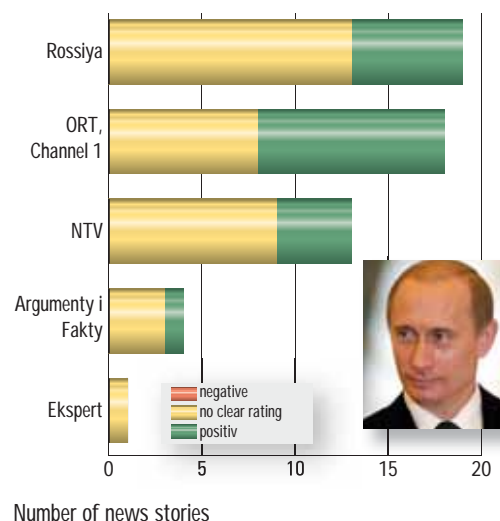
March 2006: The editor in chief of this research journal is denied a visa for St. Petersburg, because he is not primarily an entrepreneur, but a publisher and journalist. There is a lot of talk about dependence and corruption within the Russian media, and about the lack of press freedom. Media Tenor wants clear analyses on this issue and had therefore opened its own office with 12 employees in St. Petersburg six months before. It is difficult to do quality control from afar. This is why regular visits, as in the case of the other Media Tenor offices, are necessary. Yet publishers and journalists are not allowed to travel to Russia so simply. They are not welcome. In the end, the Russian authorities could be convinced that it wasn't the publisher but the entrepreneur who wished to come. The latter are welcome, and so he received his visa. Meanwhile the first media content analysis data are confirming that there is no meaningful press freedom in Russia (graph 1).

Russia is not the Germans' darling, and never was since the end of the Second World War. For the West the Soviet Union was the enemy, and for East Germans the unloved "big brother". In the East, in particular, the Russian's image under the surface remained that of an occupying force, dismantling whole factories after the war and taking them to Russia. After

Schizophrenic (graph to the right):

In media coverage, the political apparatus in Russia appears to be separate from its main protagonist and most important messenger.

1) Coverage on Vladimir Putin on Russian TV

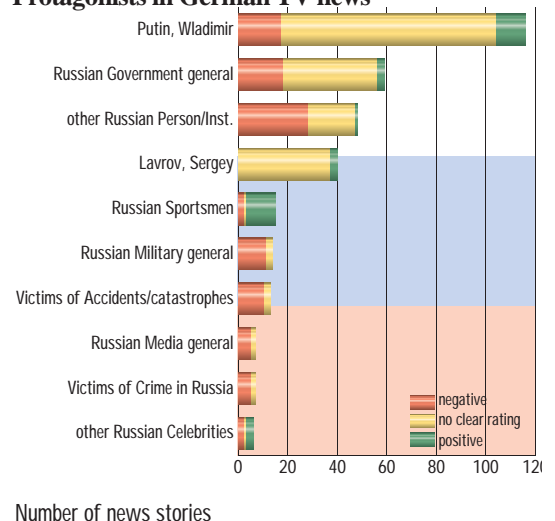


Number of news stories

Source: Media Tenor
02/01 – 02/28/2006

Basis: overall 2.500 stories in 5 media,
55 on Putin

2) Presence & assessment of Russian Protagonists in German TV news



Number of news stories

Source: Media Tenor
01/01 – 10/31/2006

Basis: overall 325 stories on these actors
in 14 media (not: companies)

the foundation of the GDR, despite all propaganda, it kept its presence with restrictions and barracks. With Perestroika and the cult around Gorbachev, opinions started to change without ever making it all the way towards acceptance: Gorbachev had made German reunification possible, but while its problems were becoming obvious, his star began to sink. Gorbachev's successor Boris Yeltsin contributed little to counteract the clichés that prevailed in Germany.

The “red godfather”

And now Vladimir Putin: Self-declared democrat, Schröder-buddy, a promoter of a free market economy. Russia is opening its market and, above all, it exports energy and money. In times of a permanent Middle East crisis and a “good old Europe” that intends to emancipate itself from the US at all costs, the lure could not be any greater.

The other side consists of information on human rights violations, Mafia-like structures and shady connections between the state, businesses and organized crime, as well as rough methods even in the context of legal economic connections. The Russian President continues to appear in the focus of many allegations.

“Putin is the red godfather. He plays a decisive role in the criminal structures, that is at the top levels of the financial transactions by white-collar crime.” This is what Mafia expert Jürgen Roth says and writes in his books, which are generally recognized for their in-depth research. “The gangsters from the East” de-

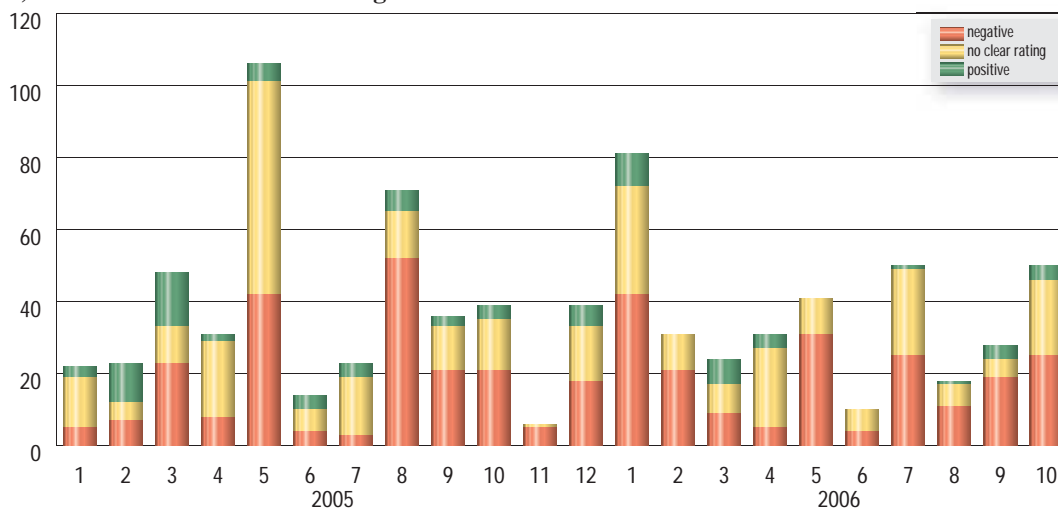
scribes how organized crime, state bureaucracy and the secret service are intertwined in Russia. The media analysis shows that the German media are more reserved, at least when it comes to Putin (**graph 2**). On balance, assessments of him are negative, but far less critical than those of the military, media system or his government.

This is the first part of the schizophrenia. After all, the Russian President is more of an autocrat than a constitutional monarch. The former German Chancellor Gerhard Schröder actively supports his PR work, and Foreign Minister Sergej Lavrov or Russian athletes do the rest. It is a change of mind that separates Russian politicians from their politics and thus becomes a delusion, because in total, German journalists do not approve of what happens in Russia: Since the beginning of 2005, the country's media image has not been positive in a single month (**graph 3**).

Yet Putin has no reason to complain – after all, German TV journalists cover his actions or lack of them from a much more friendly perspective than those of his US colleague: What would have happened to George W. Bush if, subsequent to a press conference, he had said into an open microphone what Putin did to the Israeli delegation: “Say hi to your president. He turned out to be quite a powerful person! He raped ten women! We're all amazed. We all envy him!” The **FAZ** reported on this scandal, while for German TV journalists, it was not worth mentioning – comparable to the media loyal to Putin

“Murder, threats, blackmailing. Who picks a fight with Russians, must be prepared for anything. On occasion an investigative journalist is shot, a banker gunned down or a regime critic poisoned.” Focus, 27.11.2006

3) Presence & assessments with regard to Russia in German TV news



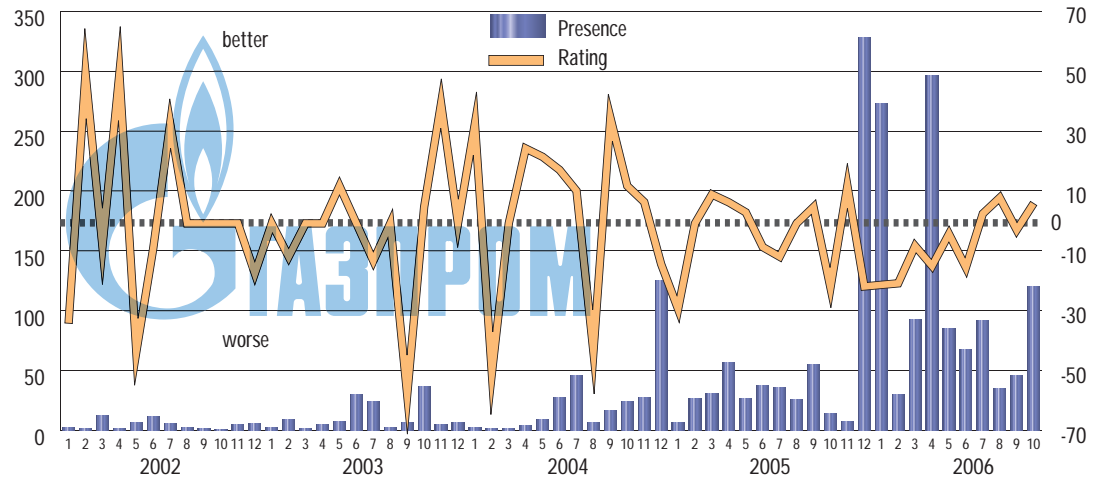
Number of news stories

Source: Media Tenor
01.01.2005 – 31.10.2006

Basis: 822 stories on Russia
in 7 TV news



4) Presence and assessment of Gazprom in German media



“The image that is painted of Russian business practices or Russian corporate culture exclusively with the negative examples mentioned is not only incomplete, but also lopsided.”
FAZ, 11/22/2006

Number of news stories; balance of the shares of positive and negative assessments

Source: Media Tenor 01/01/2002 – 10/31/2006 Basis: 2.289 stories on Russia in 17 Media

that were looking for the supposedly ironic component of this statement. Elsewhere in Western Europe it had an eye-opening effect – however, its long-term impact is uncertain.

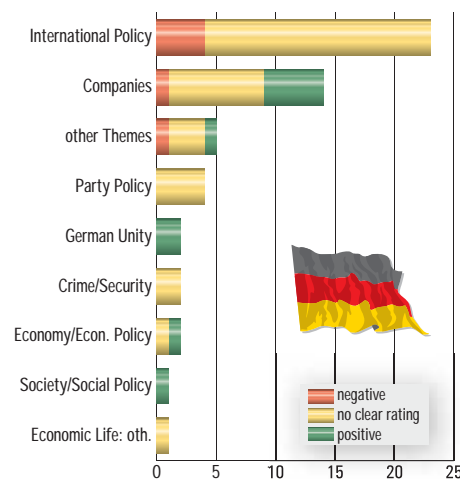
In Germany: Gas, oil and money

It seems as if journalists were looking for rationalizations that everything is not as bad as it seems. Another look at the analysis data shows: A corporation like Gazprom is poised to become the new image maker (graph 4) and is supposed to represent the flagship of a continuous development. Its investment in the German Federal Soccer League club Schalke

04 is, for the time being, the peak of Russian companies’ efforts to build a positive image in Germany. Still, the real coup was attempted with Gerhard Schröder’s appointment as chairman of the board by Nord Stream AG. Business journalists agree on the idea that Russian energy is essential for German economic growth. The few skeptics and worriers are rarely listened to. The Ukraine has had the bitter experience of what it means to be dependent on Russian oil and gas deliveries. Yet few people believe that the same thing could happen to Germans at some point – at least this is the trend reflected in media coverage and public opinion.

“When thinking of Russia, too many only see the image of the Vodka drinking oligarch and Putin as the reincarnation of Ivan the Terrible. This image is biased. The only thing that counts in the end is profit maximization, and everything must be subject to this.” Jürgen Kurz, DSW (German investor protection group), quoted in the Tagesspiegel

5) Topical structure: Russian activities in Germany



Number of news stories

Source: Media Tenor 01/01 – 10/31/2006 Basis: 54 stories on Russian protagonists with regard on Germany in 14 media

Focus on state corporations

The Russians are not exactly portrayed as the good guys, when they come as entrepreneurs. But media coverage on Russian investments in Germany still seems rather benevolent (graph 5). Business magazines or weeklies, such as the **ManagerMagazin** or **Focus**, are exceptions the rule. In its October issue the **ManagerMagazin** offers an in-depth report on the interdependence of Russian politics and businesses. The conclusion is: Along with state-loyal corporations comes the Kremlin, looking not only for lucrative investments but also influence – the case of Airbus is only one example. **Graph 6** shows that journalists mainly concentrate on the big state corporations: Gazprom, Rosneft, Severstal and others.

Coverage on these corporations is mostly negative, but even critical reports do not get to the crucial point or they get there belatedly. A **Focus** story from November 27th, 2006, gives an in-depth, mostly critical account of the actions and appearances of wealthy

Russians in Germany. Then, especially in the interviews, it strikes a more conciliatory tone and shifts the most essential under the subheading “murder, threats, blackmailing” to the last paragraph. “Who picks a fight with Russians, must be prepared for anything.” What does that mean? That it is better to go along with the game?

In Russia: Heading for new markets?

On the other hand, the German opinion leading media appear united in their conviction that the Russian market is a radical and often lawless place (graph 7). To be an entrepreneur in Russia is a tough and often risky job, not only for someone like Khodorkovsky. But even here, see the FAZ article, the tone changes. This is the second part of the schizophrenia: What is the conclusion from the realization that Russia is a dangerous place for businesses? That Russian entrepreneurs in Germany will do everything differently? That they will break their connections to their home base as soon as they are in Germany and change their business practices? This appears to be the case, because otherwise the divided media image would be difficult to explain. When it comes to investing money in Russia, the FAZ advises to “spend good money on proper and steady legal advice, in order to be able to confront such practices.” “Such practices” are cloak-and-dagger capital manipulations that eject the entrepreneur overnight.

How comforting it is to be reassured that foreign businessmen can now defend themselves against this

in Russia. The example at the beginning of that same FAZ article seems to be almost forgotten. It recalls the fate of Andrej Koslow, former Vice President of the Russian central bank. He was presumably murdered by contract killers, after he had looked too deeply into the practices of so-called Russian “pocket banks”, used for opaque money manipulations. There are good reasons to doubt that legal advice would have protected him from the fatal bullet – or Anna Politkovskaya. (sm)

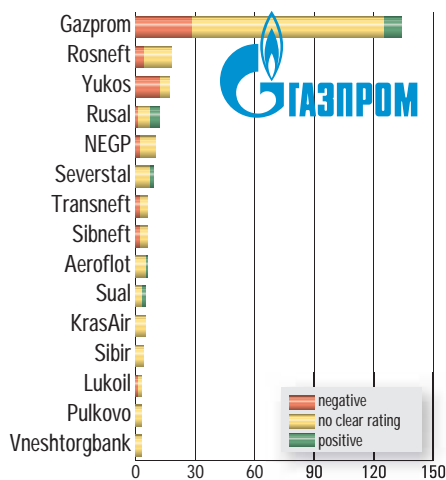
Basis:

Media: Russia: Rossiya, ORT-Channel 1, NTV, Argumenty i Fakty, Ekspert; Germany: Die Welt, Frankfurter Allgemeine Zeitung, Süddeutsche Zeitung, Frankfurter Rundschau; Focus, Spiegel; Welt am Sonntag, Bild am Sonntag, Frankfurter Allgemeine Sonntagsztg.; ARD Tagesschau und Tagesthemen, ZDF Heute und Heute Journal, RTL Aktuell, Sat.1 News, ProSieben Newstime **Period of analysis:** 01/01/2002 – 10/31/2006 **Analysis:** overall 2.500 stories in Russian media (February 2006); 822 stories with main regard to Russia in German TV news (01/2005-10/2006); 54 stories on Russian protagonists with main regard to Germany (01-10/2006); 241 stories on selected Russian companies (01-10/2006); 2.289 stories on Gazprom (01/2002 - 10/2006)

“The oligarchs have understood. They more or less knuckle under. They have come to terms with it and are now willfully embedded in Putin’s industrial policies. For the past two years, Putin has been pursuing the economic strategy of renationalization. He wants to create national champions in crucial industry sectors, which then attack on the world market – as strong competitors and potent wholesale buyers.”

ManagerMagazin, 20.10.2006

6) Russian companies in German media

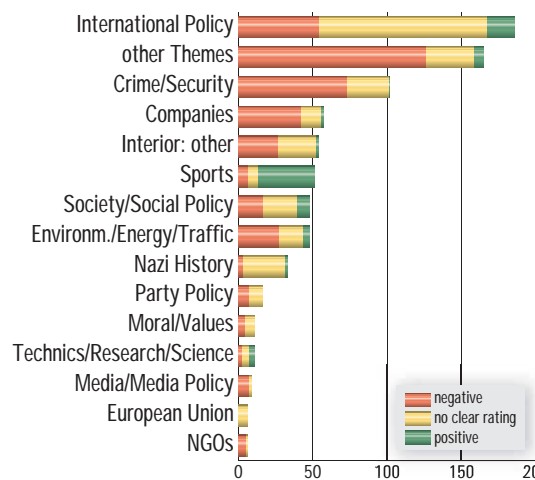


Number of news stories

Source: Media Tenor
01/01 – 10/31/2006

Basis: 241 stories on these companies
in 14 media

7) Topical structure of coverage on Russia



Number of news stories

Source: Media Tenor
01/01/2005 – 10/31/2006

Basis: overall 822 stories on Russia
in 7 TV news stories