

# Russia: No problems in "Oil-Dorado?"

## Long term analysis of the international media coverage on Russia, 2002 until 2004

Research Link:  
www.themoscowtimes.com

If there is coverage on Russia, it is mostly in connection with Chechnya: The attacks related to the conflict in Caucasia push all other issues off the agenda

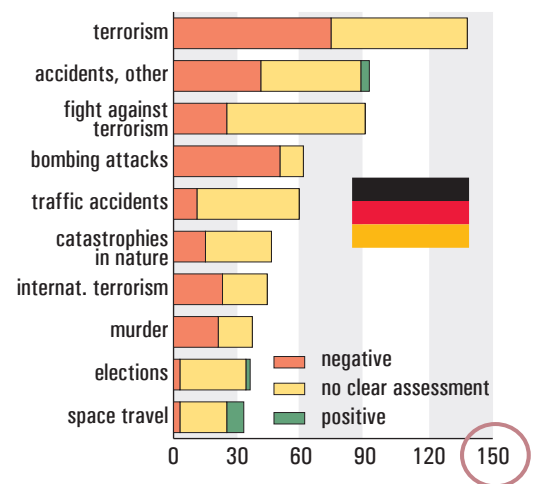
The German Finance Minister cannot simply lock up big tax debtors, as President Putin did with the oil billionaire Khodorkovsky, but thanks to Russia he has still found a new way of closing budget gaps: At the beginning of July, the Finance Minister sold the Russian Federation's outstanding debts to the German government onto institutional investors. The interest in this "emerging markets"-offering was so overwhelming that a publicity tour for potential big investors was stopped prematurely – the demand for the bond issues exceeded the offer. Despite the Yukos affair, many investors continue rely on the stability and potential for development of the Russian market, even if, for the first time since the Yeltsin era, billions of dollars in foreign capital were pulled out of Russia during the first six months of 2004. The banking crisis, the conflict in Chechnya, criminal structures in politics and business, AIDS and one million children locked up in Russian prisons obviously count less than the prospect of becoming more independent from the unstable Middle East by getting a stake in the Russian crude oil and natural gas market. But is Russia really reliable? Is it a partner for the future that is ready to reform and able to develop? Drawing back from intensive coverage, the international TV media seem to subscribe to this perspective. German financial

journalists almost entirely reduce their reporting on Russia to one and only topic: oil.

### Dependable partner of the Cold War

"Even in the darkest days of the Cold War, Russia always turned out to be a dependable partner", the **Handelsblatt** quotes Peter Presber, an expert of the Deutsche Industrie- und Handelskammer (DIHK), on July 8th. The financial paper thereby characterized the current media coverage in an involuntarily cynical way: Crude oil and natural gas

### German TV news coverage on Russia: Topical structure 2002–2004

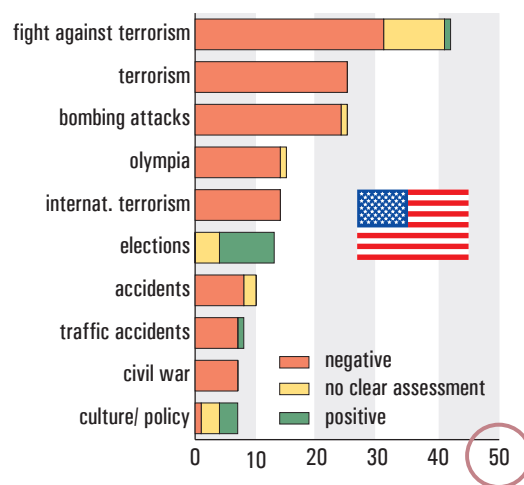


Number of news stories and assessment

Source: Media Tenor  
01/01/2002 – 05/31/2004

Basis: 129,926 news stories  
in 7 TV news broadcasts

### US TV news coverage on Russia: Topical structure 2002–2004

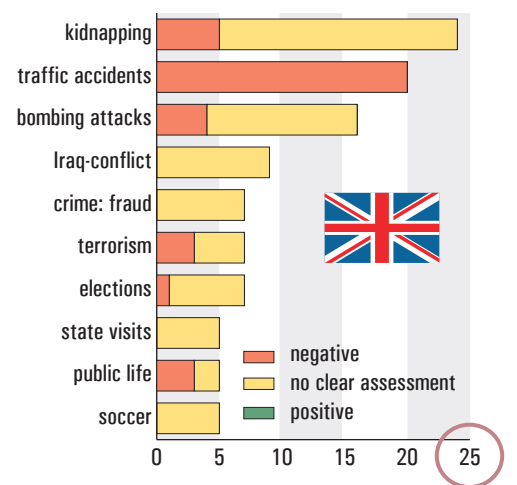


Number of news stories and assessment

Source: Media Tenor  
01/01/2002 – 05/31/2004

Basis: 50,045 news stories  
in 3 TV news broadcasts

### UK TV news coverage on Russia: Topical structure 2002–2004

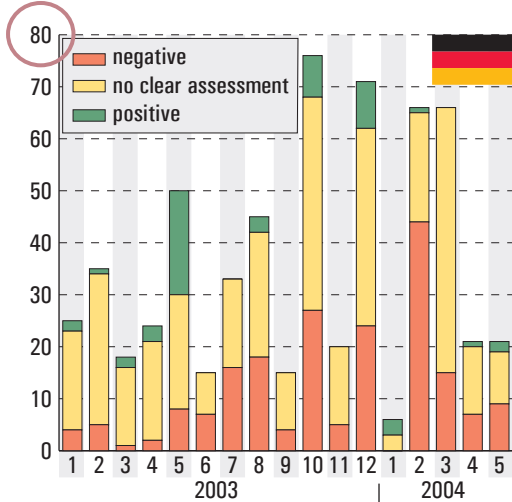


Number of news stories and assessment

Source: Media Tenor  
01/01/2002 – 05/31/2004

Basis: 43,106 news stories  
in 4 TV news broadcasts

### German TV news coverage on Russia: Timeline 2003–2004

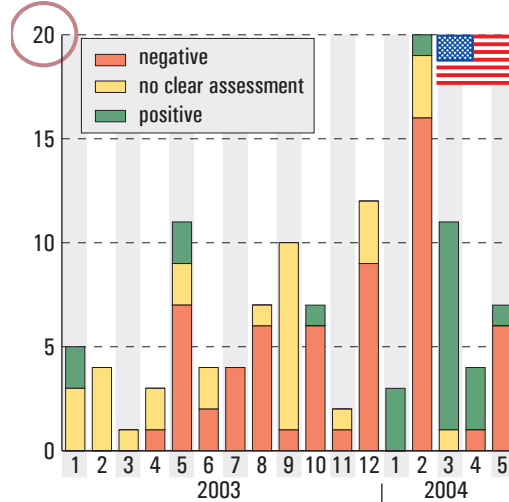


Number of news stories, assessment

Source: Media Tenor  
01/01/2003 – 05/31/2004

Basis: 129,926 news stories  
in 7 TV news broadcasts

### US TV news coverage on Russia: Timeline 2003–2004



Number of news stories, assessment

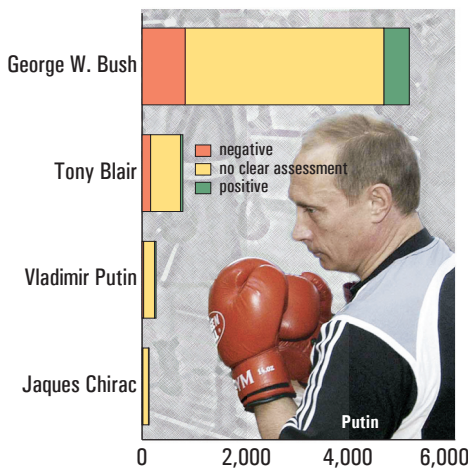
Source: Media Tenor  
01/01/2003 – 05/31/2004

Basis: 50,045 news stories  
in 3 TV news broadcasts

matter, while human rights violations or one million children sitting in Russian prisons do not. The graphs on the first page suggest that international news editors generally avoid talking trouble: On an overall low level, the Chechnya conflict and related terror attacks dominate the coverage of German, US, British and South African TV news. Even if this is certainly not a positive topic, it is really just one aspect of the Russian malaise, which successfully pushed other severe problems in the Russian political and economic system off the

agenda. One report in the German nightly news program **Tagesthemen** on July 8th, 2004, demonstrated that more detailed coverage is possible. This well-founded and meticulously researched analysis of the situation in Russia remained the exception, however. The long term analysis shows that German TV stations had an even harder time criticizing the “dependable partner from the time of the Cold War” than, for example, their colleagues in the US (see top graphs). But German editors are not the only ones to be cautious on criticism: At the beginning of his visit to Russia in July, Chancellor Gerhard Schröder avoided commenting on the looming banking crisis, encouraging investors to trust in the dynamism of the Russian economy instead: “For good reasons, because many things were set in motion over the past few years.” Who would want to contradict such a convincing argument?

### Presence and rating of politicians in international TV news



Number of news stories, assessment

Source: Media Tenor  
01/01/2003 – 05/31/2004

Basis: 26,465 news stories overall  
in 19 international TV news broadcasts

### No problem with the autocrat

Caution is also exercised when it comes to the Russian president and his claim to absolute power. Stability is more important than political plurality – this is his motto; a motto that also shaped his relationship to the Russian media, which he dominated to the exclusion of all others, in order to secure his re-election by a landslide in March this year. Campaigning had become largely unnecessary for the Prince of the Kremlin: According to the research of the **Moscow Times**, Putin appeared three times more often in Russian television media than his all his challengers com-

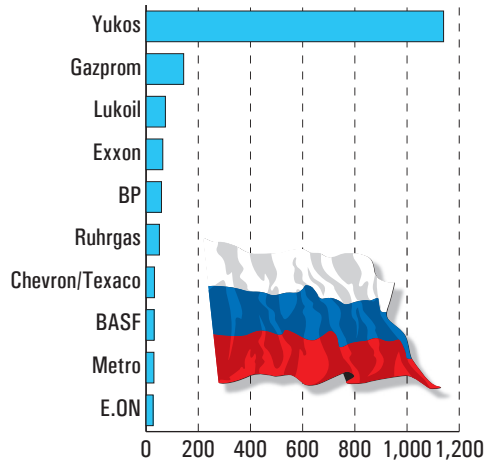
### Stable Russia?

On 9 July, 2004, Paul Khlebnikov, Chief Editor of the Russian version of Forbes, was shot in Moscow. Details point to an assassination and it is pretty clear - not only to detectives - that the murder of the 41-year-old is connected to his research activities. Last year, at least eight journalists were murdered in Russia.

Solo attempt not perceived. In terms of Putin, media prefer to be silent rather than critical.

Oil and retail industry: the coverage is clearly underlining the priorities of the German economy. Co-operation in other areas: not the case.

### Presence of companies referring to Russia



Share of reports (minimum 5 lines/second)

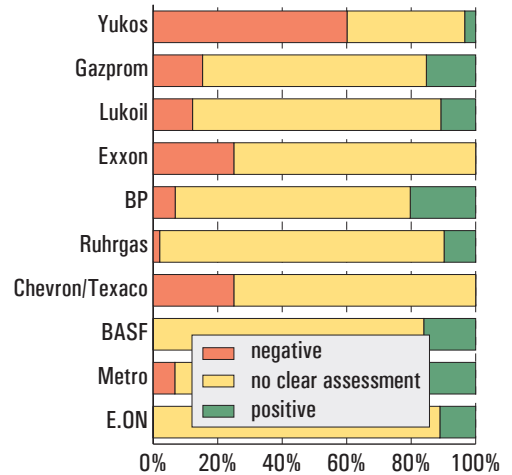
Source: Media Tenor  
01/01/2003 – 06/21/2004

Basis: 416,144 reports overall  
on companies in 34 German media

bined. The news simply showed him going about his business being President, which provided sufficient news material after the sudden dismissal of the government. The **Moscow Times** analysis is a good indication of Putin's strategy before the election, although it still downplays the extent of the problem: In effect, the opposition was virtually invisible in the "campaign". On top of all this, Putin had his only campaigning appearance broadcast live on television, which is a violation of the existing election law. Nevertheless, this clear exploitation of the media for his own goals was hardly criticized in the international TV news, and neither was the systematic obstruction of the opposition during the "campaign". In Germany, the US, UK and South Africa, President Putin simply remained below the awareness threshold. Instead of being skeptical of his politics, most editors rather ignored him entirely – at least in comparison with Bush or Blair (see bottom graph on the previous page). And even when Putin put a curb on the right to demonstrate in June this year, most of the German opinion forming media only dealt with this in passing.

"At present it is still unclear whether or not Russia will consolidate its progress or regress into a state where the economy is threatened by political plotting and scheming, individual power games as well as ineffective and parasitical bureaucrats." This is how the **FAZ** quoted the rating agency Standard & Poors on March 13th. It would have been more appropriate, had the editors of the

### Assessment of companies referring to Russia



Share of rating (negative/unclear/positive)

Source: Media Tenor  
01/01/2003 – 06/21/2004

Basis: 416,144 reports overall  
on companies in 34 German media

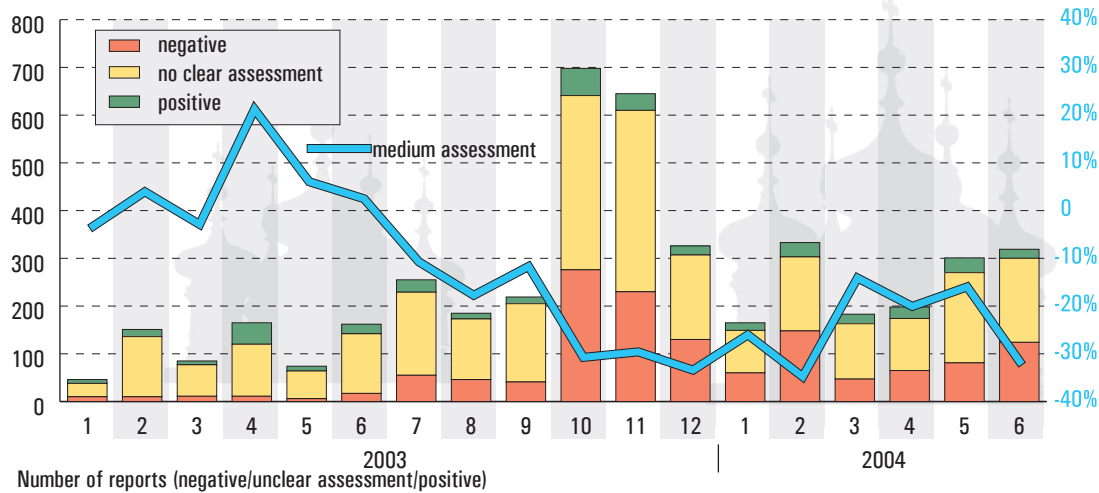
news programs analyzed by Media Tenor exhibited a similarly realistic perspective in their coverage of the Russian election.

### Oil: euphoria or phobia?

The scandal around the Russian energy corporation Yukos caused a great uproar in the German opinion forming media. More than anything else, it shows that German journalists tend to share the priorities of politics and business. A similar interest in human rights violations in Russia is unheard of – much like in the case of China. But even leaving aside the events around the oil billionaire Khodorkovsky and his debts, domestic and foreign energy corporations dominate financial coverage in the context of Russia (see top graphs). Aside from Lukoil & Co, journalists are also interested in the involvement of Exxon, E.ON or BP in the Russian market. Only retail companies receive some of the remaining attention. Certainly it is true that this distribution pretty much reflects the current economic ties between Germany and Russia: German businesses primarily export groceries and consumer goods to the East, and Russia is by far the most important supplier of crude oil and natural gas to Germany. But if, as outlined by the Eastern committee of the German economy (OA), businesses in Germany have an interest in "reinforcing the technological and industrial partnership in other areas, as well", it means that this message has not reached the media, yet.

Looking at the journalistic assessments, it becomes obvious that the Yukos crisis did not au-

## Presence of assessment of companies referring to Russia



Source: Media Tenor  
01/01/2003 – 06/21/2004

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companies in 34 German media

tomatically lead to a situation where the involvement of energy corporations in Russia would be questioned in principle. On the contrary, it has started a vivid discussion on potential opportunities for foreigners, should Khodorkovsky not only stumble, but also fall. It is not a coincidence that Gerhard Schröder, during his visit to Russia, focused on strengthening the economic relationship in the energy sector, particularly in the context of the cooperation between E.ON and Gazprom. The Chancellor and the Head of E.ON, Bernotat, had no qualms about diminishing the Khodorkovsky affair: After all, the cooperating partner Gazprom is a state corporation. In the midst of such calculated optimism, the idea that the Yukos scandal sheds reasonable doubts on the much-promoted stability of the Russian markets was not part of the program.

The graph above illustrates once again the basic attitude of German financial journalists. Setting aside the negative coverage on Yukos, the involvement of companies in Russia are still assessed in a balanced or even positive way.

### Ethics excluded

The ethical implications of an even stronger involvement with the Russian energy sector are rarely mentioned in the media. An optimistic outlook on the development of the Russian crude oil and natural gas market, however, has to consider speculations on the vast oil reserves in the Caspian Sea and their future beneficiaries, as well. After all, this is one of the main reasons for the crisis in Chechnya and other conflicts in the region.

Without a dominant role in the Caucasus, Russia would be cut off the Caspian Sea and the income it generates. Whoever counts on this money, implicitly accepts war and crisis. sm

### Basis:

#### Media: International TV news:

US: ABC World News Tonight, NBC Nightly News, CBS Evening News;

Germany: ARD Tagesthemen/ARD Tagesschau, ZDF Heute Journal/ZDF Heute, RTL Aktuell, SAT.1 18:30, ProSieben Nachrichten;

UK (01/01/2002 – 10/31/2003): BBC At Six, BBC At Nine, ITN Early Evening News, ITV News At Ten

Südafrika: Afrikaans News, English News; E-TV News; Zulu/xhosa News, Sotho News

#### Coverage on companies in German media:

Bild, Berliner Zeitung, Die Welt, F.A.Z., Frankfurter Rundschau, Süddeutsche Zeitung, taz;

Die Zeit, Focus, Rheinischer Merkur, Spiegel, Stern, Super Illu; Bild am Sonntag, F.A.Z. Sonntagszeitung, Welt am Sonntag;

ARD Tagesschau, Tagesthemen (inkl. Bericht aus Berlin), Fakt, Kontraste, Monitor, Panorama, Plusminus, Report (BR und SWR), ZDF heute, heute journal, Berlin Direkt, Frontal 21, WiSo, RTL Aktuell, Sat.1 18:30, ProSieben Nachrichten

#### Time: International TV:

01/01/2002 – 05/31/2004

#### Coverage on companies in German media:

01/01/2003 – 06/26/2004

**Analysis:** 416,144 reports (at least 5 lines/seconds) on companies in 34 German media; 296,465 in 7 German, 4 British, 3 American und 5 South African TV news broadcasts

### Open questions:

The dominance of the economy when compared to ethics was certainly not of concern to media in the coverage of Russia or China. What effect does this have on public perception?

Reasonably priced expertise in terms of software development is by no means the domain of India or China. What are the chances for Russian companies to be perceived as technologically strong by the media?