

## [RU] New Statutes to Support the Press

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Since 1990, the situation of the printed media in Russia has worsened due to economic pressure and their growing dependence on government subsidies. By now, only a few publications have obtained financial independence from the state or from politically biased groups that see them as their gateway to the power of public and political control (in the old tradition of the country).

Despite the miserable condition of the press in Russia with the lowest circulation of newspapers and magazines in decades, lack of school textbooks, poor salaries of the journalists that force many of them into advertising under the cover of news stories, still 59 percent of the population are reading newspapers every day (61 percent listening to the radio, and 86 percent watching TV). The situation of the press in small towns and rural districts is much worse than the one in large cities, because of the almost total absence of advertisers, the low income of the population, and bad and expensive transportation.

Therefore, a Statute On Economic Support of the District (Municipal) Newspapers was recently adopted by the Parliament, it entered into force in late 1995. Under the Statute, the Government is to include in the federal budget expenses to provide subsidies to the local press to buy new printing equipment, to cover production costs, newsprint, and distribution through the state postal system. The federal subsidies can cover as much as 50 to 90 percent of the production and distribution expenses of the publishers (Article 5). Only newspapers included into the so-called Federal Register 10 months in advance of the new fiscal year can be granted state subsidies. To get into the Register, the newspaper must be owned by either local elected bodies, the editors, or legal persons. However, if the newspaper is not owned by local elected bodies, it must provide a "recommendation" from a district-wide (town-wide) "public association". Only one newspaper from a district (town) can be enlisted in the Federal Register. If several newspapers qualify (which will be the case in many instances), local elected councils, together with local heads of self-government (who are appointed (in most cases not elected) by regional (larger than district or city) governors, in their turn appointed (sometimes elected) by the President) and branches of the Union of Journalists of Russia will select the most appropriate publication guided by the following criteria (Article 4):

- "highest circulation;

- support of the readers;

- widest distribution scheme over the territory of the town (district)" Newspapers that belong to political parties, as well as specialized, entertainment, erotic, or advertising publications and digests do not qualify to be included in the Register.

Another Statute, the Statute On State Support to the Mass Media and Book Publishing in the Russian Federation entered into force on 1 January 1996 together with a number of amendments of existing tax and customs regulations that were adopted by Parliament in conjunction with the Statute. For the purpose of providing tax and other relief, these new rules do not distinguish between state-run and private publications, publishers, news agencies, and broadcasting entities.

Excluded from the benefits are erotic and advertising publications. Mass media organisations that produce and distribute publications, books, and other products related to education, science, and culture are exempted from VAT. Profits obtained from such activities are not subject to federal taxation (but they remain subject to local taxation - Article 2). Other tax and customs benefits, as well as reduced rates for the rent of offices that are federal property, and reduced communication rates are envisaged for print and broadcast media (Articles 2-6).

Special privileges are given by the Statute to publications in the case where the printing facilities that they use are privatized: in that case, the editors of such publications obtain 50 percent of shares free of charge (25.5 percent of shares goes to the Federal Government for three years, 24.5 percent goes to the printers - Article 8). Companies in a monopoly position on the market for printing cannot be privatized within the next three years, and a special procedure is foreseen for their privatization after this period (Article 7).

