

The battle for control of state television

# Russian President Putin tries to break Berezovsky's grip

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In recent weeks, the battle for control of the most important Russian television channel ORT has intensified. The Kremlin is trying to strengthen its own control over this semi-state-owned broadcaster, since it adopted an extremely critical attitude to the government following the disaster on the nuclear-powered submarine *Kursk*.

ORT is the only station that can be received in all 89 regions of Russia, and therefore has a high propaganda value. It is the direct successor of the former central Soviet television broadcaster, which was denationalised in the mid 1990s. Since then the station has been under the control of the oligarch Boris Berezovsky.

Although the state owns 51 percent of the shares in the station and Berezovsky only has a relatively small proportion, he has succeeded in being able to act as spokesman for the entire remaining 49 percent of the shares, which to a large extent are in private hands.

Up until the spring of this year, Berezovsky did not have any problems regarding his position in relation to ORT, since as an entrepreneur and a politician he was close to the Kremlin. ORT played the crucial role last autumn in provoking anti-Chechen hysteria, which guaranteed victory for the Kremlin bloc "Unity" in the parliamentary elections of December 1999 and cleared the way for Putin's victory in the presidential elections in March 2000.

But since then the interests of the Putin government and Berezovsky's have developed in different directions. Berezovsky was publicly and sharply critical of the administrative reforms Putin implemented. These foresee the creation of seven large federal districts and mean the dissolution of the federation council, which represent the interests of the regional elite. Berezovsky was also against continuing the war in Chechnya and called for the conflict to be settled politically as soon as possible.

This summer, Berezovsky undertook a number of demonstrative steps. First he tried to form a new parliamentary group in the Duma, but failed. Then he announced the creation of a new political organisation under the name "Civilisation". Next he resigned as a deputy from the Duma.

The series of disasters in August—the explosion in the centre of Moscow that claimed more than ten lives; the sinking of the *Kursk* and the fire on Moscow's landmark TV tower—highlighted the Russian government's incompetence and its indifference regarding the fate of the population, and supplied Putin's opponents with new arguments.

In the second half of August, one of Berezovsky's most important "information cudgels", the political programme of Sergei Dorienco on ORT, attacked Putin. In response, the Kremlin put pressure on ORT's executive board, which banned further transmissions of the programme. In addition, two members of the board were dismissed who were considered Berezovsky supporters and editorially responsible for the newscasts. It became obvious that the Kremlin was endeavouring to purge the management of the television station to defend its own interests.

Berezovsky reacted by issuing an open letter to President Putin, saying that the logic of his methods were a return to totalitarian rule. At the end of the letter Berezovsky expressed the intention of entrusting control of his block of shares to a group of journalists and cultural representatives, and suggested that the state do the same with its shares.

Berezovsky extended the original list of shareholders, which had contained only a few names, to over twenty and presented it during a press conference on September 7.

The people on this list can be divided into three groups:

To the first, (and probably the largest) belong people who are actively connected either with Berezovsky's media enterprises or are personally close to him. To the second belong representatives from the field of culture, opponents of any state interference into business affairs and the media (e.g. the writer Vassily Aksionov who lives in America). The third group comprises representatives of Berezovsky's competitors in the media business, particularly from the "Media Most" holding led by Vladimir Gusinsky. Berezovsky has taken great pains to make everything look as if he has set aside his own interests, and in view of the increasing danger of a state diktat, is exclusively concerned with the creative freedom of the television station.

His proposal would be carried out legally in the following way: the chosen people should be combined in a legal entity that will take over the 49 percent belonging to Berezovsky. The transfer should be without cost and for a period of four years, during which time the ownership of the shares will be divided equally among the administrators. If the process is successful, then, once the four years have passed, 20 percent of the shares would become the private property of the administrators.

It is not hard to see what Berezovsky really hopes to achieve. By dispersing the shares among a larger group, he hopes to retain his influence over each one individually and make it more difficult for the Kremlin to push through its own interests regarding the television channel. Most of his enterprises work on exactly the same basis. His management principle has long been known: why buy a whole enterprise, when one can have the management?

The Kremlin received Berezovsky's initiative with calm, regarding it as a small tactical victory. Putin commented, one can "only" praise Berezovsky, and added that it was important the list of shareholders did not contain "influenced people".

The Kremlin will keep a whole series of administrative and financial levers regarding ORT. Additionally, Putin can count on the support of a majority in the Duma, which is clear from the letters of two large Duma factions—"Unity" and "OWR." Also, the chairman of the largest parliamentary group, Gennady Zyuganov of the Communist Party of the Russian Federation, supports the Kremlin and suggested placing ORT completely under state control.

Putin has also received further support from ultra-nationalist forces such as the notorious newspaper *Saftra* (Tomorrow). In one of their editorials they accuse the media holdings of Berezovsky and Gusinsky of an anti-

Russian conspiracy. In Putin, *Saftra* sees a Russian national hero and looks upon all Putin's opponents as representatives of the "fifth column", who operate in the interest of the US and other Western powers.

In fact, despite all this nationalist mythology, it is Putin who is supported by Western politicians and governments rather than his opponents. After the submarine disaster it looked as if Putin's international reputation had been seriously shaken. But the West does not see any alternative to Putin at the present moment.

One the manifestations of the West's confidence in relation to the Russian side was the transmission of data about the submarine disaster by the American military. All the documents came into the hands of Sergei Ivanov, chairman of the Security Council and one of the closest people to Putin. Undoubtedly, it will now become even more difficult to find out the details of the course of events that led to the misfortune in the Barents Sea.

After the announcement that he will give up his block of shares, Berezovsky is trying to present himself as someone who is concerned about the fate of democracy and freedom of opinion. "This step", he explained, "is one of the first steps in the construction of a civil society." The Kremlin apologists are trying, for their part, to present this conflict as a fight against the oligarchs and corruption.

The events of the last years have exposed the arguments of both sides as grotesque and inexcusable lies. It does not need repeating here, what a crucial role Berezovsky and his media enterprises played in arguing for the strong state and the "dictatorship of the law". All that has become an integral part of today's Kremlin policy. As far as Putin is concerned, he is and remains nothing other than a creature of the "Oligarchs", who represent the interests of big capital.

All sides are only concerned with bringing the country's most important mass media under their complete control. The rest is hypocrisy and fraud.



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