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Putin Stance on Ruble Crisis Echoed by Russian State Media

By The Moscow Times

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As the head of Russia's biggest state bank and a favorite of President Vladimir Putin, German Gref has long been a loyal supporter of state economic policy.

But with the ruble sliding and the economy stagnating, he delivered a diatribe this month against government inefficiencies, which he compared to the Soviet era, and warned that "we can't motivate people by using the gulag."

The outburst brought a stinging rebuke from a state television presenter, who portrayed him as a fifth columnist whose remarks could help an alleged U.S. plan to encourage conflicts in Russia.

"When can we expect an end to such declarations by the liberal reformers whose efforts

directly led to the imbalance in the economy today?" said Konstantin Syomin, host of Rossia-24's program "AgitProp" — a Soviet term for propaganda.

Although Gref appears in no danger of losing his job as Sberbank chairman, the rebuff shows there are limits even to what prominent members of the establishment can say about the economy.

It also underlines the importance of state television in shaping public opinion, especially since relations with the West are at a post-Cold War low amid the Ukraine crisis.

Most Russians get their news mainly from state television, which has matched and at times surpassed Putin's fierce anti-Western rhetoric during the Ukraine crisis and mirrored his views on the economic downturn, helping shift blame away from him and ensure there is no public panic.

"We're in a propaganda war with the West," one state media executive commented privately, expressing surprise that anyone should be surprised by how Russian media were covering events.

High Ratings, Conspiracy Theories

For now, at least, the tactics appear to be working. An opinion poll this week indicated that a majority of Russians believe the economy will only benefit from sanctions imposed by the West over Moscow's role in the crisis in Ukraine.

This implies acceptance for Putin's public line that the economic outlook is rosy and that a tit-for-tat ban on Western food imports will help boost domestic production and make Russia more self-reliant.

Putin's approval ratings also remain above 80 percent, despite the ruble shedding some 20 percent against the U.S. dollar this year, including a drop of 6.5 percent in the last month as the price of oil — Russia's main export — fell.

Although a sensitive matter, coverage of the ruble's slide is not taboo, even if it has at times been cursory.

When the currency hit a new low of 40 to the U.S. dollar on Oct. 6, the two main state channels, Rossia-1 and Channel One, made no mention of it in their main evening news bulletins.

Reports on the ruble's problems have at other times often been accompanied by comments from experts or state officials offering reassurances that the economy is not in crisis, or blaming external factors.

When Dmitry Kiselyov, widely seen as one of Putin's favorite journalists, discussed the ruble's problems in his weekly current affairs program, he identified several causes — "global economic shifts, the civil war in Ukraine, and of course the sanctions against us." Government policy was not among them.

The main problem, he said, was that Russia still depended heavily on oil revenues and that, in

such circumstances, the United States was tempted to exploit Russia's weaknesses. Even without Ukraine, "a pretext would be found anyway," he said.

During a discussion of the ruble's problems on a current affairs program on Channel One called "Structure of the Moment," host Valery Fadeyev said he saw no "big trouble" from the currency's woes and blamed them on Western conspiracies, including one that he said was aimed at reducing oil prices.

State media outlets stress their independence and deny taking orders from the Kremlin. Some journalists, however, acknowledge that their employers receive guidance from the Kremlin, and say economic matters are no exception to the rule.

In a confidential e-mail seen by Reuters, the Kremlin advised loyal and state-run organizations in May to focus on the growing participation of Asian investors in Russia's main annual investment conference, and on the quality of discussions, rather than the fact that the U.S. government had asked executives not to attend.

New Media

Although most television coverage of the ruble has largely favored Putin, some print media such as the business daily Vedomosti have not played down the significance of the crisis.

Newspapers have a much smaller circulation than the main television channels and thus have less importance as a tool with which to influence the masses.

Nevertheless, the Kremlin looks set to tighten its grip on some of the more independent media outlets under a new law that Putin signed this week limiting foreign ownership of media outlets to 20 percent from the start of 2017.

"The media are largely responsible for determining people's preferences and forming public opinion," said Sergei Zheleznyak, a member of the United Russia party, which dominates parliament and is loyal to Putin. "And foreign control of the media is one of the ways of secretly influencing the country and the decisions made."

CTC Media, a Nasdaq-listed company that runs three free-to-air entertainment channels in Russia, could be affected: Sweden's Modern Times Group owns a 39 percent stake in it.

Vedomosti is also among those that are likely to be affected as it is a joint venture between Dow Jones, the Financial Times Group and Sanoma of Finland.

Glossy magazines could also be in the crosshairs after a series of articles that may not have pleased the Kremlin, including an interview by Tatler with the ex-wife of Putin's press secretary.

The Kremlin denies interfering with the media, but Putin's allies, who already control most major media outlets not owned by the state, are expected to step in where foreign companies depart.

"Every major deal that takes place is sanctioned by the Kremlin, and that means the choice of buyer will be carefully monitored," wrote media commentator Tatyana Stanovaya.

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