



“Russia is a perfect democracy for the informed. And total dictatorship for the uninformed”

Derk Sauer, CEO, Independent Media is one of the most successful publishers in Russia. Last year he sold his company, which publishes more than 30 titles in Russia including The Moscow Times and Vedomosti, but continues in the role of CEO. As part of the Russian Economic Forum Press Mission, we introduced a group of leading British business journalists to Mr Sauer, resulting in a fascinating clash of perceived ideas. All the questions are from the journalists who chipped in with their thoughts as wide-ranging conversation progressed

How did you come to live and work in Russia?

In 1989, a group of Russian journalists came to Amsterdam. At least, I thought they were journalists. It turned out they were from the KGB and were posing as journalists. They invited me to Russia and suggested we start a magazine as a joint venture. The result was the first glossy magazine in the history of the Soviet Union.

Those people who came to you right at the start, what was their motivation?

To get rich – as the Soviet Union disintegrated, they saw an opportunity. Russians thought that if you found a Western partner and you make money, then boom, that’s it! It was a wonderful time, a very romantic time; however these guys had a very naïve idea about market capitalism. They thought that all you do is smoke big cigars and have nice cars. As a result, all those joint ventures didn’t work, they all went bust.

Was the Moscow Times a big hit from the beginning?

It was a big flop in the beginning. After two years, we were really down and out. I had sold my house in Amsterdam and everything I had. Together with three friends, we had put all our money into it, but the ad market was too small at that time. But now I have sold the whole business. I kept one title - Yoga Journal. I am a big yogic. I’m planning to develop a yoga empire and I am building a yoga studio.

Why did you stay in Russia in 1998 when everybody else left?

I was not primarily interested in money. I was just interested in the Russian experience.

For companies, the tragedy was that they left as soon as the bottomline and the margins went down. CEOs of big companies only look at the stupid numbers - they don’t talk about the product or the idea.

When the crash came, they only looked at the bottom-line and not at Russia’s prospects and the long term. But people have very short memories; they all left and then a few years later, they had to pay ten times as much to come back.

Do you think change in Russia is more than skin deep? Is it a profound change or is the change less dramatic than people think?

England has changed a lot, but has it really changed? I don’t think so. England is still a class-based society. It is the same here: basically nothing has changed. This is not a democratic society. There is corruption and there will always be corruption. It is basically a country where clans run the show. It won’t change, but has it changed in appearances - in consumer spending and wealth. When I first came, people had nothing and we paid our staff in food products because they had nothing to eat. Today, the salaries we pay are unbelievable and much more than publishers pay in the West.

What are your thoughts on the quality of political journalism and the ability to hold the government to account?

The quality of Russian journalism is zero, because journalism doesn’t exist.

Except for the Moscow Times...?

Except for the Moscow Times and Vedomosti, which we publish – also a little bit Kommersant and maybe a little bit Izvestia.

But that must be very worrying, most democracies have a strong press...?

But this is not a healthy democracy, and any notion that this will be a healthy democracy is way off. Don’t compare it to England, or to Holland where I come from.

What about progress...

What is progress? People here can see progress. They now can buy a video or a car and they can travel...

But in the sense of being able to get independent unbiased information, is there progress on that?

There is no progress whatsoever on that. In fact it has gone backwards.

If you are independent, why can’t the others be independent?

Well, it is not so easy. Publishing and working in this country is not so easy.

But is your staff independent of you? How much do you influence the editorial?

I don’t. I’m the traditional western publisher. I have only one prerogative – I can hire and fire the editor. That’s all I can do. For the rest it’s up to them.

Recently, we started a new weekly magazine and I said to the editorial team what I always say: I will never ever, ever, inter-

fere in any story. I have never done that in the entire history of Independent Media.

So that does mean they are independent?

Of course, they can write whatever they want.

If you are an active journalist in Russia, do a lot of people apply pressure on you?

No. They call me.

And is that an active act part of doing business news? Dealing with that kind of pressure?

Yes, but how it works is very simple. The TV is 100% controlled. And the TV today is more humorous than it was under Brezhnev. It is really funny to watch. It's so bad it's totally pathetic. So you may have 10,000 people protesting on the street here and they won't say a word about it. But if Putin sniffs his nose then it's all over the news. It's a total joke.

The local press is completely controlled by the local oligarchs or governors. You do what you are told, otherwise you get killed or fired or they stop the press.

Then there's a small group of central newspapers or magazines which they leave alone. We are the most important representatives of those. Why? Because they love us. Because we criticise them and they can show the world.

So you are a token?

For them, yes.

How easy is it to get genuine stories? The news wires in Russia aren't independent of the government, are they?

No, but we have Reuters, and we have our own journalists. We have an excellent team of reporters.

And they go out and get real stories?

I would say 60% of what you read in the West about Moscow comes from us. The Guardian, the Independent - every morning they read the Moscow Times and then they start writing. I always see every story pop up in the New York Times or wherever.

Do you worry that you can't make genuine democratic progress until...

I do yoga; I don't worry about anything. It's not my role in life!

If you were a worrier though, would you worry?

You have to accept that Russia is a different country. I say, it's like if Bush wants Iraq to be a democracy, that is total stupidity. Iraq will not be a democracy no matter what they do. Russia will not be a democracy in the way that you perceive a democracy either.

Is there a separate reality going on where people can get their information if they want it?

I always say that Russia is a perfect democracy for the informed. And total dictatorship for the uninformed.

Is the situation improving?

Well, maybe it was 99 to 1, now it is 95 to 5.

As Russia becomes more economically prosperous, the pressure for liberalisation will grow...

Is Saudi Arabia, which is a very rich society, free and open? You have to compare Russia not to England but to Saudi Arabia. It is an oil-oligarchy.

Do you think that things can change at the margins? You mentioned Britain, but Britain is not as class-ridden as it was?

Of course it is changing - although sometimes I feel it is going back again. But you have to look at Russia with a long-term view. Russia always had a dualistic relationship with Europe. They want to be in Europe, but as soon as they get too close they pull back.

Were you more optimistic about Russia in 1992?

I came with the same perspective as you come here now. You are judgemental, be it optimistic or pessimistic, but I am neither. I just enjoy Russia and I don't have the expectation that it will become a democratic society as we have in Holland. In Russia, it is the extremes - everything is bigger than life. For example, my kids go to school with rich Russians. This week my nine-year old son went to a birthday party for one of the girls in his class. For her present she got a pink Hummer with a driver!

But most of the population in Russia don't have the ability to move up - there aren't the opportunities for the majority of Russians...

No, you are wrong. First, you can't talk about Russia. What is Russia? It is a myth. It is from China to the Baltics. If you talk about Russia, you talk about 15 cities, with a circulation of 1m and up. In

all of those cities there is very dramatic development. In between, there is an enormous amount of land where there are people and they live in the middle ages. They don't participate. Forget about them. It sounds cruel, but they might as well not be there.

That is an extraordinary thing to say, you can't just write off a quarter of the population...

I am just painting how the situation is. I am not saying if it is good or bad. These people are mostly drunk.

Then surely there is a responsibility to help these people. That is what humanity is about...

I agree with you. But what you do is bring your perceptions and the Russians don't have that connection.

It doesn't make it right though...

What is right and wrong? I am not judging people.

I also think that it is to do with Christianity. Russian Christianity is different. It is about suffering - they actually think that it is good to suffer. The whole notion of making society better is Christian Calvinist, and they do not have that in Russia. But they may get to heaven before I do!

You bring your Anglo-Saxon concepts to the country, and ask what about this? I have learnt to forget about my background and just take it as it is. I look at it and find it fascinating.

Are Russia's problems, for example of drugs and HIV/Aids, exaggerated or stereotyped in the Western media?

No, these are huge problems. The demographic problems are the biggest, most fundamental, problems facing Russia. It means that they will need immigrants to work. Already go if you go to Vladivostok you feel China on the door. The immigrants have to fill the labour gap.

How will the Russian people react?

Russians are nationalistic, and say, 'Get rid of the foreigners'. But it is ridiculous because then no one would clean the streets. They say, 'The foreigners run the markets', but are Russians going to stand on the markets?

Are you an honorary Russian? Do you feel like a foreigner?

I am as Dutch as you can get! But I do feel at home here. 