Russia: A Postmodern Dictatorship?

by Peter Pomerantsev
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Introduction:

I first arrived in Russia to work as a consultant on EU, World Bank and private donor ‘development’ projects aimed at “promoting the transition to a market economy, reinforcing democracy and the rule of law”\(^\text{1}\). It was 2000, the new century had just started, and Russia had a young new president. I ticked little boxes on bureaucratic forms, which asked about "objectively verifiable indicators of democratisation", such as elections, civil society NGOs, critical media, and privatisation. Over a decade later, Russia has ostensibly ticked a lot of these boxes. But in this paper, I argue that far from being in transition towards democratic capitalism, 21st century Russian rulers have learnt to use the techniques of democracy for distinctly undemocratic ends. Russia has elections, but they are arranged so as to strengthen the Kremlin, rather than strengthen checks and balances. Russia has a civil society, but it is hard to know which non-governmental organisations (NGOs) are actually created by, and support the state, while genuinely independent bodies struggle to survive under evolving restrictions and harassment. Outside the federal TV channels, critical media does exist in Russia, but they are framed by the centre, so as to ultimately undermine any real opposition. Russia also has private companies, but they are controlled in a quasi-patrimonial manner.

The use of these methods represents something new: If the USSR, or today’s North Korea, were ‘classic’ or ‘hard’ totalitarian regimes that rely on their own institutions and narratives, from the politburo to scientific socialism, 21st century Russia takes a much more ‘postmodern’ approach to control. Postmodern in the sense that it uses many of the techniques associated with postmodern art and philosophy: pastiches of other’s narratives, simulacra (i.e. fake) institutions, and a ‘society of spectacle’ with no substance. The regime’s salient feature is a liquid, shape-shifting approach to power. Freed from the cumbersome body of ‘hard’ totalitarianism, the leaders of today’s Kremlin can speak like liberal modernisers in the morning and religious fanatics in the afternoon.
The regime can morph from monarchy to oligarchy, from free market authoritarianism a la Pinochet to sinister populism, a la Chavez. It works less by oppressing narratives but by co-opting them until there is no more space for an opposition to exist in, its wilfully contradictory slogans taunting any attempts at definition: ‘conservative modernisation’, ‘managed democracy’, ‘competition without change’. To try and fit this new type of regime into the classic definitions of political science, ‘dictatorship’ or ‘totalitarian’, is to miss the point of its trickster nature. By the time it has been defined, it will have already recreated itself and its leaders. To quote the writer Eduard Limonov, Russia is a “postmodernist play where they experiment with every form of political control known to history”. For the purposes of this paper, I call it “postmodern dictatorship”, a definition as unstable as its subject. As we shall see, this regime has created a world of simulated institutions and simulated narratives, where nothing can ever said to be genuine, where not only the financial system, but language and ideas, have become corrupted.

Western powers have yet to grapple with this new type of regime. Once, the West undermined and helped to ultimately defeat the USSR by uniting free market economics, cool culture and democratic politics into one package (parliaments, investment banks and abstract expressionism fused to defeat the politburo, planned economics and social realism.) More recently, the new Kremlin’s genius has been to tear those associations apart: to marry authoritarianism and modern art; to use the language of rights and representation in order to validate tyranny; and to re-cut and paste democratic capitalism until it means the reverse of its original purpose. For all its various guises and role-playing, the Russian regime remains resolute in its desire to crush or co-opt any attempts at truly independent action.

The Russian regime remains resolute in its desire to crush or co-opt any attempts at truly independent action and it abhors genuine bottom-up pluralism. The first part of this paper examines how this ‘liquid’, ‘postmodern’ dictatorship functions inside Russia, as well as the challenges it faces from a new, non-systemic opposition. Part two examines ramifications for Russia’s relationship with the West, since the new power strategy presents some more difficult challenges for democratic capitalism than the Cold War did. The third section will contain recommendations for the future.
Inside Postmodern Dictatorship

**Background**

The political personality of 21st century Russian power is rooted in a very Soviet tradition of top-down governance and a pervasive cynicism inherited from the late Soviet period and honed in the 1990s. “Perestroika came much too late,” remembers Alexander Yakovlev, one of Gorbachev’s mentors: “The years of social stagnation almost killed social idealism ... sowing cynicism, disbelief and social lassitude.” 3 “Cynicism and double-think was the defining emotion of the late USSR,” agrees Lev Gudkov, head of the polling group Levada Center, “exemplified by the joke ‘we pretend to work and they pretend to pay us’.

**Homo Sovieticus** learnt to live with a split consciousness; a private world with one set of values and a public one where lying was ritual. To ask what any one person ‘believed’ was always the wrong question. Soviet citizens grew up with several narratives in their heads, and switched between them whenever necessary. Seen from this perspective, the great drama of the last decades of Russian history is not so much the ‘transition’ from one fervently held set of beliefs to another, but the shift from the final decades of the USSR—when Soviet elites didn’t believe in communism and kept living as if they did—and the present, when they are still only capable of the politics of performance and simulation, rather than meaning.

During the 1990s, these habits and attitudes were strengthened by the widespread disillusion with painful and quickly corrupted reforms. In 1996, with Boris Yeltsin set to lose the presidential election, the Kremlin began to use the new institutions of democratic capitalism for very non-democratic ends. The state created ‘scarecrow’ parties, such as Vladimir Zhirinovsky’s neo-nationalist Liberal Democrats, who were promoted by the Kremlin to break off support for the rival communists. The state worked in concert with commercial media, owned by the oligarchs Boris Berezovsky and Vladimir Gusinsky, who were set to gain financially from Yeltsin’s victory and who actively spread the myth that Russia was in danger of being submerged by a communist—fascist takeover. “A communist comeback was to a large extent a myth on which we based the 1996 election campaign—the myth of the Bolshevik with a knife in his teeth who will come to take away your property. In reality, there was a consensus (with the Communist Party) over the freedom to travel abroad, freedom of economic activity, rallies, demonstrations and elections, and none of that was under threat” 4 confesses Gleb Pavlovsky, one of the heads of Yeltsin’s, and then Putin’s campaigns.

By that point, Russia had already turned away from democratic capitalism, and instead substituted real institutions with simulacra created in the Kremlin by ‘political technologists’ like Pavlovsky, the viziers of the new Russia. Paradoxically the movement towards postmodern dictatorship was initiated under the banner of saving Russian democracy. “Our mistake in 1996 was to think that democracy meant stopping the communists by breaking the (democratic) process,” said Marat Guelman, one of the leading political technologists working with the Kremlin. After Putin’s accession to the presidency in 2000, these techniques, experimented with in the 1990s, were systematised and centralised around the figure of Vladimir Putin. The Kremlin, boosted by high global energy prices, took control of Russian television, and eliminated independent political and economic actors.
The result was a triumph for elite cynicism. In his semi-autobiographical novel, *Almost Zero*, Vladislav Surkov, formerly responsible for ‘ideology’ in Russia and now Putin’s personal assistant on relations with South Ossetia, Abkhazia, Georgia and Ukraine, wrote how his hero, a corrupt PR man excelling in a corrupt world, can “clearly see the heights of creation, where in a blinding abyss frolic non-corporeal, un-piloted, pathless words, free beings, joining and dividing and merging to create beautiful patterns”.

In reality, Surkov controlled Russian society like the Wizard of Oz during his years inside the Presidential Administration. On his desk were phones with the name of the leaders of ‘opposition’ party leaders who awaited his daily instructions on how to vote and what to say. Once a week, the heads of the main television channels would meet in Surkov’s office for a briefing on what direction the news should take. Surkov liked to call his system ‘sovereign democracy’, though it had nothing to do with democracy in the classic sense of the term. Since 2011, his place has been occupied by another political technologist, Vyacheslav Volodin, who has renamed the model ‘competition without change in government’. Whichever political technologist is in office, the key ruling body in the country remains the Presidential Administration.

**Super-Putin: Using Western-style TV, Elections and Courts as Displays of Power**

Aesthetically, Russia’s national television news looks like a carbon copy of CNN or BBC, making use of similar music and sets, but its role, in the words of Gleb Pavlovsky, “is to be the incense through which we sanctify the president”. Putin riding bare-chested on a horse; Putin stroking tigers; Putin in leather riding Harley-Davidsons. The staged images of Putin as B-movie hunk are cultivated to promote his image as superhero/tsar and to set him above the fray of real politics. A regular set-piece on Russian news shows Putin meeting regional governors and members of the government and accusing them of failing the country. History is rewritten to add to the image. Russian autocrats of the past are, with new school books and television shows, putting Putin into a tradition of ‘strong’ Russian leaders from Alexander Nevsky through Ivan the Terrible and Joseph Stalin. In books and on television, Stalin’s crimes are toned down and his World War II victory stressed. History, like all else, is liquid, and can be recast to meet immediate political needs. At least until now, this fusion of superman-tsar-despot has been very successful: even while the approval ratings of the government are below 50%, with only 5% thinking it ‘very effective’ and only 25% ‘effective’, Putin’s personal popularity has not fallen below 60%.

Russia’s election system serves a similar function. Russia watchers are often puzzled by an apparent contradiction: if Putin’s popularity is so high, and if real opposition is barred from television, why does he still need to rig elections he would likely win anyway? Wouldn’t Putin be more credible if he could ‘stage’ a close fought run-off, ‘proving’ he was the democratically elected leader? This misunderstands the role of presidential elections in Russia. Their aim is to work towards the image of Putin as untouchable. Any competition would destroy, not strengthen, Putin’s image.

The Kremlin’s priority is to show it has full control of the script, a principle which also shapes the Russian regime’s use of show-trials against potential independent actors. The 2009 trial of non-conformist oligarch Mikhail Khodorkovsky and the 2013 trial of opposition leader Alexey Navalny were punctuated with absurdity. In both cases, the initial charges were nonsensical:
Khodorovsky was alleged to have stolen oil from himself, while Navalny was alleged to have taken part in corrupt business deals from which he extracted no profit. The testimony of defence witnesses was used as proof of guilt by the sentencing judge in both cases. But this absurdity appears to be deliberate. It proves to the public that the Kremlin can re-imagine reality at will, can say ‘black is white’ and ‘white is black’ with no one able to contradict.

Letting off Steam and Owning All the Narratives

“The Duma is not a place for debate,” Duma Speaker Boris Gryzlov declared in 2003. The current parties within the Duma (Communists, LDPR, Just Russia) are nicknamed the ‘tamed’ or ‘systemic’ opposition and are slowly losing popular support. In the 2013 Moscow elections, their ratings plummeted. The Kremlin is now developing new ‘systemic’ opposition blocks to soak up opposition sentiment, which the story of Mikhail Prokhorov, the seventh richest man in Russia (and owner of the US basketball team, the Brooklyn Nets) well illustrates.

In 2008, Mikhail Prokhorov founded the Snob/Zhivi media house, which included cable TV stations, a glossy magazine and a gated online community meant to become a hub for a new type of ‘global Russian’. Launched at the height of Surkov’s power, Snob was viewed as one of his personal projects, and indeed a publisher ultimately owned by Snob/Zhivi published Surkov’s novels. Because the site and magazine regularly featured posts and articles that were critical of the state, Snob quickly joined the small group of ‘opposition’ newspapers, sites and radio stations with limited audience penetration and which, in the words of Ekho Moskvy’s director Alexey Venediktov, are allowed to exist so that parts of society can “let off steam”. If, during Soviet times, the Kremlin suppressed all forms of opposition media, now they prefer to co-opt it and keep it under control, with the added bonus that someone else pays for it.

After its launch, Snob quickly built up a following, with 125,000 daily visitors and a circulation of 90,000 for the magazine. But its ‘gated community’ structure, provocative name and promotion of a wealthy lifestyle could only alienate it from ‘ordinary’ Russians. Thus, Snob gave Westernised Russians a forum within which to express themselves while keeping that forum marginal. In the presidential elections of 2012, Mikhail Prokhorov duly became the Kremlin-approved ‘liberal’ candidate, who was always careful to stress that he was an ‘alternative’ to Putin, rather than an ‘opponent’. The Snob project and his business background endeared Prokhorov to the more progressive elements of society. At the same time, he was an oligarch with a playboy reputation whose candidacy allowed Putin to portray himself as a defender of the common man, doing battle with the mega-rich. During the elections, Prokhorov acted as a sponge for discontent among metropolitan elites and received a respectable 8%. Following this ‘success’, he has retreated from the forefront of the political scene.

The Sochi Olympics and the Patrimonial Private Sector

The 2014 Winter Olympics in Sochi are intended to be the ultimate endorsement of Vladimir Putin’s rule. Russia will appear re-born as a grand power on the international stage, while Putin projects his image of strong-man success across the country and around the world. But Sochi also gives us an insight into the complex system of financial favours, kick-backs and corruption that the ‘postmodern dictatorship’ maintains beneath the endless shape-shifting of its media and politics. This system has been nicknamed ROZ: rospil (siphoning off budgets); otkat (kick-backs); zanos (bribes).
To date, the price of the Sochi Olympics has risen from $12 billion to $51 billion, of which an estimated $30 billion has been siphoned away. Valery Morozov, a whistle-blower involved in the construction of Sochi—he has since fled to the UK—has explained how the Sochi Olympics reflect the layers of power clans in Russia: “First came the Tkachev (governor of local region) lot: they bought the land in Sochi for $100 per 1,000 square metres, then sold the same land for $1,000 to the government. Then came Luzhkov’s (former mayor of Moscow) people from Moscow. His man headed up the Olympic Construction Committee. Then Medvedev (then President, now Prime Minister) pushed Luzhkov aside and his oligarchs, lead by Bilalov and Mahomedov, ran the show. Then they were pushed aside when Putin became President again. Now his oligarchs are making the biggest money of all.”

Putin’s role is to regulate conflicts within this system, “to watch over the division of the meadows” in the words of Morozov, and to promote his own team of oligarchs: the ‘new men’ are mostly Putin’s friends and colleagues from St Petersburg, all of whom have amassed vast wealth since his accession to power. Meanwhile, oligarchs outside Putin’s immediate clan are keen to point out that all they have truly belongs to the Kremlin: “If the Kremlin wants me to open my wallet, I will,” said Mihail Gutsereev, founder of Russneft, who nearly lost his company after briefly falling out with the Kremlin.

Smaller, bottom-up entrepreneurs cannot help but be sucked into this neo-patrimonial system. In 2006, Yana Yakovleva, the co-founder of Sofex, a company producing industrial cleaning fluids, found herself arrested and held for seven months in jail. Her company was accused by the Russian Drugs Enforcement Agency (DEA) of trading in an unlicensed chemical, diethyl ether. Yakovleva’s company had been trading in the ether for several years, but a new ruling outlawing the chemical had made her a criminal overnight. According to Yakovleva, the DEA had earlier approached her with an offer to split profits. She refused, and the new law was designed to take away her business and scare other entrepreneurs in the industry into submission.

Yakovleva refused to negotiate, and instead reached out to human rights organisations, asking them to campaign for her release. Small protests were held in Moscow to support Yakovleva and other medium-sized entrepreneurs in the chemicals and pharmaceuticals industry arrested by the DEA in what became known as “the case of the chemists.” At first, the protests changed nothing. The head of the DEA at the time was Viktor Cherkesov, a colleague of Putin’s from the St Petersburg KGB. Cherkessov, however, was involved in a conflict over spheres of influence with the head of the FSB, Viktor Patrushev. According to insiders, Vladimir Putin was lobbied by both sides to resolve the dispute. Yakovleva’s case became a stick for the Patrushev clan to beat the Cherkessov clan with, and the FSB ensured her supporters could protest at will. Patrushev won the tussle and Cherkessov was sidelined by Putin.

Eventually, the ruling regarding the legal status of diethyl ether was reversed and Yakovleva was freed. She has since founded an NGO, Business Solidarity, to help entrepreneurs in similar situations: approximately 120,000 are in prison for economic crimes. As a result of the difficult political and business climate, small and medium enterprises contribute less and less to the economy. Meanwhile, more than half of the working population work directly for the state or state-controlled companies. The latest round of privatisations yielded occasionally absurd results, such as when a large part of the state energy giant RAO ES was eventually ‘privatised’ into the hands of another state giant, Gazprom. This year, the state’s role in the power sector actually rose from 50% to
70%. Just as the centre refuses to yield any real power to genuine opposition politicians or media, so it refuses to yield any economic power to genuinely independent actors.

"Don’t Lie, Don’t Steal": What do you do with a Problem Like Navalny?

Postmodern dictatorship has created a world of simulated institutions and simulated narratives. This is a world where nothing can ever be said to be genuine, where not only the financial system but language and ideas have become corrupted. It was in this context that the anti-corruption blogger turned politician, Alexey Navalny, could give so much significance to a simple slogan: “don’t lie, don’t steal”. Navalny is the negative reflection of the regime: a bottom-up campaigner looking to attack its weak spots.

Navalny first emerged as an authentic opposition leader during the mass protests of 2011/2012, when hundreds of thousands took to the streets of Moscow to protest against the endless simulations of the regime: the faked Parliamentary elections, as well as the ‘castling’ which arrogantly moved Medvedev from president to prime minister, and Putin from prime minister to president. The political technologists at the top of the system were targeted. “Enough Surkovian propaganda” chanted the crowds. Navalny’s speeches tried to break through Russian cynicism to a sense of childhood justice—his catchphrase, “one for all and all for one”, is a quote from the universally loved Russian children’s movie, Three Musketeers. Breaking through the evasive public discourse, he insisted on calling a spade a spade, nicknaming the ruling elite “the party of crooks and thieves”, and using Russian patriotic and nationalist language as well.

True to its methods, the Kremlin’s initial response to Navalny and the protesters was to co-opt their anti-corruption and patriotic narratives: The state itself began to launch anti-corruption drives, including several high-profile arrests of ministers and bureaucrats, among them defence chief Anatoly Serdyukov. The Kremlin also ramped up its own patriotic rhetoric, bringing one-time neo-nationalist leader Dimitry Rogozin into the government and appointing former skinhead Alex Bosykh as his assistant. The Orthodox Church, so far dormant as a political force, was wheeled out to support the Kremlin. Putin’s leadership, according to the Patriarch, is “a miracle of God”.

New legislation forced NGOs to register as “foreign agents” and banned the "propaganda of homosexuality to minors". These measures were not the result of bottom-up homophobic, nationalist or religious campaigns: only 3% of the population attends church regularly, and homosexuality was not much debated in the media before the Kremlin pushed the issue. The laws should rather be seen as a top-down attempt to initiate a phony ‘culture war’, in an attempt to distract from the potentially universal message of Navalny and the protests. These efforts were successful as they moved the debate both inside and outside the country away from systemic change and towards gay rights and religion. In the long run, it is unclear what the consequences of any of these laws will be. The ex-defence minister Serdyukov remains at large though accused of corruption; only one NGO has been closed down; countless others have been subjected to intimidating inspections while the government simultaneously pledged 200 million rubles to support Human Rights NGOs, and on September 4, Putin stated that he would never infringe on the rights of homosexuals “many of whom work with me”—a far cry from the tone set by those Orthodox priests who have been equating homosexuality with the apocalypse.
In September 2013, the Kremlin, operating under Volodin’s ‘competition without change in government’ slogan, began to look for ways to integrate, and ultimately to co-opt Navalny into the system. Navalny was allowed to campaign for mayor of Moscow, and several other authentic outsiders were allowed to stand in regional elections elsewhere in Russia. The government even helped Navalny obtain the necessary signatures for registration. Once again, the rules of engagement were ultimately rigged: Navalny has a potential five-year prison sentence hanging over him and was not allowed to appear on federal television channels. Nevertheless, the Moscow Mayor’s office announced these elections would at least be free from the blatant rigging of previous ones (thus indirectly confirming that previous elections had been dishonest). At first, this appeared to be a low-risk strategy; polls showed Navalny would get only 6–15% and that turnout would be near 60%. The Moscow Mayor, Putin appointee Sergey Sobyanin, would win after an almost-genuine contest and would get some much-needed legitimacy. But to everyone’s surprise, Navalny gained 28% of the vote, nearly forcing a very uncomfortable run off.

Essentially, the system tripped over itself. Research by Tonia Samsonova, an investigative journalist, has shown that the election predictions of many Russian pollsters are based on the results of faked elections, meaning that their future predictions are now utterly stilted in favour of Putin and his candidates. As the Moscow mayoral election was more genuine than elections in the past, the prediction formula broke down; the system had become caught in its own unrealities.

During the Moscow elections of September 2013, I spent several days (and nights) talking to Navalny’s election team—the 6,000 volunteers who have been agitating for him and monitoring elections. No exact statistics about them have been compiled, but volunteers did identify, in conversation, with several clear trends. Approximately half of the volunteers are from science and social science backgrounds; many work in IT or science-related industries; at least half are not born Muscovites, but self-starters who have come to make careers in the capital; and many have small businesses. The arguments they had for supporting Navalny were less about the man himself and more about a desire for personal dignity and clear rules of the game. “I don’t want to live in lies” was a common phrase, as was “there must be an alternative to this system”. The mix of a strong work ethic with a scientific, rational discourse has been described by Nowak as the “spirit of democratic capitalism”. That ethos has had followers in Russia before, but this is the first time they have been unified as a political group, at least since 1918. The process that started in 1996 might be starting to come full circle.
Postmodern Dictatorship and the West

Russia Today: Nothing is True and Everything is Possible

Russia Today (now renamed RT) is the international news channel set up by the Russian state to rival the likes of Deutsche Welle, Al-Jazeera and BBC World. It has a global reach of 630 million, in the UK has become the third most watched TV news channel, and at the time of writing has had over a billion hits on its YouTube channel, making it the most popular online news channel. Its programming reflects the evolution of Russia’s message to the world from hard, cold war ideologue to the more liquid and subversive approach described above.

Switch on RT and it looks like any English language news channel, with a similar mix of formatted shows and news reports. Presenters, in-the-field journalists and output editors are native English speakers: approximately 200 out of 2,000 employees (across the English, Arabic and Spanish channels) are ex-pats. In the English section, however, key editorial decisions are made by Russian producers and editors: “Essentially we are there to make it sound English and check the language,” explained a former British employee. “It’s not like a normal channel where you can pitch in editorial ideas—the position on events is decided among a small core of mainly Russian editors.” While RT management deny that editorial instructions are ever handed down by officials in government, the media outlet’s position on international issues tends to correlate with the Ministry of Foreign Affairs. During the 2008 war with Georgia, for example, the channel ran a non-stop banner entitled “genocide in Ossetia” when no such thing had been, or indeed would be, proven. In the build up to the conflict in Libya, RT aired an exclusive, highly lauded interview with Colonel Gaddafi in the morning, only to take it down the same day when the Russian government had decided not to support the Libyan leader after all. Interviews with Putin are soft: “Mr Putin, the opposition to you is so small, what kind of an opposition would you like to see?” a presenter asked the president during one session.

Such obvious pro-Kremlin messaging (whether directed or self-censored) is only a small part of RT’s output, however. Its popularity stems from coverage of what it calls ‘other’ or ‘unreported’ news, which is the special niche of the network. Julian Assange had a show on RT. Noam Chomsky and editors from The Nation are frequent guests. 9/11 conspiracy theories are given generous space. And it’s not just the left. Nigel Farage of the right-wing, non-parliamentary United Kingdom Independence Party is also regularly featured. The channel has been nominated for an Emmy for its reporting on the Occupy Movement in the USA and is described as ‘anti-hegemonic’ by its fans. RT, however, is not uniformly ‘anti-hegemonic’. Its documentaries about Russia tend to be puff pieces about the gentler sides of provincial life. And establishment figures are welcome too: Larry King, the venerated American interviewer, recently sold the rights for his show to RT and endorses the channel. Validating this wildly irregular approach is the excuse that, in the words of Managing Director Alexander Nikolov, “there is no such thing as objective reporting”.

Whatever the merits of this argument, it is used in practice to claim that any position, however fringe, is equally worthy of broadcast. This avowed relativism is, in turn, validated by a hostile reading of Western broadcasters which, according to RT management, operate on double standards. The final result is that the Kremlin’s message reaches a much wider audience than it would on its own: Putin is spliced together with Larry King, Assange and Assad.
“The mission of RT is to represent a Russian point of view in the world,” said Nikolov. When pushed as to what exactly a Russian point of view or vision entails, he answers: “There’s always a Russian way to look at a situation.” The example of RT is a reflection of Russia’s foreign policy, which is opportunist. Thus the Kremlin preaches non-intervention and sovereignty while defending Assad, yet uses the reverse position to justify the invasion of Georgia; warns against American exceptionalism, while claiming that Russia has a special mission to rule over and enlighten its ‘near abroad’; and claims at home that it defends true Russian values from the decadent West, while telling a Western audience that only the Russian ruling elites are Westernised enough to civilise Russia’s ‘backwards’ population.27 This is not so much a case of ‘double standards’ as the use of ideology, any ideology, for tactical aims.

A similar relativism also informs Russian interaction with international institutions, as the example of Robert Schlegel illustrates. Schlegel is a Russian member of the Parliamentary Association for the Council of Europe (PACE), one of the few mechanisms Russia has to interact with the EU. He is also a rising star of the Duma and, as a former leader of the Kremlin youth group Nashi, a good conduit of the ‘party line’ (Nashi were formed by Surkov and Pavlovsky as loyalist cadres to counter a potential Orange revolution). Despite Russia being a signatory to the Council of Europe’s Convention on Human Rights, Schlegel insists the ideology of universal values is just a weapon to beat Russia with: “We have different human rights to you,” explains Schlegel. “You cannot foist your idea of European-ness on us.” Schlegel’s positions are held by other Russian delegates as well. “The Russian delegation in the COE does not believe in the idea of a community of nations,” said Peter Omsicht, a Dutch Parliamentarian in PACE. As a result, Russia votes together with Azerbaijan and other authoritarian regimes in PACE28 in what Omsicht calls “coalitions of the unwilling”, which try, and sometimes succeed, in blocking reports on press freedom and political prisoners in the former Soviet Union. “Human rights and democracy are just sand to throw into our eyes,” said Schlegel, defending Russia’s voting pattern. “The West doesn’t practice them itself.”

Like RT’s top editors, Schlegel argues that the West’s values are just so much cant. In the advert for Larry King’s show on RT, key words associated with the journalist flash up onscreen: ‘reputation’, ‘respect’, ‘backbone’ and then more and more until they merge into a fuzz, finishing with the jokey ‘suspenders’. Then King, sitting in a studio, turns to the camera and says: “I would rather ask questions to people in power, rather than speaking on their behalf. That’s why you can find my new show right here on RT. Question more.” The advert seemed to be bundling the clichés of the CNNS and BBCs into a few seconds, pushing them to absurdity. There’s a sense of putting two fingers up to the Western media tradition: anyone can speak your language; it’s meaningless.

Perhaps the best example of this taunting of Western discourse was Vladimir Putin’s New York Times op-ed, published on September 14, which skilfully teased Obama’s failure to find a solution in Syria before using a very American reference to the Declaration of Independence to kick Obama with: “There are big countries and small countries. Their policies differ, too. We are all different, but when we ask for the Lord’s blessings, we must not forget that God created us equal.”

But while it is tempting to dismiss representatives of the Duma, state TV channels and Vladimir Putin as demagogues, an echo of this argument can increasingly be heard from Russian oppositionists. “As long as the West continues to welcome the flow of corrupt
Russian money to the West,” argued Sergey Aleksashenko, a former Deputy Head of the Central Bank and professor at the Higher School of Economics, “then all the arguments about human rights and values are just what Kremlin apologists say—a load of hot air”. According to the Russian Central bank, $50 billion is siphoned off from the Russian state budget illegally every year, mostly travelling via off-shore zones and tax havens to the West. “No Western government wants to stop that money leaving Russia,” said Elena Panfilova, head of Transparency International Russia.

How the West Aids and Abets Putin’s Regime

The West fought the Cold War using rhetoric that combined economic freedom and human rights. In facing down communism, Amnesty International and Goldman Sachs seemed, for an odd historical moment, intrinsically connected. Since then, the two discourses have split. Britain and the EU still pay their respects to the idea of human rights in Russia, but with very little conviction. UK government statements on Russia regularly raise concerns over human rights. European institutions do the same: “We meet with Russian human rights representatives twice a year,” said Leonidas Donskis, a European Parliamentarian, “but it feels symbolic. We say some nice words. They nod”. When President Obama tried to meet representatives of Russian civil and human rights groups at the G20 this September, hardly any turned up: “These meetings make no sense,” commented one of the absentees, Lev Ponomarev, the veteran director of the Movement for Human Rights. “We complain and they tell us we are great”, he added.

But while the West still goes through the motions on human rights, the economic relationship between Russia and the West has taken on its own speed and logic. Britain, especially, is open for business. Inflows of Russian money are helping to keep parts of the economy purring. Russians receive a quarter of the ‘investor visas’, which the UK hands out to those who can pay a million pounds for them. The London Stock Exchange, with its looser (relative to the US) regulations, is perceived as an easier place for Russian and other companies from the former Soviet Union to be listed: according to the FSA, approximately one third of banks appeared willing to close money-laundering risk if the immediate reputational and regulatory risk was acceptable.30 In a self-perpetuating circle, most banks are prepared to take on foreign clients if they hold an ‘investment visa’, according to the FSA: “Three quarters of banks fail to take adequate measures to establish the legitimacy of the source of wealth and the source of funds to be used in the business relationship.” Meanwhile, in the legal world, Chris Grayling,31 the UK justice minister, has championed London as a global legal capital: nine out of every ten commercial arbitration cases handled by London firms now involve an international party, and cases from the former Soviet Union make up a large portion of them. The fees paid by top Russian clients are high: Jonathan Sumption earned a reported £7 million for representing the oligarch Roman Abramovich in his case against Boris Berezovsky.

The logic of Britain being “open for business” contradicts Britain’s criticism of the Russian system. Vladimir Ashurkov, Alexey Navalny’s partner in the anti-corruption NGO Rospil, claims to have reported multiple cases of senior executives in Russian state companies siphoning money through London, but with no follow-up from the UK financial services. “At some point, it becomes a question of political will,” said Ashurkov. “VTB are listed on the LSE, though our research has shown how it is a money laundering vehicle.”32
VTB deny all of these claims. In September 2013, Reuters reported that VTB were also acting as the bankers for Assad, which VTB denies. Rospil investigations have also alleged that Deputy Prime Minister Igor Shuvalov profited from Alisher Usmanov’s purchase of British steel company Corus Group, and that Vladimir Yakunin, the head of the state railways monopoly Russian Railways and another one of Putin’s St Petersburg KGB colleagues, uses the State Railways pension fund to purchase hotels that have received investment from his son’s London-based company. Yakunin junior’s investment vehicle is based in London.

All across Europe, it has become habitual for retired and semi-retired public officials to take positions on the boards of Russian companies. They include Gerhard Schroeder at Gazprom, Dominique Strauss-Kahn at Rosneft and Peter Mandelson at Sistema. “Politicians shouldn’t try to turn into businessmen, and businessmen shouldn’t try to act like ministers and make their decisions for them” said Mandelson when interviewed about his appointment (in a London-based magazine owned by the son of one of the key players in Sistema). There is very little scrutiny of the ‘influencers’ who work for Russian companies, or of their other political and financial interests.

Very little of this usually comes into the sphere of diplomacy. Britain, like the rest of the West, has erected a Chinese wall between the human rights dialogue and the economic conversation with Russia; the two are never mentioned together. But this separation is outdated. The new Russian opposition perceive corruption, human rights, democracy and intellectual integrity to be inseparable. Alexey Navalny built his political career on being an anti-corruption activist for a reason: the real reason the ruling clans in Russia cannot afford to give up power in democratic elections is that their wealth derives from their relationship to the state. Nor can they tolerate the emergence of a fair legal system, because they would wind up in jail. The Russian protest movement perceives an intrinsic link between financial corruption and the shape-shifting of the Kremlin’s ideologues: financial and intellectual corruption go hand in hand. The debate about ‘corruption’ in Russia is not, therefore, just about slipping bribes or the odd bit of nepotism. It is a struggle to establish genuine democratic capitalism and to defy postmodern dictatorship.

Instead of helping, the West is making things worse.

Only once, in the tragic case of Sergey Magnitsky, a Russian lawyer working for a British investment fund, has the nexus between human rights abuses, corruption, and international crime become the focus of a single policy. Magnitsky uncovered a sophisticated tax fraud by corrupt state officials working together with organised crime gangs to defraud the Russian state of $230 million. The fraud was ultimately enabled by senior ministers in Putin’s government. When he reported the fraud, Magnitsky was put in prison and eventually tortured to death. The EU has indicated that this case is an ‘internal Russian matter’. However, researchers who tracked the stolen funds demonstrated that they were then moved through Cyprus, Switzerland and shell companies in London.

In response to this abuse of the international financial system, the US Congress passed the Magnitsky Act, which bars Russian officials involved in the death of Magnitsky from entering or investing into the US. This law was the first ever attempt to reconnect economics and human rights. “Among the biggest opposition I had to the Act,” explained its author Kyle Parker, “was from the US–Russia business lobby who argued that it would get in the way of economic relations”. Despite initial opposition from the White House, the bill was passed. It has, however, stalled in EU countries and there seems little prospect that it will pass.
But the basic insight of the Magnitsky Act—that political abuse and economic corruption are linked—can be used by NGOs as well, particularly if Russian and Western NGOs learn how to cooperate. At present, UK anti-corruption NGOs, such as Global Witness or Tax Justice, barely engage with Russia, which is an absurdity, given that so much Russian money flows through the UK. On the other hand, Russian NGOs need help in researching and publicising what they know about how corruption Russian money is invested in the West.

Ultimately, international networks of anti-corruption NGOs could play a similar role to that of human rights campaigners played in the 1970s and ‘80s. Russia has signed up to any number of international anti-corruption initiatives and commitments. It has at least officially pledged to fight corruption at home. It is up to an international civil society push to make these initiatives real and force both Russian and Western governments to ‘abide by their own laws’.
Conclusion

Back in 2000, when I ticked the ‘objectively verifiable indicators of democratisation’ boxes, the international community had a grand vision: Russia should join the ‘common European Space’. The approach to Russia was based on several premises: Russia, and the Russian regime, are in transition towards democratic capitalism; the inclusion of Russia in international institutions will help improve its domestic climate; and the integration of Russian companies on international markets will ultimately push Russia towards democratisation. All these approaches have, however, proven false. But the EU, nevertheless, still dreams of ‘common spaces’. Indeed the ‘common spaces’ have multiplied, there are now ‘common spaces’ where Europe and Russia discuss security, freedom, education, and justice, ad infinitum. Clearly, the postmodern Russian proliferation of unrealities has infected the EU–Russia dialogue too.

Yet there is a real dialogue to be had with Russia. Beneath the whirligig of rhetoric, the Putin regime does care about some simple things, such as visa-free travel for bureaucrats to Europe, as well as access to the Western banking system. It also cares about pipelines, natural resources trade and the EU investigation into Gazprom’s monopolies. The West must build a new dialogue with Russia around these hard issues, and ensure that Western concerns are met in exchange. It could be possible, for example, to link visa-free travel for Russian bureaucrats with visa and investment bans on corrupt officials. Conditionality also needs to be built into Russian membership of international organisations. Russia has signed up to pledges, including the promise to fight corruption, which it needs to make good on. Russia is a member of GRECO, the Council of Europe’s anti-corruption body: though now underused, with institutional strengthening it could have impact.

In the past, human rights campaigns succeeded by forcing governments to obey their own human rights laws, and to observe the international treaties they had already signed. Perhaps in the future, anti-corruption campaigns will succeed by forcing governments to obey their own corruption laws and treaties as well, both in Russia and the West.
Note: All quotes are based on author interviews conducted in August and September 2013 unless otherwise stated.

3. Andrew Wilson, ‘Virtual/Political’, Yale, 2006, p. 18
13. Ibid.
25. See Russia Today website, membership and awards at http://rt.com/about-us/memberships-awards/
26. See Russia Today website, Larry King Now at http://rt.com/shows/larry-king-now/
40. Additional quotations from Author interview with Vladimir Ashurkov, September 2013.
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ABOUT OUR PARTNER

The Institute of Modern Russia

The Institute of Modern Russia (IMR) is a nonprofit, nonpartisan public policy organization—a think tank—with offices in New York and Washington DC. IMR’s mission is to foster democratic and economic development in Russia through research, advocacy, public events, and grant-making. We are committed to strengthening respect for human rights, the rule of law, and civil society in Russia. Our goal is to promote a principles-based approach to US-Russia relations and Russia’s integration into the community of democracies.

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