

# RUSSIA WATCH

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- Russia refines sanctions against Turkey, the black box 'too damaged' to use;
- Russia denies the development of a second military air base in Syria;
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**Sanctions against Turkey refined, the black box 'too damaged' to use:** After Russia cancelled and repeatedly declined high-level meetings with Turkey, Russian Foreign Minister Sergei Lavrov held a 40 minute meeting with the Turkish Foreign Minister during the OSCE session. Mevlüt Çavuşoğlu expressed condolences over the death of the pilot. The government of Russia approved a list of areas that fall under Turkish sanctions. Turkish companies are not allowed to work in the construction, tourism and hospitality, and timber processing sectors, are banned from delivering services to the government, and cannot be involved in any area that is of strategic importance for Russia. The new rules entered into force on January 1st. Contracts made before that date will be exempt from the sanctions. The Turkish Stream and the Akkuyu Nuclear Power Plant are similarly not covered by the sanctions regime. With direct respect to the crash, Russia invited foreign experts to participate in the decoding of the flight recorder and broadcast the opening of the black box. The contents, however, were too damaged for experts to retrieve flight data. On the Turkish side, meanwhile, the government has declined Russia's demands to compensate for the jet. Furthermore, Turkey has detained 27 commercial ships from Russia - viewed as a delayed response to similar behaviour by Russia, which started detaining Turkish ships at the end of November.

**Russia denies the development of a second military air base in Syria:** Russia continued air attacks in Syria, with the Ministry of Defense issuing regular public reports on the numbers and progress of the attacks. On December 23 Amnesty International declared that it possessed information linking the deaths of 200 Syrian civilians to Russian air strikes. The UN was not able to officially confirm the information. Russia also denied reports that it is preparing to open a second military air base in Syria. Speculation has also been rising regarding the potential 'Islamic' threat in Central Asia and the possible opening of a 'second front' in Tajikistan and Kyrgyzstan, given the worrisome security situation in the area and neighboring Afghanistan. Developments in the traditionally troublesome Republics of Dagestan and Chechnya are also of high concern. This worry has been exacerbated by the fact that increasing numbers of the population from the

area are leaving to fight for the IS (600 Dagestanis according to the official data, and ten times more according to the unofficial), motivated by the protracted armed conflict with the official Russian security forces, religious disagreements, and the back-fired war on terror.

**Russian economy remains strained:** With further decreases in oil prices, Russian ruble keeps tanking. The Ministry of Industry and Trade announced that industrial production had shrunk by around three percent in 2015, reaching five percent in processing industries. In the first year of the Eurasian Economic Union, trade among its member countries shrank and the economic situation worsened. The largely political project has particularly made Russia's allies Kazakhstan and Belarus wary. The media also uncovered information purporting that several factories and plants are out of operation because they have not been able to replace sanctioned component parts from Turkey. Poverty levels have almost doubled and may now potentially reach one third of the population in 2016.

**Kudrin might regain a high-profile post in government:** Several media sites published the leaks (also here and here) that ex-minister of finance Alexei Kudrin is involved in talks concerning his return to a top position in government. Favored by investors for his fiscal discipline and liberal reputation, Kudrin is expected to help the country endure the deep economic crisis. Kudrin calls for structural reforms of the Russian economy, with an emphasis on reforming the pension system, increasing investment in infrastructure and social capital, reducing subsidies and social expenditures, and decentralizing the budget and fiscal revenues. Having resigned in 2011 after disagreements with Putin over disproportionate increases in the military budget, Kudrin, nevertheless, admits that the operation in Syria is 'cheap' for the Russian government. Kudrin opposes economic sanctions imposed against Turkey and the EU though. Analysts, however, express skepticism about the real potential impact of Kudrin on the Russian economy. Kudrin excelled when oil prices were high but did not manage to implement deep structural reforms. His reputation might, nonetheless, help boost the confidence of investors.

**Khodorkovski accused of 1998-1999 murders, arrested in absentia:** On December 11, the Investigative Committee arrested the former head of Russian oil company YUKOS Mikhail Khodorkovsky in absentia and issued an international arrest warrant for him. The investigators suspect that in 1998-1999 the then oil tycoon ordered the murders of Nefteyugansk Mayor Vladimir Petukhov and businessman Yevgeniy Rybin and was behind four murder attempts. The Kremlin denies involvement in this new wave of accusations. Prior to that, the Prosecutor General's Office declared that Khodorkovsky made 'extremist statements' that called for tumultuous changes to the constitutional order of the Russian Federation. His actions, hence, have to be examined by the Investigative Committee. During the press-conference in London, where he has spent much of his time following his release from prison in December 2013, Khodorkovsky claimed that the current government is illegitimate and its laws repressive. With no functional institution providing for free elections or other similar mechanisms for government change, according to Khodorkovsky, a revolution is unavoidable and necessary.

**Russia's Prosecutor General accused of corruption:** On December 1, the Foundation for Fighting Corruption published a video-report investigating the businesses of the family and associates of Yuri Chaika, Russia's Prosecutor General, who was linked to a notorious criminal Tsapok gang which helped his family build an immense business empire. The Kremlin refused to follow up on the allegations as the investigations did not concern Chaika himself. Putin's press Secretary Dmitry Peskov also announced that the Kremlin was aware of the business activities of Chaika's children but these activities are completely legal. The media also cited sources who claimed that the Kremlin decided to ignore the accusations, guarantee Chaika's immunity, and discredit the Foundation for Fighting Corruption and its founder, anti-Putin lawyer, politician, and

blogger Alexey Navalny. Chaika rejected the accusations all together, calling the film "baseless" and "mendacious". He further emphasized that the film must have been "ordered" by someone with "a large sum of money", - allegedly William Browder, co-founder of the investment fund Hermitage Capital. Shortly after, state-controlled TV broadcaster NTV announced a TV show "Browder and Co" that would cover William Browder, a 'CIA agent, a swindler of an international scale, and a puppeteer of the Russian opposition'. On December 25, Russian authorities started a criminal lawsuit against Browder on allegations of fraud.

**Purging of Russian Orthodox Church – Vsevolod Chaplin 'fired':** A high profile ultra-conservative Russian Orthodox official Vsevolod Chaplin was relieved of his duties as the head of the church's department for cooperation with civil society. More liberal members of the Church speculate that Chaplin was sacked for his recent maverick statements that were not approved by the MFA. For example, he recently spoke about a 'holy war' in Syria, which led to the outcry of Muslim countries and comparisons to the Crusades. Upon his departure from the official position, Chaplin harshly criticized the Russian Orthodox Church for corruption and submissiveness to the President, and for suppressing opinions different from those of the Patriarch Kirill. Prior to the events, the Center for Economic and Political reforms published a report on the distribution of presidential grants for NGOs. The Russian Orthodox Church and 'orthodox projects' received more money allocated by the state for NGOs than any other organization or topic in 2013-2015.

**Investigator named the alleged initiator of Nemtsov's murder:** On December 28, the Investigative Committee announced that the main suspect for initiating and organizing the assassination of Boris Nemtsov in February 2015 is Ruslan Mukhudinov, who served in the battalion 'Sever' under the President of the Chechen Republic Ramzan Kadyrov. Mukhudinov was arrested in absentia; an international arrest warrant was issued. The Investigative Committee also claimed that the assassination was not connected to Nemtsov's political activities and hence cannot be classified as a 'murder of a political personality'. The investigators did not announce the alleged motive. Previously, anonymous sources from the Investigative Committee stated that the preliminary thinking is that the motive was Nemtsov's criticism of Charlie Hebdo attacks and posts about the separation of Islam from the state. The lawyer representing Nemtsov's family immediately responded, asserting that the investigators are trying to divert attention from the real culprits.

**Russian Constitutional law to have priority over decisions of international courts:** The State Duma (Russian Parliament) passed a law that permits Russia to ignore decisions of international courts, primarily the European Court of Human Rights, if they contradict the Russian Constitution. Members of the Duma mentioned that the ECHR decisions are too politicized. Russian authorities are also working on a law that would enable the binding of online messaging services to internet providers. This would allow state authorities to have more control over the messaging services. The Ministry of Communication defended the decision as necessary on account of security considerations, citing the Paris attacks.

**Russian officials received a book with Putin's quotes for Christmas:** A thousand Russian top officials received a book with Putin's quotes – Words Changing the World. The first Deputy Head of the Kremlin Administration, Viatcheslav Volodin, recommended that the book become reference material for every politician. The book was accompanied by a letter clarifying that it would be particularly useful in helping the reader understand normative principles and orientations that guide political decisions. Mr Volodin explained that they traced statements made by Putin throughout his career and noticed that his words are prophetic: everything the President said has come true, at least to some extent.

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