



RUSSIA REFORM MONITOR

The American Foreign Policy Council's Review of
Russian Government Actions and U.S. Policy

Russia Reform Monitor No. 2295

March 4, 2019 **Ilan I. Berman, Margot van Loon**

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THE CODIFICATION OF THE RUSSIAN CRIMINAL STATE

A new measure proposed by Vladimir Putin's government is seeking to institutionalize - and legitimize - the country's rampant corruption. As part of new draft legislation, the Russian Justice Ministry has floated the idea of providing exemptions to officials from anti-corruption legislation in "exceptional circumstances." "In certain circumstances, complying with restrictions and bans... to prevent or settle conflicts of interests... is impossible for objective reasons," the text of the draft bill lays out. Yet the Kremlin has not clarified what those "exceptional circumstances" might be, only saying that further explanation would be presented at a later time. (*The Moscow Times*, January 29, 2019)

[EDITORS' NOTE: The rationale behind the move is both stark and damning. According to the Ministry, compliance with anti-corruption rules might be "impossible due to objective reasons" in certain parts of the country - an implicit admission of the pervasive nature of graft and economic irregularities on the part of government officials which has become a daily part of life in today's Russia. And the new legislation is tantamount to a Kremlin repudiation of any plans to alter this *status quo*. "There's not a single rational explanation for the use of exceptional circumstances when an official couldn't declare a conflict of interest," Ilya Shumanov of Transparency International Russia, an anti-corruption newsletter, has noted.]

RISING PRICES AUGUR POORLY FOR RUSSIA'S ECONOMY

Commodity prices in the Russian Federation are rising, putting increasing strain on the ability of ordinary citizens to pay for them. New statistics from ROSSTAT indicate that last year food prices in Russia rose on average four times faster than they did in Europe. Meat and meat products had the most dramatic jump in cost, rising by nearly 10% over the course of 2018. (*Radio Svoboda*, January 31, 2019)

EUROPE TAKES A STERNER LINE ON NORD STREAM II

European concerns over Russia's influence in its energy market reached a tipping point last month, when France threatened to withdraw its support from the Nord Stream II pipeline, a Russian project that is backed heavily by German investment, unless the terms of the project were adjusted to permit greater European control. The resulting 27-1 vote by the bloc's ambassadors approved a French-German compromise proposal that would subject the pipeline to internal European energy regulations - particularly a provision in which the ownership of the pipeline and the ownership of the gas supplied must be "unbundled" and held by different entities.

The compromise proposal will now be sent to the European Parliament for additional debate. In the meantime, Nord Stream II remains on track, and its primary backer, German Chancellor Angela Merkel, has continued to assure the EU that it will be able to mitigate its energy security fears by diversifying its supply via other competing pipelines and import terminals for American liquified natural gas. (*BBC*, February 8, 2019)

MOSCOW BACKS MADURO

As Venezuela's political and humanitarian crisis grinds on, Moscow has thrown its weight squarely behind embattled strongman Nicolas Maduro. In a recent call to U.S. Secretary of State Mike Pompeo, Russian Foreign Minister Sergei Lavrov warned Washington against any form of intervention (particularly military involvement) in Venezuela's domestic affairs that would support opposition challenger Juan Guaido, whom most Western nations have now recognized as the country's new president. Deputy Foreign Minister Sergei Ryabkov also emphasized that Russia is "ready to provide a kind service in order to facilitate the process of finding ways out of the situation." However, the Kremlin has made it clear it expects any dialogue to be "in line" with the UN Charter, and is now circulating a draft resolution at the UN Security Council to counteract an American call for free and fair presidential elections. (*The Moscow Times*, February 13, 2019)