



## RUSSIA REFORM MONITOR

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Russian Government Actions and U.S. Policy

# Russia Reform Monitor No. 2339

October 1, 2019 **Margot van Loon**

### ELECTIONS ILLUSTRATE RUSSIA'S POLITICAL DIVIDE

The results of Russia's September elections were a mixed bag for United Russia, the party of President Vladimir Putin. The faction suffered a stinging loss in Moscow, which for weeks had been galvanized by street protests after many liberal opposition candidates were blocked from running. In response, opposition leader Alexei Navalny steered his supporters towards "Smart Voting" for other candidates from the Communist or Just Russia parties who remained on the ballot. As a result, the number of Moscow City Duma seats held by United Russia dropped from 40 to 25, with the party's official Moscow leader, Andrei Metelsky, among those ousted. Some of the victorious candidates even admitted that they would have lost to Navalny allies in a truly fair vote. Meanwhile opposition party Yabloko won a notable four seats; according to one analyst, the win represents the first time since the early 1990s that "genuine opposition candidates have been elected to the City Duma."

Elsewhere, some United Russia members, like St. Petersburg's incumbent governor, Aleksandr Beglov, recorded victories after running as independents to avoid association with the party. However, despite major losses in Khabarovsk and Irkutsk, Putin's party was generally more successful in the regional elections, illustrating the sharp divide between politics and perceptions of Putin's leadership in Moscow versus the rest of the country. (*Politico EU*, September 9, 2019; *Radio Free Europe/Radio Liberty*, September 9, 2019)

### ANSWERS IN SPY EXFILTRATION DRAMA?

After multiple American news outlets reported that the CIA had extracted a high-level intelligence source from inside the Kremlin, a Russian paper is claiming to have uncovered the spy's identity. Business daily *Kommersant* asserted that the anonymous spy is Oleg Smolenkov, an aide to one of President Vladimir Putin's top foreign policy advisors who vanished with his family while on vacation in June 2017 but resurfaced in Virginia in 2018. Other media outlets corroborated the reporting, with one citing current and former American officials as confirming that Smolenkov is currently living under U.S. government protection. The Kremlin reacted dismissively to Smolenkov's identification, with Foreign Minister Sergei Lavrov denying that he had ever heard of or met the aide, and spokesman Dmitry Peskov claiming Smolenkov had been fired secretly years ago and calling the idea of him working as a spy for the U.S. "pulp fiction." (*The Moscow Times*, September 10, 2019)

### ARCTIC GAS BOUND FOR CHINA?

The Kremlin is eyeing new Arctic oil fields on the Yamal Peninsula as a lucrative avenue through which to expand its energy cooperation with Beijing. President Vladimir Putin met with Gazprom CEO Alexei Miller in September and instructed him to examine the feasibility of developing a so-called "western pipeline route" that would run from the remote peninsula down through Mongolia and into China. Gazprom, which currently controls the licenses for an estimated 26 trillion cubic meters of gas reserves in Yamal fields, is already constructing another pipeline to link the two countries: the 4,000km "Power of Siberia." Putin noted that the new route would be challenging to build, but that "preliminary assessments of the issue have shown that it is fully realistic, and our Chinese partners also tend to think so." (*The Moscow Times*, September 11, 2019)

### EU SANCTIONS LINGER

The European Union has extended its sanctions against Russian and Crimean officials for another six months. According to a formal EU statement, 170 people and 44 entities will remain subject to asset freezes and travel bans as a result of their violation of Ukrainian sovereignty and independence. EU leaders have hinted that the bloc would be willing to lift some of the sanctions, which have been in place since Moscow's 2014 annexation of the Crimean Peninsula, if Russia agrees to abide by the terms of the peace agreement reached in 2015. However, for now, the sanctions will remain in place at least through March 2020. (*Washington Post*, September 12, 2019)

### NEW PROSPECTS FOR RUSSO-UKRAINIAN PEACE

Russia has announced that it is willing to take part in a new summit regarding the peace process in eastern Ukraine, but only under a set of strict preconditions. Senior Kremlin aide Yuri Ushakov confirmed that Moscow wants the summit to be held in Paris, and only if both sides agree to stand down along the line of conflict and after a preliminary agreement has been drafted. He stipulated that the agreement must include a special status for the Donbass region. He also pointed to the success of the September 7th prisoner swap as an indication that such compromises could be possible.

Indeed, Ukrainian President Volodymyr Zelensky is also seeking to build on last month's progress with the exchange of hundreds of additional detainees. According to chief Ukrainian negotiator Andriy Yermak, Kyiv is offering a complete swap of all detained Russians and Ukrainians "according to the principle of all for all." Yermak pointed to this tactic as an example of the differences between Zelensky's administration and that of his predecessor Petro Poroshenko, who was unable to break deadlocked negotiations or hold Moscow accountable to its ceasefire commitments under the 2015 Minsk Agreement. Ukrainian officials are now hoping that Zelensky's new strategy will reset the terms of negotiations and help bring Moscow back to the table without conceding too much in the process. (Reuters, September 13, 2019; *Financial Times*, September 15, 2019)