



## RUSSIA REFORM MONITOR

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

# Russia Reform Monitor No. 2362

January 28, 2020 **Matt Maldonado, Ilan I. Berman**

**Related Categories:** Democracy and Governance; Energy Security; Human Rights and Humanitarian Issues; International Economics and Trade; Corruption; Europe; Russia

### **NORD STREAM II HITS A NEW STUMBLING BLOCK**

Washington has thrown yet another obstacle in the path of Russia's controversial Nord Stream 2 project, a natural gas export pipeline under construction to Germany. A bill signed by President Trump at the end of 2019 will impose new sanctions on any companies involved in the pipeline that do not demonstrate a "good faith effort" to leave the project, remove their equipment, and settle outstanding financial arrangements within a 30-day grace period. With only 100 miles of pipe remaining to be laid, the pipeline is close to completion. But now, at least one company, the Swiss-Dutch AllSeas consortium, has announced that it has pulled its construction fleet from the site. Nevertheless, officials with the GAZPROM-led project maintain that the companies involved are continuing work, and the Russian Ministry of Energy has asserted that the pipeline will be completed within the year. (Reuters, December 30, 2019)

### **NAVALNY REFLECTS ON 2019**

After a turbulent year, Russia's most prominent opposition figure remains realistic but determined. In an interview with the *Voice of America*, Alexei Navalny identified the mass summer protests he helped foment to be the year's "main event." He attributes their success in part to the harshness of the official response from authorities, which he called "extraordinary in their stupidity, severity, and senselessness." Navalny acknowledged that the momentum his movement achieved triggered new punitive measures from the state. These include the Kremlin's decision to label his Anti-Corruption Foundation (FBK) a "foreign agent" and to open a money-laundering investigation into its activities, which has paved the way for relentless raids and account freezes that have spooked employees and cut off the organization's finances.

On the subject of the West's ability to influence Russian behavior, Navalny waxed pessimistic. Nevertheless, he said that he plans to double down on a series of new investigations into the corruption of Russia's oligarchs, and vowed to keep trying to register his own political party in 2020. The journalist who interviewed Navalny notes that within a day of their session, "officials again raided FBK's Moscow headquarters using power tools to gain entry before dragging Navalny out by force and confiscating computer equipment." (VOA News, December 31, 2019)

### **RAMPING UP RUSSIAN CITIZENSHIP FOR DONBAS RESIDENTS**

The Russian government is following through on its plan to hand out citizenship to Ukrainians who might want it – and is doing so at an astonishing speed. The Russian Ministry of Internal Affairs announced in January that more than 196,000 citizenships have been granted to Ukrainians since April 2019, when the controversial policy simplifying the application process for residents of Ukraine's pro-Russian eastern regions was first implemented. In fact, contrasting specific figures made public by Russian Interior Minister Vladislav Kolokoltsev roughly a month apart suggests that 71,000 of those passports were granted during just 22 days in December. Russian President Vladimir Putin has called the controversial policy a "humanitarian measure" given the "lack [of] basic human rights in Ukraine." Other foreign governments have supported Kyiv in its outraged response to the policy, and have said they will refuse to recognize the new passports. (*Kyiv Post*, January 2, 2020)

### **DISSENT SPREADING IN RUSSIA'S PERIPHERY**

2019 saw a rise in grassroots protests by ordinary Russians – rather than a dedicated cadre of activists – that many analysts are predicting will continue into the new year. This form of activism has been a relatively rare phenomenon throughout the history of Russia and the Soviet Union. However, Moscow's Center of Social and Labor Rights has tracked hundreds of rallies and protests that have unfolded on Russia's streets in the last year alone, and its findings are notable. Participants were driven by dissatisfaction with widespread social problems and the lack of public services, particularly in the fields of education, health care, and sanitation.

Even as the Duma drafts new legislation to prevent such protests, the Kremlin has refused to officially recognize that an increase in social activism is taking place, perhaps – as one journalist suggests – because "Putin is afraid of local protests turning into national protests." Yet this dynamic is increasingly playing out all over the nation. Janusz Bugajski, a Senior Fellow at the Center for European Policy Analysis, writes that the increase in regional protests reveals a potent resentment held by Russia's periphery toward its leadership: "despite Western hopes, Russia's urban democrats are unlikely to transform the country. Instead it is regionalists, autonomists, and pro-independence groups who are increasingly challenging Putin's authoritarian and colonial rule." (*Wall Street Journal*, December 24, 2019; *The Hill*, January 5, 2020)

#### **MINSK CAVES IN OIL STANDOFF**

Russia and Belarus started off the new year with an energy dispute that underscored the growing tensions between the two neighbors. On January 1st, Russia cut off its supply of crude oil to Belarus, objecting to the transit fees that Belarusian suppliers have long tacked onto the oil as it flows west to European consumers. The standoff lasted three days – and required a direct phone call between then-Russian Prime Minister Dmitri Medvedev and his Belarusian counterpart, Syarhey Rumas – before Belarus conceded and agreed to eliminate the premium. The dispute only exacerbated the already-fraught dynamic that has taken shape between Minsk and Moscow as the two countries attempt to negotiate the terms of a controversial integration plan. (*Radio Free Europe/Radio Liberty*, January 4, 2020)