



RUSSIA REFORM MONITOR

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

Russia Reform Monitor No. 2278

August 4, 2021 **Matt Maldonado, Ilan I. Berman, Timothy Blinnikov**

Related Categories: Cybersecurity and Cyberwarfare; Democracy and Governance; Human Rights and Humanitarian Issues; International Economics and Trade; Resource Security; Global Health; Europe; Latin America; Russia

RUSSIA VERSUS THE WORLD WIDE WEB, CONTINUED

Over the past several weeks, Russia conducted a series of tests to successfully simulate disconnecting itself from the global internet, Russian news sources have reported. The effort is based on a 2019 law laying out the basis for the creation of a "sovereign internet" - which has since been colloquially named "RuNet" - to protect the country from the "aggressive nature" of U.S. messaging and cyber operations. The legislation envisions the creation of an independent system "to route Russian web traffic and data through points controlled by state authorities and build a national Domain Name System to allow the internet to continue working even if Russia is cut off." Work on the system, which is supposed to be tested annually, was postponed last year on account of the pandemic, but has now resumed. (Reuters, July 22, 2021)

THE KREMLIN LEAVES ARGENTINA HANGING

As the "Delta Variant" of COVID-19 continues to ravage Latin America, leaked emails between an advisor to Argentine President Alberto Fernandez and a senior official of the Russian Direct Investment Fund, the arm of the Russian government charged with sending the Sputnik-V vaccine abroad, have exposed a dire shortfall. According to the emails, over 18.5 million doses of the Russian remedy (most of them second doses) have not yet arrived in-country. As a result, only 10 percent of Argentines are currently fully vaccinated, with millions still awaiting their second shot. In her email, the Argentine advisor warned that the shortfall could lead to a cancelation of the contract between Buenos Aires and Moscow. (*The Moscow Times*, July 22, 2021)

PROMINENT COMMUNIST BANNED FROM FALL ELECTIONS

Another high-profile member of the Russian opposition has been barred from running in the upcoming September parliamentary election. Pavel Grudinin, who challenged Vladimir Putin for the Russian presidency in 2018 and finished second with 12 percent of the vote, will be ineligible to run for a seat in the State Duma on account of legal irregularities, Russian electoral authorities have ruled. According to the Russian Prosecutor's Office, Grudinin owned shares in an overseas company - a claim that Grudinin denies. Communist Party head Gennady Zyuganov plans to challenge the decision before the country's Supreme Court. (Reuters, July 24, 2021)

RUSSIA FACES STIFF CARBON TAX

The European Union's planned "Carbon Border Tax" could end up costing Russia as much as \$1.1 billion Euros annually - more than any EU nation. The new tax, which would be phased in beginning in 2026, is intended to help mitigate the effects of climate change. Under the measure, exporters that have a large carbon footprint would be targeted with heavy fines in an effort to compel them (and their governments) to cut carbon emissions. The resulting impact on Russian industry could be pronounced, with iron and steel exports projected to be hit the hardest. In all, Russian business sources estimate, the tax will apply to some 7 billion Euros' worth of exports. (*The Moscow Times*, July 26, 2021)

MISHUSTIN VISITS DISPUTED ISLANDS

Russia's Prime Minister, Mikhail Mishustin, has visited the disputed Kuril Islands as part of his most recent trip to the Russian Far East. During his visit, Mishustin explained that the Russian government is considering creating a special economic zone on the islands, freeing businesses and investors from customs duties and most taxes, as a way of solidifying its hold on the disputed territories. The Kurils, which are claimed by Japan, were taken over by the Soviet Union in the closing days of World War II. Decades of negotiations between Moscow and Tokyo have failed to solve the dispute, and positions appear to be hardening. To that end, Kremlin spokesperson Dmitry Peskov explained Mishustin's outing by noting that the premier "visits those Russian regions that he considers necessary and on the development of which, including in cooperation with our partners, a lot of work is to be done." (Associated Press, July 26, 2021)

NOW NAVALNY'S WEBSITE BLOCKED BY STATE CENSOR

Russia's Federal Communication Service, also known as ROSKOMNADZOR, has blocked the website of imprisoned Kremlin critic Aleksei Navalny. The site was blocked July 15th by order of the Prosecutor General's Office, ostensibly because it violated Article 15.3 of the Russian Legal Code. Article 15.3 allows sites to be blocked for promoting information which "calls for mass uprisings, extremist activities and participation in illegal mass events." Forty-nine other websites connected to Aleksei Navalny's organizations and allies were also blocked. Only the website on "Smart Voting" remains unblocked, because its domain is owned by Google. (*Novaya Gazeta*, July 26, 2021)