



RUSSIA REFORM MONITOR

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

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Related Categories: Economic Sanctions; International Economics and Trade; Military Innovation; Warfare; Corruption; Russia; Ukraine

BLOCKING THE BORDERS

In the wake of the mass exodus of Russians that took place following President Vladimir Putin's "partial mobilization" of forces for his Ukraine campaign last Fall, Russia is moving to beef up security and surveillance along its national borders. According to independent Russian media outlet Polygon, Russian authorities have opened bidding on a contract "for the provision of facial recognition technology at some of its land borders." The new equipment will reportedly be installed at multiple border crossings with China, Kazakhstan, Poland, and Lithuania. The move is a practical one on the part of a Kremlin desperate for continued manpower for its war effort; last year, land routes had served as major exit pathways for Russians fleeing conscription and fearing detention if they tried to use major airports. (The Moscow Times, February 9, 2023)

RUSSIA'S ECONOMY AS POLITICAL FOOTBALL

Even as the war in Ukraine drags on, Russian monetary policy seems to be slowly returning to normal. On February 10th, the Russian Central Bank announced that it will hold its key rate at 7.5%, and commented that "economic activity trends are evolving better than the Bank of Russia's October forecast." The announcement comes almost a year after the Central Bank was forced to bring the key rate to 20% in order to get the economy under control in the face of Western sanctions.

Whether this move reflects a genuine improvement of the country's economic climate, however, remains an open question. According to Bloomberg, the institution is now under significant pressure from the Kremlin to be "more upbeat" in its assessment of the country's overall fiscal health. As part of that push, Russian officials have been pressing Bank officials to provide "a clearer hint" that Russia remains in good economic shape – something that the most recent announcement appears to be intended to do. (Bloomberg, February 7, 2023; The Moscow Times, February 10, 2023)

NO NEW MOBILIZATION... FOR NOW

Although Russia is now intensifying its offensive against Ukraine, and suffering heavy casualties in the process, the Kremlin is putting off the possibility of a new mobilization for the moment. According to Ukrainian military intelligence, Russia is still struggling to integrate the troops amassed from its "partial mobilization" back in September, and those difficulties have delayed a second, larger call up effort. However, the deputy head of Ukraine's military intelligence, Maj. Gen. Vadym Skibitsky, made clear that "the personnel is in place, the lists are ready, the people tasked with carrying out recruitment and training are on standby." A second mobilization, however, may not solve the shortfalls that have plagued the Kremlin's war effort so far. Russia would likely suffer from the same issues seen in September, such as shortages of equipment and training capabilities for new conscripts. (Wall Street Journal, February 11, 2023)

WAGNER CHANGES TACK

Russia's notorious Wagner group will soon have to direct its recruiting efforts in new directions. In a video released on February 9th, the paramilitary group's founder, Yevgeny Prigozhin, announced that Wagner would stop the recruitment of all prisoners – a tactic that the Kremlin has relied on in recent months to replenish its depleted military ranks. While Prigozhin did not give a reason for the change in policy, it could have multiple rationales. One explanation may be that the pool of available recruits has shrunk due to the brutality associated with Wagner's methods to date. Alternatively, it may signal internal tensions amid Prigozhin's very public struggle for influence with the country's Ministry of Defense. The transition away from convicts could also signal a shift in Russian military strategy that deprioritizes the recruitment of prisoners, who have contributed to recent territorial gains by Russian forces but at the expense of extremely high casualties. (CNN, February 11, 2023)

MOSCOW PLANS FOR DOMESTIC ATTACKS, DISTURBANCES

Even as it intensifies its attacks on Ukraine, the Russian government has also been fortifying itself at home. A year ago, the Kremlin began to order inspections and upgrades for bomb shelters across Russia, and these efforts are slated continue into 2023. Authorities in Moscow and other urban centers have reportedly dedicated hundreds of millions of rubles to the new preparations. Russian demand for bomb shelters rose significantly following the announcement of the "partial mobilization" last Fall. "An order was given from Moscow to carry out this work everywhere—inspection and repair," one official told The Moscow Times. However, authorities in some areas have attempted to downplay the work on bomb shelters in order to avoid triggering panic among the local populace. (The Daily Beast, February 6, 2022)