



## RUSSIA REFORM MONITOR

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

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February 5, 2024 **Ilan I. Berman, Chloe E. Smith, Walker Robinson**

**Related Categories:** Democracy and Governance; Europe Military; Human Rights and Humanitarian Issues; Public Diplomacy and Information Operations; Warfare; Border Security; Africa; China; Russia; Ukraine

## HOW GOLD IS FUELING RUSSIA'S FIGHT

The concept of "blood diamonds" – gems extracted from conflict zones, the sale of which helps fuel repression and perpetuate war – is comparatively well known. In the context of Russia's ongoing war in Ukraine, however, a somewhat different problem has emerged: that of "blood gold." A new study by European-based researchers has focused on what has become an increasingly important source of sustenance for the Kremlin amid ongoing Western sanctions.

The self-titled *Blood Gold Report* defines its subject as "[g]old extracted from African countries and laundered into international markets that provides billions in revenue to the Russian state, thereby directly and indirectly financing Russia's war on Ukraine and global hybrid warfare infrastructure." And the scope of the problem it outlines is vast.

Russia has "earned more than US\$2.5 billion from blood gold since the full-scale invasion of Ukraine in February 2022," the study assesses, as a result of "blood gold operations in the Central African Republic, Sudan, and Mali," among other locales, by proxies such as the Wagner paramilitary group (which is now firmly under Kremlin control). These funds, in turn, are circuitously funneled back into Russia, where they have helped the Russian government sustain its fight against Kyiv.

"Concerted international action by the public and private sector is needed to stop Wagner's blood gold trade that fuels Russia's war machine with as much as US\$114 million per month," the report urges. "Blood gold has helped finance the murder of tens of thousands and displacement of millions across Africa and Ukraine. The time for action is now." (*Blood Gold Report*, December 2023)

## MOSCOW SEEKS TO DESTABILIZE FINLAND

Even as it continues its campaign of aggression against Ukraine, the Kremlin is setting its sights on neighboring Finland - and seeking to destabilize politics and security there. Since the Fall, opposition news outlet *The Insider* reports, Russian border guards have facilitated a stream of migrants from the Middle East, directing them to cross into Finland and seek asylum there. To date, Finnish authorities estimate that some 1,500 Arab migrants have crossed the common border with Russia into their country, prompting the Finns to impose restrictions and ultimately shut down border crossing points, at least temporarily. The flow, *The Insider* reports, has been orchestrated via Russia, with shady middlemen and smugglers using social media apps and online forums to facilitate the flow of migrants - and do so with official Russian assistance. (*The Insider*, December 26, 2023)

## RUSSIA'S WAR, CHINA'S GAIN

The People's Republic of China is capitalizing on Russia's growing isolation from the West as a result of its war against Ukraine, buying up Russian oil previously destined for European and other markets at deeply discounted prices. Recent data shows that Russia surpassed Saudi Arabia last year to become China's top crude oil source. In all, Russia shipped a record 2.14 million barrels daily to China last year, more than Saudi Arabia and Iraq combined. (Reuters, January 21, 2024)

## FEAR AND LOATHING AMONG ORDINARY RUSSIANS

As Putin's war drags on, discontent – and dissent – is increasing among ordinary Russians, notes Paul Goble. Citing statements by Russian Interior Ministry officials, Goble writes in his *Window on Eurasia* blog that, since the start of Russia's war on Ukraine in February 2022, "individuals have attacked 220 military commissariats and 184 facilities of various kinds along the country's railroad network." While, in general, the damage inflicted by these attacks has been minimal, they represent an important sign of rising discontent with the Kremlin's war. "Earlier reports suggest that such attacks have been happening at increasing frequency even though the Russian government in general has thrown a veil of secrecy over them as far as the media is concerned," Goble explains. (*Window on Eurasia*, January 26, 2024)