
X V O P E N S O C I E T Y F O R U M

MOSCOW'S WAR OF INFLUENCE



Avatud Eesti Fond
Open Estonia Foundation

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OPENING REMARKS

MALL HELLAM

DIRECTOR OF THE OPEN ESTONIA FOUNDATION

Dear friends, honored guests from near and far! On behalf of the Open Estonia Foundation, it is my great pleasure and honor to welcome you to the Open Society Forum. The forum is taking place for the 15th time and the foundation is celebrating its 20th anniversary this year.

Like many other events of our anniversary year, the forum today is dedicated to Russia. Because of our location and history, we are closely tied with Russia and therefore we should be very well informed about what is happening with our eastern neighbors. Unfortunately, the official mass media in Russia does not help us understand what is going on there.

With today's forum, we are trying to unravel all these different sides of internal and external politics that guide life in Russia. Here to assist us are the long-awaited and renowned guests from Moscow, journalist Yulia Latynina and young civic activist Oleg Kozlovsky. Welcome to Estonia and welcome to the 15th Open Society Forum!

Now I will give the floor to journalist Ilya Ban, who is the moderator of our forum today and whom many know as the popular radio host on Radio 4. I encourage you all to actively think together with our speakers, and I dare you to speak up. Thank you, Ilya, the floor is yours!



KEYNOTE SPEECH AND PANEL DISCUSSION: MOSCOW'S WAR OF INFLUENCE

GUEST SPEAKERS: RUSSIAN JOURNALIST
YULIA LATYNINA AND CIVIL RIGHTS ACTIVIST
OLEG KOZLOVSKY.

PANEL DISCUSSION LED BY ILYA BAN

ILYA BAN: My greetings to everyone here in this room today as well as to those following us via the web. Let us begin discussing what is most likely interesting not only to the Russian-speaking people in Estonia, but to everyone living here, specifically, what is really going on with our great neighbor.

Those who have friends there can call and enquire what is really happening, while some of us even visit the country. But those who do not have these opportunities must unfortunately draw their conclusions based on TV broadcasts. Some undoubtedly use blogs and read other opinion pieces. Some listen to Russian radio stations, but not many people do that. Most of us rely on TV news, and therefore we are not well informed about what is going on in Russia.

Our guests today are from Moscow and are here to help us understand what is currently going on in Russia and what our great eastern neighbor is moving towards. Let me introduce them one more time. Our main speaker today is Yulia Leonidova Latynina, a renowned journalist. She is one of those people who influence public opinion in Russia. And next to her is civic activist Oleg Kozlovsky.

Yulia, you are well-known in Estonia, mostly because RTVI¹ broadcasts Echo of Moscow.² It is possible to view your debate shows, which are more like monologues, in which you speak about the most important topics that are otherwise never covered in Estonia. You are considered one of the public opinion leaders in Russia by Estonians.

YULIA LATYNINA: As Russia lacks any public opinion, I can hardly be considered the leader of it.

ILYA BAN: So, Yulia, what do you think is going on in Russia at the moment? Which way does the wind blow and what changes have taken place in Russia in recent years?

YULIA LATYNINA: You know, as strange as it may sound, in order to understand what is happening in Russia right now, I would go back to the remarkable year of 1992, when Petrosovet³ under the leadership of Marina Salye started to investigate the deals completed by the foreign economic committee of St. Petersburg city government, in other words by Vladimir Vladimirovich Putin.⁴

Let me remind you that by the end of 1991, when Anatoly Sobchak became the mayor of St. Petersburg and the Baltic countries deregulated food prices, all food products in St. Petersburg disappeared to where they could be sold at a higher price. It was then that Petrosovet made a very strange decision... Or rather, the City Government of St. Petersburg under the leadership of Sobchak and then the Government of Russia made this strange decision: they allowed some companies to export Russian oil, metals and timber as barter deals. In exchange, partner companies were supposed to bring in food products, but these never arrived.

When the Petrosovet commission looked into this topic, it was surprised to learn that all the companies were fictional and most contracts did not include

¹ International Russian language TV channel that belongs to one-time Russian oligarch and NTV TV station founder Vladimir Gusinsky - ed. remarks.

² Ekho Moskvyy, best-known political radio station in Moscow - ed.

³ The city council of St. Petersburg - ed.

⁴ Putin was at that time head of the committee - ed.

any prices. Where prices were included, it didn't seem to follow any logic. Not a single gram of food had been imported, and all the contracts featured the signature of either Putin or his associates.

It is clear that a mistake can be made once, but not ten times. I think this story is very indicative, because barter deals of exporting oil against something that never arrived were at that time in Russia operated simply by thugs. In order to understand what motivates the current leadership in Russia – and here we are not simply talking about Vladimir Putin, but also his associates who started their careers in 1991–92 – I would say they follow a similar thug mentality. I would call this new ideology in Russia shpanism.⁵ It is a philosophy of life where you don't think about positive long-term, long-lasting work. You don't think about how to achieve a good reputation. You think there is some sort of carrot that helps you complete a certain kind of trick. You do this trick and the whole world is conquered.

The Kremlin's foreign and especially internal policy is characterized by the Buratino (Pinocchio) complex. It thinks there is a door with a keyhole where the golden key fits, and if you turn the key the door opens, and Putin will be one of the true leaders of the world. Unfortunately, this philosophy sees Russia mostly as a country where you can export lots of oil from and get a lot of money for it. In 1991, one could export less oil and get less money for it. But now, my friends, we have the whole country to ourselves, not only some 300 000 tons of oil. Right now we have all the oil in Siberia, the whole of Gazprom, all of Yukos and we can export it all!

As Pope Leo X said, “Since God has given us the Papacy, let us enjoy it.” In addition to this philosophy, “Since God has given us Russia, let us enjoy it” thug mentality adds another touch. It is important for them to feel that they are grand. They cannot bear the thought that they are a second-rate country. And what is it that makes you feel important? Firstly, you must portray everyone else as your enemy, even the truly powerful countries like the U.S. Secondly, you must exercise your great power complexes on countries smaller than you such as Georgia or Estonia.

⁵ Шпана (shpana) - mob, gang, thug.

As I only have a little time, I would really like to talk about the most important issues that I think characterize Putin's politics. Firstly, it is the court case of Mikhail Khodorkovsky.⁶ In 2003, when Russia was on the path of turning into an open society, Putin sent an extraordinarily clear signal to the Russian business elite, which said that the Kremlin did not need open companies, the Kremlin needed obedient companies.

Suddenly the Russian economy became closed and all Russian companies became nontransparent; in addition, all Russian companies that survived now listen to Putin. In reality the current leadership is also a keen follower of thug ideology, because the Kremlin did not think, "Let's develop a better economy, because when economy improves, so does power". The Kremlin thought it better to be a very rich leader over a very poor population. Kremlin preferred to expand power not by increasing the wealth of the entire society, but by decreasing it. Riches were taken from everyone possible.

Another story, which I think characterizes that best, was the story of the gas and gas pipe. In 2005, Putin signed the Nord Stream construction deal.⁷ The preparations started long before Putin came to power, there was nothing criminal about it, and it was a deal that was undoubtedly beneficial to Germany. Suddenly, after signing the deal, the world was surprised to hear that Russia had turned into an energy superpower and its gas was an energy weapon.

First of all, what a strange choice of words – energy superpower; it used to be called resource gland. Secondly, even stranger is the choice of words related to arsenal. Imagine that you went to a sporting goods store and bought a baseball bat. This is sold to you with the presumption that you are buying it to play baseball. But if you start flailing a baseball bat around and yelling "I shall kill you all!" you will most likely not be sold this bat. It's the same with the "energy weapon".

Russia signed a normal deal with Germany to build a gas pipe and everyone assumed it was a business deal. Then suddenly the Kremlin said that it is in

⁶ The richest man in Russia in the beginning of the 2000s, owner of oil company Yukos - ed.

⁷ Gas pipe from Russia through the base of the Baltic Sea to Germany - ed.

fact an energy weapon. After that Moscow started having problems with the next gas pipes, meaning it went as in the story with the baseball bat.

In reality, the internal politics in the Kremlin have over the past few years been quite simple: in every meeting in the West, Putin has told foreign ministers, presidents and prime ministers, “We have a proposition for you. You give us gas pipes, we give you access to resources”. What was meant by resources was mainly the Shtokman gas field,⁸ and this is rather a strange idea about business practices. Russia needed investments, not so much financial as technological in order to develop its own reserves. It is wonderful when someone invests in you. Those being invested in do not usually set conditions to the investor. Imagine you go to a supermarket to buy some sausage. At one point the owner of the supermarket turns to you and says, “You know what, I have a sausage industry of my own, but our machines are out of date, wouldn’t you like to invest in us a bit?” The buyer says, “Why not, your sausages are good, let’s do it.” But then the store owner says, “But for that, I want half your kitchen!”

Both the reason and the essence of the deal remain unclear, because if Western investors had agreed to invest in Russian gas fields, they should have also provided the gas pipes that Russia considered its energetic weapon. And the policy completely failed. For several years, Gazprom was unable to buy pipes from France. It even failed to buy them from Italy. It failed to buy gas networks in England. Naturally the question arises, why did Gazprom want to buy pipes in the first place?

The answer is simple. Imagine you are Putin and know the price of every single cubic meter of gas by heart. You know that in Baumgarten, at the transit point near the Austrian border, 1000 cubic meters costs 250 dollars, and you also know that in Germany it is sold to consumers at 500 dollars. How can this be, you think. I produce the gas, get 250, but those cats still get the cream and in seconds, no less. This means that if you buy the gas pipes, you will manage to double the cash you get immediately. I find this as a continuation of the thug mentality because the Kremlin has never thought about getting things in the long term. The most apparent thing you could do with gas would be to build up a chemical industry.

⁸ One of the largest natural gas fields in the world located in the Barents Sea has so far been undeveloped – ed.



Yulia Latynina

The chemical industry of the U.S. is first in the world and generates more profits than any Gazprom ever could. China is currently investing 5–6 billion dollars per year into its chemical industry. Despite the fact that in Russia, Gazprom and Putin are one and the same thing – meaning we say Gazprom, we think Putin, we say Putin, we mean Gazprom – no one has ever observed that the leadership is thinking about developing chemical factories, as this would start to produce a profit only after ten years! This leadership has always desired to buy gas pipes because this immediately makes a profit.

I think this gas story illustrates the thug mentality very well, as here we can see its two components. On the one hand, to get immediately as much cash as possible, not tomorrow, not the day after tomorrow, but today, in two hours. You bought the gas pipes and cash starts flowing in. On the other hand, the same people – who first and foremost think about getting rich fast – also want to feel powerful and sabotage their own business in the process. “This is our weapon. Now we shall show Europe how we’ll push the gas pipe up a certain hole.”

Most importantly, this kind of philosophy lacks any vision. Russian politics has for years been based on an assumption that gas prices will remain high for ever... And if Russia has a lot of gas, then obviously we will always have that bat to use. No one in the Kremlin was thinking that a great demand for energy will sooner or later create several competing offers. And one such offer was not alternative energy but shale gas.

Suddenly it became clear that by using modern technologies, it was easy to produce gas from shale. Its price does not exceed 170 dollars per 1000 cubic meters. Suddenly the Kremlin had to face the reality that the price of gas in the U.S. market that had exceeded 700 dollars for 1000 cubic meters fell in September 2009 to 70 dollars per 1000 cubic meters. This price was even lower than the price of gas in Russia’s internal market. It was totally unexpected for the Kremlin that with the production of shale gas the U.S. suddenly became the largest gas producer in the world. Let me just add, before that the U.S. was second in the world right after Russia, which means that the production of shale gas did not so much change the capacity of gas production in the U.S., but rather had a very strong influence on the prices.

It suddenly became clear that Poland, whom we had previously treated as we saw fit, could in a few years become an exporter of gas. So all those great dreams that Russia had about how gas would be the golden key and by turning it, everyone would start to respect you, were shattered into millions of pieces bouncing off the harsh economic reality.

Why did I spend so much time describing the situation with gas? As I have already said, this is very typical to the regime, to the idea why the state is needed in the first place and the Kremlin's idea of its grandeur.

Another key moment, that I want to discuss very briefly, is of course the war with Georgia, which is very typical in the thug mentality. It was organized very similarly to the war between the Soviet Union and Finland, because the Soviet Union assured the world that Finland attacked them as Russia maintained they were attacked by Georgia. The difference was that Putin didn't dare to take Tbilisi or at least he didn't attempt to conquer it as he was afraid what the international organizations would say.

One of the important lessons learned from the war with Georgia was the reason behind its initiation. It started because Putin couldn't stand Saakashvili. There is a legend that he cannot stand Saakashvili since the latter called him Liliptin after one of their meetings. I think this is more of a legend and that the main reason is that Saakashvili is not really a democratic leader but ever so slightly like Pinochet. He used all the immense power he had wielded to enact reforms in Georgia. He reformed the police in Georgia, which doesn't take bribes anymore just like in Estonia. The police there are the same as in Estonia. He sold state assets at auctions that really were honest. This contradicted everything the Kremlin did in Russia, so considerably that it created a very strong opposition.

This is the reason why I keep saying that the history of war in Georgia is also the history of thug philosophy, because the entire history of mutual relations between Russia and Georgia does not answer the question: "Why?" In the beginning, when the Kremlin did not like Saakashvili, they made a pornographic movie of him. The question is why? If the aim was to stop Georgia from entering NATO, then Georgia was not frightened by it.

Later, when Georgia captured four Russian spies, Russia banned the sales of Borjomi mineral water and stopped flights to Georgia. The question is why? If the aim was to influence Georgia and make it subservient to Russia, the effect was the exact opposite.

Before that, several acts of terrorism took place in Georgia: a police department in Gori was bombed, after that the gas pipe through which gas reached Georgia was bombed and later it was said that terrorists were responsible. But somehow no one rushed to fix the pipes. The question is why? If the aim was to make Georgia part of Russia, then the war was unfinished. The Kremlin simply started to fear the international reaction. If the aim was to gain satisfaction, then perhaps this was achieved, but let's agree that this is thug mentality not the ideology of a serious statesman.

ILYA BAN: Well, first of all, a bow to Georgia. Really, let me tell from personal experience that the police do not take bribes there anymore. The only thing is that their costs for gas have increased; they simply drive with flashing lights on to show that the police are present in Tbilisi and that's how the kilometers keep piling up, which means they keep fear alive.

YULIA LATYNINA: You are not completely right. Here I must object. Let me explain what it's about, especially to those who have never been to Tbilisi. The situation there slightly differs from the situation in Estonia. The Georgian police are currently divided into patrol and criminal police departments. The criminal department investigates serious criminal crimes, but the patrol department does in fact drive, as you mentioned, around the city to let people know they are there.

Each patrol car has a line of tasks to fulfill. Firstly, it is visible. It cannot drive somewhere and then take bribes there. Secondly, it investigates crimes taking place at that very moment. If someone has her purse stolen, if somebody violated traffic regulations, did something in front of the police, if it can be dealt with then and there, the patrol police handles it. By the way, the Interior Minister in Georgia, Vano Merabishvili, works from the patrol police building and does it because the patrol police in every country, including the U.S. and Australia, is the most criminogenic part of the police force. The patrol police

officer is the least paid, always has the most temptations to take something, punch someone, take heroin from the junkie and use it himself. So it is not true that they simply waste gas. It is in fact a very serious disciplinary measure only implemented by the patrol police.

ILYA BAN: Perhaps this is the difference with European countries where you might not meet a policeman on the streets for weeks. But we are not here today to talk about Georgia. The only question I would like to ask is, to us in Estonia it is incomprehensible this magical couple, this duo of Putin and Medvedev. Before Oleg's opinion and questions from the audience, could you tell us what is known about this tandem? What really goes on between them?

YULIA LATYNINA: Excuse me, but there is no tandem. Russia has only one acting president, Vladimir Vladimirovich Putin.

ILYA BAN: Perhaps you made a mistake?

Yulia Latynina: Doesn't matter what you call him, why not the emperor. I would call him the single voter. He is the person who chooses who becomes president. It does not matter who becomes president, but it's always Putin who chooses him. That's basically it. But Medvedev, how should I put it, he is more like a press secretary.

ILYA BAN: So in the context of the 2012 Elections, you do not expect to see significant change during next year⁹, which as we all know is the most active year before the elections.

YULIA LATYNINA: Let me repeat it again, there will be no elections since the only voter is Vladimir Vladimirovich.

ILYA BAN: Thank you. This was the opinion of Yulia Latynina. Oleg, what do you agree with, what don't you agree with? Or perhaps there are other aspects that interest you in the contemporary history of Russia?

⁹ In 2011.- ed.

OLEG KOZLOVSKY: I agree with almost everything that Yulia said, perhaps I would only offer my version of the answer to the question, “Why?” I think that in addition to getting the satisfaction and making a quick buck, much is decided by internal politics, especially after several failures in befriending the West during Putin’s early years in office. It is my feeling that they simply decided to preserve themselves by bringing up this rather absurd theory of sovereign democracy. Nowadays this expression is hardly used, but in essence the ideology remains the same for the people. It does not mean that they themselves believe in this ideology, but it needs to be promoted. Basically we have democracy simply because we call it so, but *de facto* it is not the people but Vladimir Putin who is sovereign, therefore what he calls democracy, is democracy. This, in a very condensed form, is the essence of their ideology.

On the one hand it protects against any accusations from the West – one can say that this is our sovereignty and you shouldn’t interfere with our concept of democracy. The reactions to the dissatisfaction of intelligentsia, any rebellious or frustrated strata receives the same reaction saying that don’t you understand, we have Vladimir Vladimirovich, elected by the majority or trusted by the majority, and therefore we have democracy. There is nothing original here, they didn’t invent the wheel and think of a new approach to solving problems of internal politics. This way they merely found a very simple and, in their opinion, beautiful answer to everything that threatens their power.

In my opinion, this is exactly why the campaigns that were developed precisely as campaigns took place against several countries; first Ukraine after the Orange Revolution, later Poland, Estonia, Georgia, Great Britain and then Georgia again. First of all, it is necessary to point at a certain enemy because this lets you explain some possible failures, but obviously enemies such as Estonia or Georgia are not very convincing to most Russians as it also doesn’t explain why everything in Russia is so bad. Naturally, it also comes with the explanation that the U.S. and the entire West stand behind these countries.

Secondly, you create hysterics inside the country, engaging also the media and the diplomats, all possible Nashists.¹⁰ The purpose of this hysteria is hysteria

¹⁰ Members of the largest pro-Kremlin youth movement - ed.

itself. Just to draw attention to them so that people follow what is happening and talk only about that, but not any real issues.

It seems to me that there is a rational explanation to their actions. Undoubtedly from the point of view of state interests, in the context of some long-term plan, there is no point to it. Here Yulia is completely right. They do not think of a long-term plan. They think they will remain at their positions as long as possible and keep themselves in power by any means necessary. But after us, the deluge.

ILYA BAN: This was the opinion of Oleg Kozlovsky. In a few minutes you will all personally have a chance to ask questions to our guests from Moscow. Oleg, let me remind the audience that you are one of the leaders of the Solidarity movement;¹¹ you have participated in several protests, and you have been detained not only in Moscow and Russia, but also in Minsk, in Belarus. Tell us, what is currently going on between Moscow and Minsk? Is such an abrupt degradation in relations and in fact a complete war on television from both sides, an irrevocable process or will something still change?

OLEG KOZLOVSKY: No, I don't think this is irrevocable. These things start and finish totally unconstrained by any objective reasoning.

ILYA BAN: What about elections?

OLEG KOZLOVSKY: Elections in Belarus are even more fun than in Russia. One shouldn't take it too seriously even though...

YULIA LATYNINA: They also have one single voter.

OLEG KOZLOVSKY: Completely right. Let's say two dictators get into a fight. Both of them want to have complete political and economic power. In principle there might be more good than bad in it, because during this fight they start to tell the truth about each other. Since Russian television is followed in Belarus and in Russia somehow people get the news about what is going on in Belarus – I think that both of our societies will only benefit from that. At

¹¹ Unites non-affiliated opposition movements in Russia - ed.

the same time they can at some point agree on something, someone is forced to compromise and of course they won't ask for their voters' opinion.

ILYA BAN: Oleg and Yulia, maybe this will surprise you, but even in Estonia it is possible to see some of the Belarusian channels that are often referred to.

So, ladies and gentlemen, you have a unique opportunity to ask questions on any topic. We still have not discussed what is happening in Moscow. We have the first question, from the first row.

KARMO TÜÜR, University of Tartu: The opinion that Russia has taken the road of befriending the West is prevalent in the West. Coming from Moscow, what do you think, is there such closeness and if so, why this approach?

YULIA LATYNINA: Russia hasn't tried to befriend but buy off Europe. Putin chose a strategy that involves Russia becoming friendlier with Europe. Russia will invest in Europe, which undoubtedly is beneficial to Europe; Russia will send more of its children to study in Europe, buy real estate there. In addition, Russia is a great market for Europe, especially for Germany. We can all agree that in theory Germany is interested that Russia remain a market and it does not need any competition in high electronics from Russia.

I am not saying that it is taken very seriously, but what I mean is that the whole of Europe and Germany in particular, is completely satisfied with the status quo because Putin's Russia differs from Stalin's Russia that in no way is it a totalitarian regime. A totalitarian regime sends tanks to Europe, but Putin's Russia sends money to Europe. Putin's regime poses no threat to Europe, because it is obvious: whatever Russia may scream, it will never launch a nuclear attack at the bank where he keeps his money.

This raises two questions. Firstly, why should Europe fight with Russia in the first place if Russia is pleasing Europe in every way? Russia poses a threat only to its citizens but not to Europe. This is the main difference of Putin's regime compared to all the previous ones. Smaller countries which have been unlucky, like Estonia and Georgia, are also threatened, but I don't think that German Chancellor Angela Merkel worries about Estonia.

I would also add that Europe did win World War III against communism, but lost and keeps on losing World War IV to its own bureaucracy. Bureaucracy in essence is easily subject to pressure and even corruption. Mikhail Borisovich Khodorkovsky put it very well when he said that one of the products that Russia currently exports very successfully to Europe is corruption.

ILYA BAN: Thank you for your answer. By the way, many experts think that the current soon-to-end legal process¹² will be the litmus test for Dmitri Medvedev, whether or not he holds his own opinion. Will he be sentenced...

YULIA LATYNINA: Just a second... Do you think Khodorkovsky will be released?

OLEG KOZLOVSKY: No, he won't be released. Rather, will he receive a new sentence? That's the question.

YULIA LATYNINA: You know, the litmus test of Khodorkovsky's trial is a very sad story, because it is no longer news. Everyone knows how it ends. Either he will get 12 or 14 years... As long as Putin is in power, Khodorkovsky remains in prison. It is very sad, what was it with the news? If dog bites man, it's no longer news, but if man bites dog, it is news. If Khodorkovsky is released, it would be news, otherwise there is no news.

MALL HELLAM, Open Estonia Foundation: I have a question for both Yulia and Oleg. How do you feel about the visa regime liberation processes between the EU and Russia?

OLEG KOZLOVSKY: Let me briefly explain my view. I don't think it is possible in the near future, at least not as long as the current situation in Russia remains as it is. It is not so much a matter of politics, but rather the demographic and social situation. As long as Russia keeps the border with Central Asia open, it would practically mean a visa free regime from Tajikistan to France. I hardly think Europeans would want that.

¹² Khodorkovsky's trial - ed.



Oleg Kozlovsky

YULIA LATYNINA: I already spoke about thug psychology or rather bandit psychology. One of its characteristics is that you constantly keep creating problems. Great powers solve problems, but hooligans make them. Russia's international behavior often involves creating problems. European visas and

discussion about entering World Trade Organization are good examples of that. In Moscow we are unable to assess our attitude towards joining WTO. At one point we say that the damned West won't let us join WTO, later we say that the damned West is forcing us to enter WTO so that it can destroy our economy. These positions change regularly at three month intervals and we are unable to stick to the final version... What is it that this damned West wants to do? But it is clear to everyone that the West is up to no good. The same with the EU, instead of holding talks, one fine day a statement is issued on why they still haven't opened the borders. The easiest question back would be: But why is it still mandatory for foreigners to register in Russia?

ILYA BAN: Doesn't Russia have an answer to this question?

YULIA LATYNINA: You have to understand that all improvements happen one-sidedly. If a person wants to improve something, he does it on his own. For example, loses the registration or changes the visa requirement for EU citizens. Let Russia change the visa requirement for EU citizens, and let's see how long the EU can hold on after that.

VASSILI DOLGOPOLOV: You can't understand the war with Georgia, but this is something every active politician dreams of. Like Margaret Thatcher and the Falklands War. Read her memoirs: "I was happy when this cause arose." Every politician dreams of a small victorious war. It raises his and his countries ratings and is a normal tool in politics.

ILYA BAN: Unfortunately regular people suffer because of that.

YULIA LATYNINA: In this regard I am a completely amoral politician, if a war is necessary, then why not? I just don't see how Russia benefitted from this war or in the case of the Bronze Soldier. I understand that in the 14th or 15th century, politics were conducted something like this: a king took a piece of land and this really helped his kingdom expand and prosper. But in today's civilised world, for a while now, if you become involved in a war, the losses that your country suffers far outnumber the benefits.

For example China, which is not particularly democratic, could easily at its current level of development conquer Taiwan. Still it does not happen, despite the fact that due to China's internal ideology it has far more reason than Russia had towards Georgia. The motives for such behavior are purely economic. If China uses violence, it loses more than it gains. The Falklands War did not particularly damage Great Britain's image or the economy. The war with Georgia, to put it mildly, in no way helped Russia, neither internally nor externally.

ARTUR TSURBAKOV: A question to both of our guests. Are there only problems in Russia? Maybe there is something good there as well? In space technology or in music or...?

YULIA LATYNINA: I think Russia has established quite a good middle class of managers and owners. They are not the largest owners, but this middle-class is very aware of what is going on in Russia and has no illusions since business is hardly ever based on illusions. These people are in no way politically active, their purpose is to make a profit, not riot in the streets, but these people make up the educated and enlightened part of society that enables a state to move on.

The other thing is that internet is more and more prevalent in today's Russia. Initially it seemed unbelievable, but at some point it was possible to start broadcasting news online and compete with television. The thing is that the moment the Kremlin seized all the power, it also seized TV and monopolized the production of news. All of us at Echo of Moscow and Novaya Gazeta became simply commentators.

If a few years ago Putin had driven around the Far East in a yellow Lada, the news would have been that Putin drove the people's car, but evil Yulia Latynina would have commented at Echo of Moscow that there are hardly any roads there, that people are killed on the road and so on. What happened now was that people – let's call them the Club of the Diversionists – drove and filmed Putin's entire journey, put it online and it turned out that there were dozens of cars that were driving along a completely empty road. All cars were foreign. There was a total of three Ladas. And now that was news.

Of course not as many people saw this as if it had been on Channel One, but still it wasn't only a comment, it was news. These are basically two completely different kinds of information. We can observe that the internet in Russia has become so widespread that it has qualitatively changed the situation. We are able to observe the leadership in every way.

Even a few years ago, the deaths caused by high officials or the militia while driving never made the news, no one simply noticed it. Now every such incident creates a very strong reaction in society, mostly because of internet. In this regard, it is reminiscent of the situation at the end of 1980s, when the collapse of Soviet Union created many new technical opportunities to provide better information. I think Putin's regime is stable and I don't think anything will shake it in the near future, but it seems that the internet might have that power.

ILYA BAN: My apologies for asking a personal question, but what are the most popular websites that Yulia Latynina opens in the morning?

YULIA LATYNINA: First and foremost, news portals. By the way, this is also a phenomenon of Russian internet. When people in the rest of the world go online, they usually go on CNN or Washington Post to see what is new in the world. Russia has its own independent websites such as newsru.com, gazeta.ru, in some ways also grani.ru, even though this is more of a dissidents' homepage, above all newsru.com, echo.msk.ru. The homepage of the radio station Echo of Moscow has become an independent medium of mass media which greatly differs from the radio itself. This means that based on radio some other kind of media space has been created and this phenomenon greatly differs from what is going on in the West.

ILYA BAN: What is great about Russia according to Oleg Kozlovsky?

Oleg Kozlovsky: I would note that civil society is beginning to emerge, currently mostly through rather sparse initiatives that are also very closely connected to internet. Mostly people find each other, coordinate their efforts and gather support through the internet. We have noticed that during the last few years there have been several campaigns, some of them rather successful, that

were either born on-line or only took place on the web. As a rule these were mostly or totally apolitical, but they were created by regular people who still a few years ago were completely passive in this regard. For example the campaign against the blue lights, those who are not aware, these are people who protest against the flashing blue lights on the cars of Russia's top officials. This campaign was also born and developed online, even though these people also go to the streets.

Mostly they are not connected to any party, movement or organization. Just at some point in time the critical mass of dissatisfaction probably reached its limit for these people, and they decided to pursue civic activism. There are more and more of these kinds of initiatives. In the last two years, for example, on Russian blogs the use of the term – act of protest – has increased several times. It can be viewed on graphs composed by yandex.ru. This tells us a lot, because even though on the state level everything is still walled in, society is starting to wake up.

ILYA BAN: How efficient are these activities in the first place? Recently when people were fighting against the wrongfully parked cars in Moscow, it also acquired a different shade – apparently some cars had been damaged by stickers.

YULIA LATYNINA: This was done by Nashists.

OLEG KOZLOVSKY: It is not even about the fact that it was done by Nashists. It was probably a mistake in their minds as well and not correctly carried out.

ILYA BAN: Did anyone apologize for that?

OLEG KOZLOVSKY: Of course not. They don't apologize to anyone! I think they are waiting for apologies from the car owners. This is a question of tactics. It sometimes happens that regular bottom-up civic initiatives also make mistakes as experience comes with time.

VALDO PADDAR, Estonian Freedom Party: I have a question regarding Putin during Sobchak and Putin during later periods. In the beginning of the 1990s Russia was divided into different development centers with rather specific borders. The Northwest center was St. Petersburg and Leningrad Oblast. Nizhny Novgorod gained a wonderful starting platform, and similarly the feeling was that Moscow was beginning to give away or divide Russia in order to reach certain preparedness so as to interact with Europe economically or culturally. My question to you is what has now happened to these other development regions and do you notice imaginary lines being drawn between what is happening on either side of the Urals? Thank you!



Ilya Ban, Yulia Latynina, Oleg Kozlovsky

OLEG KOZLOVSKY: As I understood from the translation, the question was whether the European part of Russia is drawn to Europe and respectively the areas on the other side of the Ural Mountains towards China or the East. I think Yulia is better able to answer this question. I do think this distinction exists. China's influence over the Far East and Siberia is vast, and it keeps on expanding with no end in sight.

ILYA BAN: How exactly is it visible?

OLEG KOZLOVSKY: It is visible through economic as well as demographic expansion, and in some ways even political.

ILYA BAN: Does this mean that the Chinese community in Irkutsk is growing?

OLEG KOZLOVSKY: As far as I know, yes. Of course this worries the locals, but it is seldom addressed on the national level. We can see that currently both Putin and Medvedev are quite patriotic about it. In the European part of Russia it is undoubtedly less visible – Europe has a much stronger influence here – but it is probably not comparable to the influence China has over the Far East.

YULIA LATYNINA: No, I do not agree. If someone from Petersburg goes to Finland for the weekend, but someone from Blagoveshchensk goes to Heihe, because Heilongjiang province is across the river, it doesn't mean that one is drawn to Europe but the other to China. Russia has one major problem that has only deepened under Putin. If all decisions are enacted in Moscow and if the most important document is the Presidential decree, all people go there and other regions simply die out. We can see it through the traffic congestion that is happening in Moscow because everyone has physically arrived there. It is also visible how the population is disappearing from other areas. For example in Irkutsk, if I'm not mistaken, the population has decreased by thirty percent. Vladivostok is emptying at the same rate.¹³ This is a very serious problem.

I know Putin is dead afraid of China. He sometimes gets documents claiming that China is devouring everyone else, and in the current political climate this may very well happen. It's not a question about China's economic expansion, but that geopolitics cannot stand a void. If there is no state in Khabarovsk, Primorsk or the other side of Baikal, and Russia really isn't there – there are only corrupt police, some thugs (one of whom is the governor), and Putin in a yellow Lada – this does not a state make. These are secondary characteristics of gender. If Russia is not there, some other country will appear. Looking at the map, it's obvious it cannot be Chile.

¹³ Official statistics do not support these claims - ed.

The benefit is that China is unlikely to start a military invasion, at least as long as it is not done with Taiwan. Military expansion would be a disadvantage to its economic development.

The problem is that there are various nonmilitary ways to invade and colonize. This is basically what happened in the beginning of 20th century from Russia towards China, when Russia was building the East-China railroad. During the construction Russia did not take a bit of China's territory, but *de facto* it was Russia. It is easy to imagine a situation when these regions become valuable mining places to China without *de jure* being part of its territory. Unfortunately, this is a fact that is connected to the way officials think – in China they think in millenniums, in Putin's Russia they think in dollars. This is a significant qualitative difference in thinking.

LILIA SOKOLINSKAYA: I closely follow what is going on in Russia through the web as a continuation of my former professional career. It seems to me that there are some new trends in Russia; look at the new fairly equal support figures to the two-man government. At the same time there is a rather strange situation regarding Russia's foreign policy or internal developments. Even if they play with Europe and NATO, then the president's visit to Kunashir is no ride to Klondike, it is a challenge to the eastern neighbors with whom Russia wants or should have contact with. At the same time there are reactions on the internet. Someone asks why he went there in the first place, what did he lose there and others say that these fascists need to be put in their place.

ILYA BAN: The truth as always is somewhere in the middle?

YULIA LATYNINA: No, truth is not always in the middle. I think putting fascists in their place can easily be attributed to the web brigades. This means that it is possible that someone actually thinks like that, but it is not a popular position. Let me repeat myself again: Medvedev does not make any decisions, let alone independent ones. These decisions are made by Putin on his behalf and I think that the purpose of going to Kunashir was to deeply humiliate Medvedev abroad. I don't think there exist any political conflicts between

Putin and Medvedev. Political conflicts cannot exist between a puppet and his puppet master, but there is probably some kind of psychological conflict. The puppet is at times highly offended that he is not taken for a human. To the human, at the same time, it is sometimes very annoying when the question arises whether or not the puppet is human. This is clear psychology.

I think this was exactly a preventative act, so that Western leaders like Obama or Merkel wouldn't think that Medvedev is much worth supporting. From time to time, when the West gets these kinds of illusions, Medvedev must do something like this. Put on a black shirt and deliver a message to Yushchenko or go to Kunashir. Recently Yuri Luzhkov¹⁴ was fired. Some idiots thought that Medvedev was behind this decision. It was easy to predict that within the system this would be followed by other acts of humiliating Medvedev.

First such major humiliation was Sobyenin's (a profoundly loyal Putinist) nomination for office.¹⁵ Furthermore, at that moment it was easy to predict that Sergey Sobyenin would be nominated because when Medvedev was seemingly signing Luzhkov's dismissal orders, Putin and Sobyenin were vacationing together in Tuva. It was obvious who would be appointed next.

ILYA BAN: Perhaps this was a coincidence.

YULIA LATYNINA: Yes and the brick fell on the head twice. I think the next such humiliation was exactly this trip to Kunashir. I even have strong doubts that Medvedev actually tried to avoid it, because the first time he sneaked away. But no, then we was sent the second time.

IVAR RAIG, University of Tallinn: My question is in the context of Moscow's war of influence regarding the economic forum initiated by Russia, in other words the BRIC grouping that is Brazil, India, China and Russia. From the point of view of Russia, is BRIC an alternative to the European Union or WTO? In the context of Moscow's war of influence what does this initiative mean in general as its first summit was organized in Yekaterinburg in 2009 and not much is known about it in Estonia, hence my question.

¹⁴ Former mayor of Moscow - ed.

¹⁵ Sobyenin became the new mayor of Moscow, previously he had worked for a long time as one of Putin's closest allies in the Kremlin - ed.

Secondly, in the context of BRIC, how serious is Russia's desire to make the ruble or some other currency like China's convertible? At one point Russia had this ambition to create its own money in addition to the dollar and euro.



David Vseviov

YULIA LATYNINA: I don't think BRIC exists anymore. This is clearly visible in the dynamics of the post-crisis relations. There are India and China, who keep advancing, there is Brazil who goes back and forth, and then there's Russia who is starting to fall out of BRIC. This means that BRIC is starting to fall apart. This is a classification of four economies that rapidly developed after 1992 and it is simply not valid anymore, it is not a good way to classify.

Concerning making the ruble convertible... first of all Chinese yuan is not convertible; this is what the U.S. attempts to mock China for from time to time. I cannot say that it is a hundred percent unconvertible, of course there are ways to invest in Chinese yuan that every banker is well aware of, but in general we do not buy yuan even if we want to. If we bought it, yuan's exchange rate would probably be twenty percent higher. This is what the U.S. is lamenting. From time to time Russia tells fairytales about creating an international financial center in Russia and making the ruble the alternative to dollar, but it seems to me that neither the currency of Russia nor the currency of Iran, whatever they have in Iran, or even the Venezuelan peso, if they do in fact have the peso (the currency of Venezuela is the bolivar – ed.), is a threat to the world as a currency alternative. Yuan, this is a serious question, but the ruble is hardly likely.

HEIKKI AHONEN: To me, as a regular person, it seems that the current situation is reminiscent of Russia before 1912. I see an autocratic government, essentially a state religion, dispersed opposition. If this is true, my question is who are the next Bolsheviks?

YULIA LATYNINA: You know what, in my mind this is a very unfair comparison. You can of course compare anything; I would compare the Russia of 1913 to Yeltsin's Russia. Russia's economy grew rapidly before 1913, eight percent a year. Essentially there was no economy in the world that could compare to that; it was similar to Sweden and the United States. In fifty years, I think the production of steel grew 8000 times. The level of education grew fast. There was wide social mobility. If the socialist revolution hadn't happened, Russia would have become a very distinguished country, even if not the new U.S.

In this regard also Yeltsin's Russia was developing in the right direction. It had its faults, but it was developing. If we were to compare Putin's Russia to anything, it would undoubtedly be Brezhnev's era. A complete era of stagnation where all parties are aware of the pharisaical nature of leadership but no one takes it seriously. The highest officials and businessmen closest to the government publically make fun of the leadership. They are laughing at the so-called attempts at modernization, projects like creating a state-funded Skolkovo,¹⁶ at Medvedev's next shriek, "Soon I will complete something!" At the same time no one really fights it because everyone knows it's useless. Just like Brezhnev's regime, it either collapses on its own or lasts as long as it is disintegrating. But I see no parallels to Russia in 1913.

ILYA BAN: A question to you Muscovites. Is it possible to solve the issue of traffic congestions?

YULIA LATYNINA: It is possible to solve anything but it is very complicated to do.

ILYA BAN: Are there any specific proposals? are the inhabitants of Moscow discussing the issue?

OLEG KOZLOVSKY: Unfortunately what the inhabitants of Moscow discuss has little relation to what will really happen. There are many proposals which start with building alternative kinds of roads and roads on top of roads. Some suggest that transport shouldn't drive in the center of the town; there are suggestions to improving public transport. Suggestions are aplenty, but I don't think anyone will really start to work on it. It is always much more useful to build a new shopping center.

YULIA LATYNINA: Traffic congestion in Moscow is of course a great story. Transport is a great analogue to society. Moscow has many layers of problems. By the way, one of these also theoretically exists in Tallinn; it is the lousy structure of a medieval city with bad connections to real networks. The city is not constructed like New York where the road networks are as connec-

¹⁶ Medvedev's initiative to create its own Silicon Valley in Russia - ed.

ted as possible. The city has a circle and other radial roads flow into it which is not good.

The other thing is the structure of Russia itself, where for some reason everyone drives through Moscow. These are historic problems made larger by the problems of the Soviet Union where, in the late 19th and early 20th century, industrial zones were built around the historic centers that never disappeared like they did in other European cities due to economic development.

In the Soviet Union, bedroom suburbs were built behind these industrial zones, and respectively the movement of transportation became logistically very complicated. Furthermore, the Soviet era didn't foresee the possibility of privately owned cars.

The third problem occurred already during Putin's time in office and is tied to the fact that all decisions are enacted in Moscow and therefore everyone simply arrives there.

The fourth problem is directly connected to corruption, because Luzhkov is a clear example of the aforementioned thug mentality. According to his vision, the city was not a single space that needed to be planned accordingly, but consisted of separate square meters that could be sold for construction. Even the Italian mafia during the so-called robbing of Naples didn't come close to Luzhkov's principles of city planning. In case someone is not aware, I will briefly explain. In the 1960s, Italy provided grants to develop Naples which also resulted in the rebirth of the Italian mafia. The process was called robbing Naples blind, but even then the principle of not building houses in the middle of roads was upheld. Luzhkov didn't even follow that principle because in his mind free space in Moscow was pointless, especially the underground if hundreds of thousands of square meters of shopping malls weren't built there.

Imagine what a burden an underground shopping mall at the city center puts on the transportation system... where people have to park their cars, and what happens to traffic in general! I think this has been accompanied by extremely

heinous cases like the construction of the two billion dollar junction on Leningrad motorway. What is Tallinn's annual budget?

ILYA BAN: It's half a billion Euros.

YULIA LATYNINA: Half a billion Euros, that's great, you can sense the difference. Tallinn's budget is half a billion Euros and a junction on Leningrad motorway in Moscow cost two billion dollars. Remarkably this junction has in no way alleviated the traffic congestion, because if you drive off the circle surrounding Moscow you reach the bottleneck called Khimki. It is impossible to widen this bottleneck because areas on either side of the road have been sold to huge shopping centers which further overburden the traffic system.

Additional problems are created by the fact that right in the center of Moscow; land was given for densification¹⁷ which added to the burden of the city's infrastructure. Instead at least one more parking area should have been created, but nothing is done because there are no bribes there. I focus on this because currently the transportation problems in Moscow are practically unsolvable. The problems are artificial and man-made but unsolvable none the less. It is like the cirrhosis of the liver. If you drink vodka, cirrhosis develops. It also doesn't mean that if you stop drinking vodka, your liver will heal.

ILYA BAN: According to statistics, the density of traffic in Moscow is 70 percent to that of Europe's. This means that the number of cars in Moscow will keep increasing and the situation will deteriorate even further.

YULIA LATYNINA: I can say that people in Moscow have three times less personal cars compared to New York. There they really have to use harsh measures that citizens of Tallinn can easily understand. How much does parking the old town and city center currently cost, seven Euros per hour?¹⁸

ILYA BAN: Well, it's very expensive.

YULIA LATYNINA: That's how it should be.

¹⁷ This meant that new buildings were constructed to the yards of existing houses - ed.

¹⁸ According to Tallinn's official homepage, an hour of parking in the old town is 4.5 EUR and in the city center 1.2 EUR - ed.

ILYA BAN: That's how it is. Our city is divided into different zones, the city center in particular.

YULIA LATYNINA: Currently in Moscow there are no parking fees whatsoever. Some serious measures, which are extremely unpopular, must be executed because no one likes to park for seven Euros per hour, but there are even no discussions about it on the official level. I have promised myself not to criticize the new mayor of Moscow, he should be given at least a year. However, the first thing I heard was Medvedev's promise to solve the traffic problems in Moscow, which was quite reckless, that's not some modernization for you.

ILYA BAN: It could be monitored.



YULIA LATYNINA: Yes, in this case everything is visible. They were brainstorming, sat at the meeting and the Minister of Transportation Igor Levitin or his deputy, can't remember who exactly, stood up and said with a straight face, "We have decided to cut the width of the traffic lane by 30 centimeters and deploy an extra bus to this space." The width of the lane is 3 meters and 25 centimeters.

ILYA BAN: These 30 centimeters are a valuable addition?

YULIA LATYNINA: Yes, and there are three or four lanes there. This is an exercise for a primary school student... how many times must one cut 30 centimeters so it would result in a new 3 meter lane? All who sat at that meeting nodded their heads in unison.

ILYA BAN: I hope our guests understand why we are discussing such seemingly narrow issues like traffic congestion in Moscow. Firstly, Moscow is not only the financial center of Russia but a center for everything and this is the most pressing issue in Moscow. Yulia, how do you feel about this initiative?

YULIA LATYNINA: This illustrates a typical problem. In no way is it only Putin's or Luzhkov's problem; if it intensifies this could result in the loss of shared spaces in Moscow.

ILYA BAN: Yulia, I have another question. One of the scientists' initiatives was to move Moscow's government offices to one of the suburbs, all bureaucrats at the same place.

YULIA: Can you imagine how many of them there are?

ILYA BAN: 160 000, as far I know.

YULIA LATYNINA: What about the service staff?

ILYA BAN: Well more then, let's say 250 000 altogether.

YULIA LATYNINA: Regarding this 160 000, I have only one story to tell you. It is called "How Serdyukov cut the number of military bases." One day the Defense Minister Anatoliy Serdyukov decided to find out how many people work at the military bases. He was shown a list that said 100 000 people. Serdyukov, not military but a business man himself, decided to add up the area of all buildings, divide it per person and the end result was some kind of cosmodrome. This was not enough for him. Then he was presented with the next paper saying that the service personnel at the bases adds another 12 000. Again Serdyukov was dividing and another strange result was reached. "Are you sure?" he asked and he was shown a third document that listed an additional

base with 20 000 people. He laid off 10 000 of them and after that the military started to hate Serdyukov. They said he is destroying the army.

ILYA BAN: So it is not a valid option for solving the congestion problem?

YULIA LATYNINA: No, to solve it, we don't need to relocate the bureaucracy, we need to destroy it.

ILYA BAN: A good solution from Yulia Latynina. We ask again questions from the audience. Mrs. Hellam, your turn please.

MALL HELLAM: I have two questions. The first one is about internet and the second about democracy. Internet is undoubtedly a real force and a real danger to undemocratic regimes. Have you felt that the Kremlin has somehow tried to hinder the spread of internet? Secondly, how can and should the West help Russian democrats and democracy movements?

YULIA LATYNINA: Regarding internet, I must say that as strange as it may sound, there have been no real steps taken to restrict the web. A few times some strange characters who seemingly are representing the party and power, such as Senator Slutsker (now ex-senator Vladimir Slutsker – ed.) , have said that some constraints must be implemented because of pornography and what not, but every single time he has recanted so quickly that it is obvious he was only speaking for himself.

Slutsker had a problem with protocols that were leaked online stating that he was most probably connected to the murder of the former FSB general and chief of security. After that senator Slutsker got the strong urge to stop the spread of pornography and extremism on the web. So far no real attempts have been made. Even more, the Kremlin has ordered those who speak of restrictions to hold their tongue. To be honest, I keep waiting for such attempts because the internet is becoming more and more dangerous.

When it comes to the West, then Oleg is better informed here. In my point of view however, the West must think of the West and not of Russia. And if you consider, like I said before, that Russia is only a danger to its own citizens, it

is not clear why anyone besides the citizens of Russia themselves should even deal with these issues.

OLEG KOZLOVSKY: Yulia is correct about the internet. So far there have been no serious attempts to restrict it, at least not directly, even though some proposals have been made, for example the Nashi deputy Schlegel¹⁹ saying that the web should be restricted and all web pages registered. But to filter the web similarly to what China or Iran are doing is technically very difficult. It takes huge amounts of resources and not everyone sees the value in that kind of spending. What is more, those who would like to see it done understand that this money would anyway get lost.

YULIA LATYNINA: That's the benefit not the disadvantage to making a decision.

OLEG KOZLOVSKY: But this money wouldn't be taken by those making the decisions, perhaps this is one of the reasons why the decision hasn't been reached. Secondly, I think they have an overall bad understanding about the internet, what it is, how it works... luckily for us it's foreign territory to them. In this regard it seems to me that it's a bad sign that Dmitri Medvedev is more active as a blogger than a president.

YULIA LATYNINA: Absolutely.

ILYA BAN: Is he a good blogger? I've never read him.

OLEG KOZLOVSKY: He uploads photos through twitter from time to time; they're not bad.

YULIA LATYNINA: A very good microblog called KermlinRussia runs on Twitter.

OLEG KOZLOVSKY: Yes, that one is a parody and sometimes so close to the original that I specifically have to look who the author is, because it is dif-

¹⁹ Robert Schlegel is a member of the Duma, and a former Nashi spokesman - ed.

difficult to tell them apart. By the way, the parody is as popular as the original if the number of readers is anything to go by.

YULIA LATYNINA: Let me interrupt you and cite a quotation from the parody: “We need a new national search engine, the old one, FSB, doesn’t work anymore.”

OLEG KOZLOVSKY: Many officials of the same rank started, as is our custom, to copy their bosses, created their own blogs, Twitters, LiveJournals, etc. Of course they also started to see what is written. What could my boss read about me? This certainly provides a great stimulus and desire to tighten the screws on anyone. Thank God they don’t understand that so far, and this gives us hope that it will not reach its full absurdity. With all our slogans that promote modernization, closing the internet would be sheer idiocy.

Of course there are other indirect methods of persuasion, by trying to bribe someone or putting some kind of economic pressure on the main authors. Directly or indirectly, for example LiveJournal is monitored. Russian investors are trying to increase their shares in Twitter and even Facebook.²⁰ This creates a possible danger. LiveJournal is not yet censored, but they could pull the plug if necessary just like they did with Echo of Moscow and Ren TV. The danger is present.

Additionally, there are the so-called internet brigades and activists provided by the Kremlin who try to target the use of internet very precisely, even if sometimes it would be better for them to keep quiet. This summer there was a huge scandal when the activists of Young Guard and Unified Russia put photoshopped images online as if they had helped put out forest fires. The forgeries were discovered and some of them even lost their jobs after that because it was difficult to muffle the scandal.

When it comes to the West, I would differentiate here between the state and civil society. Other countries have no particular interest in supporting the development of democracy in Russia. There is nothing surprising here, because some short-term internal and economic problems or issues of security always

²⁰ Currently about 10 percent of Facebook belongs to Russian investors - ed.

take precedence over such values as the development of democracy. Despite that, there are also positive examples.

I would like to thank Estonia for issuing Schengen visa bans against several Nashi members including Vassili Yakemenko.²¹ I am aware that it was painfully felt in the circles close to the government when Yakemenko was unable to go to Italy for a holiday because he couldn't get a visa.

I think this kind of incident plays a much bigger role than it might initially seem, because it doesn't only involve those directly affected, but also their nearest and dearest because everyone hears about it. This will make everyone understand that they must take responsibility for their actions. It turns out they are not forgotten, their evil deeds are remembered, and they are even held somewhat responsible. Much could be done here.

I think there are many others besides the Nashi who have a bad influence on our democratic development and the relations between Russia and the West. I am not talking about Putin; we can all understand that as long as he has power, everyone will smile at him. But there are several mid- and low-level officials who knowingly suppress democracy in Russia because they are convinced that they cannot be held responsible. This is one conviction I would like to destroy.

When it comes to civil society, I would like civil society to be the one that motivates and creates stimuli to the states to deal with it all, because no public official will ever show initiative here. I would like Western civil society to have a stronger influence over Russian civil society.

ILYA BAN: It is said that people don't get out of Russia also because of bailiffs.

OLEG KOZLOVSKY: It would also be nice if Russian bailiffs wouldn't let out Russian officials, but I'm afraid we must still wait for that.

²¹ Founder and long-time leader of Nashi, one of the organizers of the attacks against the Estonian embassy in Moscow, currently the chairman of the State Committee for Youth - ed.

YEVGENI KRISHTAFOVITSH, youth organization Open Republic: Yulia, a question to you personally. In one of your interviews you said that if your books would ever be published in Estonian, you suggest that the first one be *Nijazbek*. There you talk about the situation in the North Caucasus and how essentially Russia is not in control of that region.

YULIA LATYNINA: No, it is simply a good book, but I can't even remember what I meant at the time.

YEVGENI KRISHTAFOVITSH: Nonetheless, looking at the message of your book, my question is about the North Caucasus and whether or not Russia is in charge of that region and how long will this travelling circus act – as you call it – last? Since Ramzan Kadyrov is loyal to the Kremlin.

ILYA BAN: It is clear that he loves Putin as much as one man can love another.

YULIA LATYNINA: Kadyrov is clearly loyal to the Kremlin. It is not a question whether Chechnya could drift away from Russia, but that it is impossible to tear it apart. It is so attached to Russia that no one can rip it off.

Actually there is Chechnya and then there's rest of the North Caucasus – these are two different regions. Because of the personalities of the leaders, their dynamics of development are completely different. For a long time I was absolutely delighted with Ramzan Kadyrov. Of course there are human rights violations, but for a long time he was working very efficiently. He brought life back to Chechnya, in the most literal sense of the word, because previously a Chechen was unable to walk even 3 meters without the fear of being shot. If you were a Chechen living in Chechnya, this would greatly matter to you.

He built up Grozny. Also, previously large sums had been allocated, but these disappeared to who knows where. He saved several thousands of Chechens from certain death, brought them out of the woods. For a while there existed the situation where people were actually fighting for independence, this was during the first war, now they are either dead or work for Kadyrov. It seemed

like dynamic development, a country on the rise, and there was a moment when Kadyrov could have become the Pinochet of Chechnya.

It is clear that he was never a democratic leader. In addition, he has always had a huge problem in Chechnya and in the North Caucasus involving a certain number of people fighting for Allah, who wish to impose the same system as the Taliban. At some point there were those who served Kadyrov and there were also scary-looking men running in the mountains fighting for Allah. The only way to stop a 17-year-old kid anxious to kill a police officer in order to get to heaven from going to the mountains is to let him know that something might happen to his relatives. This has nothing to do with human rights, but it is efficient. This kid is of course uneducated, he hasn't held anything but a weapon in his hands and since the age of 7 he has been talking about heroic actions.

At some point there was a change in the situation. It seems to me that the breaking point clearly came after the death of Natalya Estemirova.²² Things kept worsening in Chechnya. Formally Kadyrov has a lot of power not only in Chechnya, as he also participates in business projects in Russia.

However, we can see that a few weeks ago there was a significant change in the fundamentalist movement, meaning that the Chechen wing broke free. Dokka Umarov is formally the Amir of the Mujahedeen of the Caucasus, the virtual Muslim state that seemingly exists in all of the North Caucasus. These people are complete lunatics; they are already calling Grozny Johar and Makhachkala Shamilkala. They write in their reports that today the mobile unit of Mujahedeen fought in the streets of Shamilkala with overwhelming troops. It seems that there are battles happening at the streets of Makhachkala but actually two fighters who had locked themselves in a house were shot from a tank. It means that these are people who live in a completely virtual world just like the worst fractions who bow to the Bronze Soldier.

At some point in time, only these people were opposing Kadyrov. We can see that these people are disconnected; they have grown into the Chechen resistance. Furthermore, the people who escaped Dokka Umarov were blessed by

²² Human rights activist killed in the summer of 2009 - ed.

someone called Muhhannad.²³ It might seem strange, but this person is a true al-Qaeda emissary to the North Caucasus. In general, al-Qaeda is such a mythical beast that it seldom appears, anyway much less than he is talked about at FSB, even not as often as he is mentioned by the CIA. Still, Muhhannad is the leader of the Arab unit in the North Caucasus and a true successor to Abu Havs, Abu al-Valid and Hattab.²⁴ And this person, a true international representative of al-Qaeda, suddenly says, “I’m with the Chechen troops.” This is a very sad sign, because it means that within Chechnya there has become a need for a movement that is not inherent to the Caucasus.



Yulia Latynina

Until recent years, the resistance movement in the Caucasus survived because they were able to hide in other countries outside of Chechnya where it was physically more difficult for them as they were betrayed and had nothing eat. When at one time the process of buying pasta at their local village meant a

²³ Muhannad, a former pilot of the Jordanian army, was killed by Russian Special Forces in April 2011. Probably he was the last Arab-born emissary to the North Caucasus - ed.

²⁴ Well-known Arab commanders during the Chechen wars in the 1990s - ed.

heavy battle, we can now see that the situation has changed. For Kadyrov, it means that the disadvantages of his leadership far outweigh the benefits for Chechens.

The situation in rest of the North Caucasus is rather easy to characterise. Religious fundamentalists, who a few years ago constituted only a marginal force, have become some of the main actors. They receive money from businessmen as well as officials. In this regard, the North Caucasus is turning into Somalia or Algeria. In my mind the situation has now become irreversible; a few years ago it was nothing like this.

The only real option for Russia is to secede from the North Caucasus. You must understand that these Islamic states that are currently developing will not only suddenly become hostile towards Russia, but will act rather like Palestine towards Israel. They will issue complaints against Russia, remind us of what happened in Stavropol, Krasnodar and talk about the Cherkess genocide. They will remember everything, but even this is better than the current situation of Russia pumping money into the Caucasus and it landing in the hands of Caucasus rebels.

SERGEI NECHAYEV, ship builder: I have a question about Solidarity and Boris Nemtsov. The question is probably for Yulia as I believe Oleg will be very optimistic about it. What are the real opportunities for Solidarity to become an influential force in Russia?

YULIA LATYNINA: My answer is brief. I think there cannot be an opposition in Russia, just like there was no opportunity for any opposing thought during the reign of Anna Ivanova.²⁵ This is not a question about the weaknesses of opposition or possible faults by Oleg or Nemtsov. This relates to how opposition is only possible in a democratic country; where businessmen are allowed to financially support the opposition without fear of ending up in prison and where the opposition is actually allowed to accomplish something. First thing Putin does is to convince everyone that the opposition, or anyone else for that matter who is not called Putin, Timchenko, Kozin or Kovalchuk, is allowed to achieve anything.

²⁵ Anna of Russia reigned as Empress of Russia from 1730 to 1740 -ed.

OLEG KOZLOVSKY: I don't agree that opposition is only possible in democratic countries, rather they are different. I feel I am not as optimistic as you might think about Solidarity and the opposition in general as there exist several internal conflicts, leadership and efficiency problems with the organization. This all needs to be changed and this cannot be accomplished in one year. Even if we imagine that through some kind of miracle we get democratic elections or free media, it doesn't mean it can all happen suddenly overnight like the fall of the Berlin wall.

There is still much left to be done by the opposition and Solidarity themselves, so that when the opportunity arises, we can take it and not make the situation even worse because of our political instability and simply end up repeating our past mistakes.

Solidarity faces internal problems on this road and the real challenge awaits us in 2011–2012. It is clear that any attempt to create or register a political party, be it Solidarity alone or a coalition involving Solidarity, the movement Democratic Elections, Mikhail Kasyanov's²⁶ National-Democratic Union and Nikolai Ryzhkov's²⁷ Republican Party, will be faced by opposition from the officials, denied registration and not be allowed to participate at the elections. I don't have any illusions about that, what is more important is how the opposition and Solidarity will react to this situation – do we bow our heads and let them play by their rules as it happened in 2008 when Kasyanov was not allowed to register, or will it be followed by some sort of campaign that demonstrates what the so-called democratic elections in Russia really stand for.

It seems that the most we can achieve during 2011–2012 is to show these Russians, who have not yet realized that the elections have absolutely nothing to do with public opinion or wishes of the citizens, that those who say they are elected are not the leaders of our country or independent politicians and represent nothing other than the Presidential instrument of power who has appointed them. Unfortunately there are still many such people.

²⁶ Former Prime Minister - ed.

²⁷ Former member of the Duma - ed.

ALEKSANDR ARUTYUNOV: I consider you excellent analysts and would like to hear your prognosis regarding Russia in the next 20 years. What will Russia be like in 2030 considering that the demographic situation is worsening and corruption continues to flourish? If there is still time, my second question concerns Mikhalkov's Manifesto...²⁸

YULIA LATYNINA: I haven't read it and I don't intend to.

ALEKSANDR ARUTJUNOV: Good, you shouldn't.

YULIA LATYNINA: Remember how they use to say "I haven't read Pipis-kin, but I think it is similar to Mamashkin, who I also haven't read"?

ALEKSANDR ARUTJUNOV: However, you have most likely read Andron Konchlovsky. In July he wrote something rather remarkable listing the reasons why these things keep happening in Russia. One of these reasons was due to the relationship Russians have with the Orthodox religion. What do you think?

YULIA LATYNINA: To leave two minutes for Russian Orthodoxy, that's something. It is very difficult to foresee the final result of a complicated system. I will not predict what will happen to Russia in 20 years, simply because Putin's system is very instable and built on a paradox. There is nothing that we know of that could kick it out of balance, but we understand that if something does shake it, it will never reach its current equilibrium. Like a rock on top of a mountain that has no apparent forces to push it off, but if it is already rolling, it's clear it will not stop half way. It is as impossible to predict these changes as it was impossible to predict the February Revolution in 1917. No one in January 1917 could predict what has about to happen.

Regarding Russian Orthodoxy, it is only one of the reasons why things are as they are. One could also say that Catholicism or especially Islam do not promote democracy, but these are very general answers.

²⁸ The manifesto of Enlightened Conservatism by the well-known film director Nikita Mikhalkov - ed.

I think that in the 20th century Russia had at least two opportunities to become a free country, first in 1917 and then in 1991, and both opportunities were lost due to different circumstances. If Russia didn't have oil, then right after Stalin's death when Khrushchev came to power, Russia could have chosen China's path. There was enough labor force in the villages, the party was strong and wasn't ready to give away any power, and Russia could have become like China (which would have been worse for Estonia, because your independence would have been similar to that of Tibet). For Russia, however, it would have been better. There are several historical facts that cannot be explained by Russian Orthodoxy but certainly religion has not helped. I would go as far as to say that the Cyrillic alphabet has been even more damaging than Russian Orthodoxy.

ILYA BAN: To conclude our discussion, Yulia and Oleg, please tell us if your impressions of our country have changed since you've been here.

OLEG KOZLOVSKY: I leave with a great impression of Estonia, and I would like for Russia, as much as it is possible in our case, to take the same path, even if I don't think it will happen very soon. I would end with an old saying, or rather a recommendation that was first used a while ago among the dissidents and is appropriate for European countries including Estonia in their relations with the Kremlin also today. Never trust, never fear and never beg. I think it would nicely sum up our discussion today.

YULIA LATYNINA: I have a lot of impressions; I was able to visit several places, even the less important ones like the port of Sillamäe that fell victim to the Bronze Soldier. Mr. Kristafovich and I were just there, saw a completely empty harbor with huge expensive buildings, and new oil terminals that cost 100 million dollars to build and in the middle of it, there was one single dry cargo ship from Barbados, Tallin with only one n written on it. It was carrying a shipment of sand that was loaded off; I guess there is not enough sand here.

This is just one of the reflections. What was very impressive was Mr. Berman's ship building factory BLRT that I visited yesterday. I saw an amazing, fast-developing industry that will soon become one of the major ship builders in the world. It was all born out of one dingy little factory building that renovated

small fishing boats. What was most amazing was Fyodor Abramovich Berman himself, who was appointed CEO only two years before your Independence. Does he speak Estonian now?

ILYA BAN: At least he understands.

YULIA LATYNINA: By Russian terminology he is a typical “red director”, but he was explaining to me how important a reputation is for a company and how banks give loans to those who can pay them back on time. This is basic economic literacy. In Russia all red directors have robbed their factories blind, and our reformists – including Anatoly Borisovich Chubais – have always explained how they did great but the villainous directors didn’t see it and emptied their companies. I do understand that Fyodor Berman is a truly remarkable person, but it cannot be that he was the only incredible person to end up in this stinky factory in Estonia when all the evil ones ended up in Russia.

ILYA BAN: Yulia, anything is possible. We started in Moscow, but ended up with Mr. Berman, what can I say but simply amazing. Thank you very much to our guests from Moscow!

SPEAKERS' BIOGRAPHIES

YULIA LATYNINA

Yulia Latynina was born on 16 June 1966 into a writing family: her father Leonid Latynin, poet and prose-writer, and her mother Alla Latynina, a literary critic. In 1983, she entered the Literary Institute in Moscow.

In 1988, she took a course at the Louvain Catholic University (Belgium) as part of the students exchange program. Also in 1988, she graduated from the Literary Institute with distinction and enrolled as a post-graduate student at the same institute's department of Romance and Germanic languages.

In 1993, she defended her Ph.D. at the World Literature Institute on the subject of different types of anti-utopian discourse (published in a limited edition under the title: *Anti-utopia from Aristophanes to Hoffman*, Moscow, GLAS, 1993.)

Already during her post-graduate studies Yulia Latynina's scholarly interests increasingly move away from philology towards cultural history and economic history. In 1993, she studied at King's College London specializing in the economics of medieval Europe. In the early 1990s, she published a series of articles under the umbrella title: "Golden Calf: Idol or Victim" devoted to the role of money and exchange in different societies – archaic, ancient, medieval.

Yulia Latynina went into journalism in the early 1995 as a columnist on economic matters for the newspaper *Segodnya* (Today). She also contributed to the *Izvestiya* daily (1996-97), the magazine *Expert*, the monthly *Sovershenno Secretno* (Top Secret, 1999-2000), and *Ezhenedelny Zhurnal* (Weekly Journal, 2003-04.)

She was a TV presenter and author of the NTV program "The Ruble Zone" (2000-01), a co-presenter of the ORT television program "Other Times" (2001-

02), author of the TV rubric “In Your Own Words” on the Ren-TV program “Nedelya” (Week, 2003-04.)

Since 2001 and to the present she is a columnist at *Novaya Gazeta*, author of the radio program “Password Code” at Echo Moscow Radio and the RTVI television channel, contributing columnist for the electronic periodicals *Ezhednevny Zhurnal* (Daily Journal, since 2005) and “Gazeta.ru”.

In 1998, she was awarded the Alexander II Prize “for great personal contribution to the cause of defending economic freedom in Russia.”

In 1999, the Russian Biographical Institute named Yulia Latynina “Person of the Year” for her “successes in economic journalism”.

In 2004, she became a laureate of the Gerd Bucerius Prize “Young Press of Eastern Europe”.

In 2007, she received the Maria Grazia Cutuli international prize for journalism awarded for the best journalistic investigation.

In 2008, Latynina won the “Freedom Defenders” Award established by the US State Department.

OLEG KOZLOVSKY

Russian democracy and civil rights activist. Director of Vision of Tomorrow Fund, that aims to strengthen Russia’s civil society through promoting better use of new technologies, fostering the next generation of civil leaders, and advocating closer integration of Russian NGOs into the global non-profit community. Member of Federal Board of Solidarnost (“Solidarity”) united democratic movement. Director of the Anti-Corruption Policy Lab’s Discussion Club at the Higher School of Economics (Moscow).

Kozlovsky was born on May 8, 1984 in Moscow. Graduated from the Department of Computational Mathematics and Cybernetics at the Moscow State

University in 2006. In 2008, he received M.A. in Political Science from the Higher School of Economics. Kozlovsky is currently working on his Ph.D. in Political Science; its topic dedicated to non-violent political conflicts like “velvet” or “coloured” revolutions.

He joined Amnesty International in 2000 and soon was elected Spokesman of its Moscow Group.

From 2001 to 2007, Kozlovsky participated in the Union of Right Forces (SPS) political party and held various positions there including the Co-Chairman of SPS Moscow Youth and a Member of the party’s Moscow Board. He resigned and left SPS in April 2007 in protest against the party’s leadership taking too conciliatory a tone with the Kremlin.

Kozlovsky organized a public action in support of the Orange Revolution in Moscow in November 2004. This was one of the first actions that brought together all democratic forces.

In March 2005, he was one of the co-founders of Oborona (“Defense”) youth movement and was elected as its Coordinator in June. Oborona’s goal is to establish a civilized, democratic political system in Russia. The movement uses non-violent civil resistance as its main weapon. In October 2010, Kozlovsky stepped down as a Coordinator to give way to younger activists.

In March 2006, he participated in the “Jeans Revolution” in Minsk – a protest against rigged presidential elections in Belarus. Later, he was included in the list of “people, who pose threat to the national security of Republic of Belarus.”

Kozlovsky was one of organizers of the Dissenters’ Marches, the largest opposition rally in Russia. He has been arrested more than 20 times, in most cases illegally, for organizing and participating in these and other peaceful protest rallies.

He participated in the Political Council of the Other Russia opposition coalition since November 2006 and joined the coalition's Executive Committee in the summer of 2007.

In spring 2008, Kozlovsky participated in founding of the National Assembly of the Russian Federation – a “proto-parliament” that united virtually every non-system political and civic organization.

He participated in the Organizing Committee of the united congress of democratic forces, where in December 2008 Solidarnost (Solidarity) united democratic movement was founded. He was elected the movement's Federal Board's member.

Kozlovsky has implemented projects that include iWeekend 2010 (New Technologies for Civil Society Conference), Posobniki.ru (database of people involved in political repression), and OtMenta (Web portal dedicated to police brutality and lawlessness) as well as a single-serving site Nachalos.rf.

He received the Human Rights Award from Human Rights First in 2008 and Ion Ratiu Democracy Award from Woodrow Wilson Center and the Ratiu Foundation in 2010. The Daily Beast listed Kozlovsky among 17 “World's Bravest Bloggers” in 2011.

His articles in Russian and in English have been published by The Washington Post, RobertAmsterdam.com, Huffington Post, Ezhednevny Journal, NaZlobu.ru etc.

Oleg Kozlovsky is married and has a daughter.