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Russia: Hope Against Fear

A Letter from IMR President Pavel Khodorkovsky

Dear Reader,

I am honored to present IMR Review, the latest project of the Institute of Modern Russia. This is our biannual journal, offering opinion and analysis of Russia and U.S.–Russia relations and an overview of the Institute’s news and activities.

■ **The past year, after Vladimir Putin’s formal return to the presidency, has been marked by the Kremlin’s attempts to instill fear—both domestically and internationally.**

At home, a whole slate of repressive laws has been signed to push Russian civil society back into submission after the mass pro-democracy rallies that took place in 2011 and 2012. These include laws increasing fines for “violations” that occur during street protests, broadening the definition of “treason,” and labeling NGOs as “foreign agents.” Criminal cases have been opened against leading members of the Russian opposition, including Alexei Navalny and Sergei Udaltsov, as well as more than two-dozen participants of an anti-Putin rally in May 2012.

Abroad, the regime has resorted to threats and blackmail to achieve its political goals. Such was the case when Russia’s ambassador to Ireland sent a letter to the Irish parliament warning that Moscow would respond to legislators’ passage of visa sanctions (similar to those imposed by the U.S. Magnitsky Act) with a ban on Irish adoptions of Russian orphans.

All of these actions, however, show that the Kremlin itself is in a state of fear—fear both of a resurgent civil society and democratic opposition in Russia and of the growing awareness of the true nature of its regime by the international community.

The aim of the Institute of Modern Russia is to provide policymakers with objec-

tive information on and analysis of the situation in Russia and to contribute to public discourse with uncensored and trustworthy opinions from those who are not afraid to speak the truth about Putin’s regime.

The issue of political repression is particularly close to my heart. This October marks the 10th anniversary of the arrest of my father, Mikhail Khodorkovsky, Russia’s most prominent political prisoner, who has been recognized by Amnesty International as a prisoner of conscience. The fate of my father—and dozens of other Russians who have been jailed for daring to challenge the authoritarian system—depends on the pace of changes in Russian society, changes that have been ongoing since 2011 and should be encouraged by the world community of democracies.

Sincerely,
Pavel Khodorkovsky
IMR President



Pavel Khodorkovsky

The Interpreter: A New Online Publication from IMR

On May 1, the Institute of Modern Russia and the Herzen Foundation launched *The Interpreter*, a new online magazine dedicated to translating Russian-language news articles, editorials, and blogs into English. This special project is intended to complement the research and articles published by our think tank.

The events of 2012 have heightened the urgent need for this type of project. The crackdown on Russia's civil society has been, in the words of Human Rights Watch, "unprecedented in the country's post-Soviet history." New laws force foreign-funded NGOs and those that engage in "political activities" to register as "foreign agents," a Stalinist-era term that denotes conspiracist subversion. Accordingly, the state's definition of treason has also been expanded in such a way that human rights advocates are now at risk of falling afoul of it. Libel and slander have been recriminalized. The fine for organizing or attending "illegal" protests has been increased to an amount close to the average Russian's annual salary. And the Internet, for years a forum for unhindered expression and debate about Russian politics, is now subject to regulation under the pretext of combating "extremist" content.

The Interpreter's editor-in-chief is Michael Weiss, a widely published journalist with expertise in contemporary Russian and Middle Eastern affairs.

"Photo 51 — Is Corruption in Russia's DNA?"

IMR's Sponsored Exhibition in New York

From February 15 to March 2, the Institute of Modern Russia showcased Misha Friedman's photographic project "Photo 51—Is Corruption in Russia's DNA?" at 287 Spring Gallery in New York.

This exhibition is a part of IMR's efforts to raise awareness of the devastating effect corruption has had on Russia's state and society. In the last 10 years, corruption in Russia has gone viral at all levels of society, spreading through the government and the business, public, and personal sectors. Reports from Transparency International indicate that Russia's ranking on the Corruption Perception Index has fallen from 71 (out of 102 countries) in 2002 to 133 (out of 172 countries) in 2012.

"Photo 51" was the nickname for the first X-ray diffraction image taken in 1952 that provided a breakthrough for researchers trying to model the structure of DNA. In today's Russia, corruption has penetrated to the very core of society and, metaphorically speaking, has become a part of Russia's DNA.

At the exhibition's opening night, Misha Friedman explained the idea behind the project: "Corruption in Russia is so pervasive that the whole society accepts the unacceptable as normal, as the only way of survival, as the way things 'just are.' It is not simply about officials abusing power; it's also about ordinary people comfortably adapting these principles to their daily lives."

"New Approach or Business as Usual?"

Policymakers Discuss the West's Relations with Russia

On March 4, the Institute of Modern Russia, the Foreign Policy Initiative, and Freedom House co-hosted an international forum entitled "New Approach or Business As Usual?" in Washington, D.C.

A year ago, despite the unprecedented mass protests against his regime, Vladimir Putin formally regained the presidency. His return was marked by a series of repressive laws aimed at silencing the protest movement. The "Putin crackdown" raised the question of whether the United States and the European Union should continue their policy of cooperation with the current Russian government or develop a new approach in which human rights would be the central issue. Prominent policymakers, analysts, and human rights activists from Russia, the United States, and the European Union gathered in Washington to discuss the prospects of the West's relationship with Moscow. Among the attendees were U.S. Congressman James McGovern (D-MA) and Senator Benjamin Cardin (D-MD); European Parliament members Guy Verhofstadt, Kristiina Ojuland, and Edward McMillan-Scott; Lyudmila Alekseeva of the Moscow Helsinki Group; and Lilia Shevtsova of the Carnegie Moscow Center.

In his closing remarks, IMR President Pavel Khodorkovsky outlined some of the positive and negative trends in Russia—on the one hand, a substantial growth in civil activism; on the other, legislative changes that restrict civil liberties.

Vladimir Kara-Murza Presented His Book in New York

On March 2, the Brooklyn Public Library hosted a discussion of *Reform or Revolution: The Quest for Responsible Government in the First Russian State Duma*, a book by IMR Senior Policy Advisor Vladimir Kara-Murza.

Vladimir Kara-Murza's book recounts the attempt by the Constitutional Democratic (Kadet) Party to form a government during the short existence of the first Russian Parliament from April to July of 1906. The Kadets, who won the election and formed a majority in the Duma, maintained that only far-reaching reforms could forestall a revolution. In its quest, the party found allies at the top levels of the Czarist regime, but their plan was disrupted by Interior Minister Pyotr Stolypin, who convinced Nicholas II to dissolve Parliament. The book is based on the original 1906 parliamentary record and newspaper reports, as well as memoirs of the participants of the events.

"Having dashed the hopes for a peaceful legislative transformation of the country, the Czarist authorities laid the ground for future revolutionary upheavals," said Vladimir Kara-Murza, who called the failure to establish parliamentary government in 1906 "one of the greatest missed opportunities in Russian history." The book was previously presented in Moscow and St. Petersburg.

Leon Aron: “The U.S. Stance on Russia Is A Key Factor of Legitimization of the Regime”



The relationship between the United States and Russia is going through a difficult time. The “reset” policy has come to a logical end, but new ways of cooperation have not yet been found. The scope of the mutual agenda has narrowed. Dr Leon Aron, director of Russian Studies at the American Enterprise Institute (AEI), spoke of the priorities of U.S. foreign policy and this policy’s influence on the Russian regime with IMR’s Olga Khvostunova.

Olga Khvostunova (OK): At the beginning of December, the U.S. Congress passed the Magnitsky Act, which had been causing a great stir in Moscow even while it had been discussed. On various occasions, the Kremlin would say it would come up with a “symmetrical answer.” What impact will this bill have on the U.S.–Russia relationship at large?

LA: Everything will depend on whether Moscow sees a wider context of this bill or not. Russia understands the American political process quite well, and particularly the fact that the U.S. administration opposed the Magnitsky Act. This is how the separation of powers works: since the Congress decided to pass this bill, it did so, and the opposing position of the administration was not enough. Russian officials can have these ritual splashes of indignation or threaten to take symmetrical actions, etc. Of course, they can ban the wives of high-level American officials from shopping in Moscow or ban these officials from keeping their money in rubles in Russian banks. I’m joking, but these so-called “symmetrical actions” look ridiculous to the American establishment. Besides, according to, say, the Helsinki Accords, human rights in any country is an object of international law, so from the legal point of view, there is nothing Russia can appeal to on this issue.

OK: What do you mean by a wider context?

LA: This is a very interesting moment. After President Obama was reelected, President Putin called him to congratulate him on the

victory. As [Putin’s press secretary Dmitri] Peskov reported later, Putin invited Obama to come to Moscow not just for an official visit, but rather for a personal conversation. And, allegedly, Obama agreed. Washington denies the latter, or, to be more precise, refuses to comment. If this is true, then it’s a very serious signal of the U.S.–Russia relationship. Why worry about the Magnitsky Act if the American president comes to visit Putin? That very Putin who, since his inauguration, has signed a number of toughening laws—on demonstrations, on foreign agents, on state treason, on libel, et al. If Obama comes to see Putin after Russia vetoed the resolution on Syria, after [U.S. ambassador to Russia Michael] McFaul was bullied in Moscow, after USAID was banned from the country—that will create a new context for the U.S.–Russia relationship, and in this context, the Magnitsky Act will be a minor disturbance.

OK: Do you think that Obama can really agree to such a meeting with Putin?

LA: Barack Obama is a president who mostly focuses on domestic policies. He doesn’t have special ambitions in foreign policy. But he has one ideological passion—the world without nuclear weapons. He declared this idea in Prague in 2009. But Obama’s will to reduce U.S. nuclear weapons is not enough; the Congress will not let him do it. But this idea can be implemented as a part of a new nonproliferation treaty, and Obama needs Russia and Putin to achieve this goal. Putin clearly understands this.

OK: What are the consequences?

LA: It would send a signal to the Kremlin that it can continue tightening the screws. Russian authoritarianism will transform from soft to hard. Specifically, the authorities can head the protest movement by imprisoning [Alexey] Navalny. They will

do it by the Khodorkovsky scenario. But instead of oil embezzlement, it will be forest embezzlement. [Sergei] Udaltsov’s future will be clear too: since he was accused of talking to the Georgians to plot against Russia, he will be convicted. No doubt, the U.S. State Department and the U.S. Helsinki Commission will ceremonially call for human rights protections. But there is only one country that Russia cares about—America—and only one person—the American president. And if this person delegates human rights issues to the State Department, the message will be clearly heard in Moscow. It’s a worst-case scenario, of course, but it is possible.

OK: Do you think there will be a new policy towards Russia? Something like a “new reset”?

LA: The “reset” had concrete goals: cooperation on Iran and Afghanistan, and nuclear arms reduction. There was a ritual part to it: talks on nonproliferation of weapons of mass destruction and the fight against terrorism, but these issues are handled by low- and mid-level diplomats and officials of respective ministries and agencies. Neither the president, nor the White House, nor special policy a-la “reset” is required to resolve these issues. Look at what is happening. First, in the summer of 2014, American troops will withdraw from Afghanistan. Now this is for certain. Secondly, it is clear that Russia will not help to escalate sanctions against Iran. The same thing with the resolution on Syria. It was a complete failure—no support from Russia. Finally, Obama had some hopes for softening the Russian stance on the strategic antimissile shield. But even in this issue, Russia let it be known that it would not compromise. Besides, in June 2013, Russia is quitting Nunn-Lugar, a bilateral program sponsored by the U.S. and aimed at dis-

mantling outdated Cold War-time nuclear weapons. Thus, there is no more room for cooperation besides the aforementioned ritual and routine issues. Today, the mutual agenda has narrowed down to two things: arms control and the antimissile shield. In other words, the geostrategic role of Russia in the area of U.S. national interests has dramatically diminished.

OK: You are saying that there is only one country for Russia, and it's the U.S. Mean-

go away. Look at today's Russia: enormous stockpiles of arms, ammunition, strategic missiles, and enormous levels of corruption. The regime is based on the legitimacy of one man. It's a serious threat to the direct interests of U.S. national security. If Russia becomes a democratic country, it will have a great positive impact on the surrounding states, including China. Recently, I have been at a closed talk of a former high-level official of Bill

Russian protest movement, it can backfire in Russia...

LA: It's a delicate issue. America is a great, very large, and jagged democracy. It doesn't always follow a sense of measure, and with Russia today, it's really important to escape extremes. The U.S. rhetoric towards Russia needs to be adjusted so that, on one hand, it will be sincere (and will sound so as well!), and, on the other hand, will not give the Russian opposition an illusion about American

■ “We should not say that we support Navalny or that we are against Putin. We should say that we are for a free, stable, prosperous, and democratic Russia.”

while, Russia is under an illusion that it's an equally important rival to the U.S. In reality, what is Russia's place in the list of U.S. foreign priorities?

LA: It's important to understand that the U.S. has four key priorities: the Middle East, Iran as a separate issue, China, and the fight against Islamist terrorism. All other issues are secondary. Russia can be found in the second or third echelon. I learned this from my own experience when I was invited to be an advisor on Mitt Romney's foreign policy team—I was responsible for Russia. Besides one little blunder, when for some reason Romney said that Russia was the U.S.'s number-one geopolitical foe, no one asked us any important questions about Russia. Obama was right to point to that blunder in his third debate with Romney. From my personal conversations with other members of Romney's foreign policy team, I know that they were on the phone all the time talking to journalists. Since the American media more or less reflect the public interest, it is clear that for now, the U.S. government takes little interest in Russia. On the other hand, Obama can upgrade Russia's status into a priority if he decides to pursue nuclear arms reduction. It could be a game-changer.

OK: Leaving your worst-case scenario aside, what would you do if you could change U.S. policy towards Russia?

LA: I'd like to stress that my pessimism is not caused by Romney's defeat, because whichever candidate won, the pattern of the U.S.-Russia relationship would not have changed, except that Romney would have come to power with certain rhetorical baggage. In my opinion, the key message of the American president and of the White House should be the following: we want Russia to transform into a normal, stable, prosperous, democratic state. Imagine that it really happened. A major headache for the U.S. would immediately

Clinton's administration. He has just returned from China. You know what he said? He said that in China, on the highest level, there is a sense of great loathing for Russia, mostly due to its weak and corrupt economy. As was once predicted, Russia has turned into a gas station for China, and it's hard to have respect for a gas station. All of this can change fundamentally if Russia changes its politics.

OK: Is this a realistic scenario? And what can the U.S. do now?

LA: It's a real scenario, and now the U.S. administration needs to try not to make mistakes that can prevent such a state from emerging. The president's visit can be such a mistake. The U.S. stance on Russia is a major factor of domestic legitimization of the regime. This view was shaped in the times of Lenin and Stalin. It gained momentum in the post-Stalinist period of the Cold War. And that is why I think that Romney made a big mistake when he called Russia the [number-one] geopolitical foe. Not only was it wrong, but also it created an opportunity for the Kremlin to show off by saying that the current regime in Russia was important for America, regardless of whether

support that we would not be able to offer in terms of technique, ideology, or diplomacy. We should not say we support Navalny or that we are against Putin—names are not that important. We should say that we are for a free, stable, prosperous, and democratic Russia. Show me a Russian citizen who wouldn't want this. This goal includes a lack or at least a decrease of corruption, and respect for the human dignity of Russian citizens. We have to let Russia know that we are pursuing the same goal. In my view, it's a win-win message.

OK: Last year, shortly before the Moscow protests, you gave an interview to IMR in which you said that revolutions develop in cycles. At what stage is the Russian revolution today?

LA: In the past year, the Russian middle class reached the level of development where it realized that it wants to participate in the country's government. Other countries' experience shows that the genie cannot be chased back into the bottle. It might take six months or ten years, but this regime will be destroyed. The next big frontier for Russia is 2018. Look at the history: the same things were happening in the

■ “The genie cannot be chased back into the bottle. It might take six months or ten years, but this regime will be destroyed.”

it's good or bad. The current president and the White House can and need to cooperate with Russia, but they have to do it carefully and not cause the regime to transform into a more reactionary one. Today, Russia's transition to a democratic state is linked to the opposition's activities and a split within the elites. It's important for the U.S. not to intervene in that process.

OK: The experience of recent years shows that if American politicians publicly voice support for any of the members of the

1970s in southern Europe—Greece, Spain, Portugal; in the 1980s in Taiwan and South Korea; in the 1990s in Mexico.

OK: In your opinion, if the U.S. condemns the tough actions of the Russian authorities, will it help the protest movement?

LA: It will definitely increase the costs of repression for the regime and will deprive it of internal legitimization. If the U.S. president tells the Russian president that he acts as a dictator, it will resonate everywhere. ♦

FARA and Putin's NGO Law: Myths and Reality

The Russian authorities have continuously claimed that the 2012 law labeling NGOs as “foreign agents” is merely the equivalent of the U.S. Foreign Agent Registration Act. IMR Senior Policy Advisor Vladimir Kara-Murza explains why this “analogy” is false.

The ongoing campaign of denouncing Russian NGOs as “foreign agents” that was launched on Vladimir Putin’s personal instructions is increasingly reminiscent of the early years of Stalin’s rule. The zeal of “law enforcement” agencies knows no boundaries. The campaign ranges from the absurd—such as attempts to attach the “foreign agent” label to a cystic fibrosis charity and a natural reserve for cranes—to the intentionally offensive. Examples of the latter include the demand by the Moscow Prosecutor’s Office that the Memorial Society register as a “foreign agent”—an insult to the millions of victims of Stalin’s repressions to whose memory the organization is dedicated.

This also appears to be the KGB’s “revenge” for its humiliations of the late 1980s and early 1990s; it is unlikely that the architects of the anti-NGO campaign have forgotten that Memorial was founded by Andrei Sakharov, and that its first advisory board included Boris Yeltsin. Memorial leaders remember well Yeltsin’s gesture in the summer of 1990, when, after being elected speaker of the Russian parliament, he resigned from all organizations to which he had previously belonged—with the explicit exception of Memorial. “For us it is impossible [to register as a foreign agent],” explains Arseny Roginsky, the current head of the organization. “We are Memorial, we know how many people in which year confessed under torture to being spies and foreign agents. We know how these confessions were beaten out of them. In our historical memory, the phrase ‘foreign agent’ has only one meaning. Our blood type does not allow us to do this.”

The Russian authorities, still shy about drawing direct comparisons with Stalin’s regime, have proposed a more agreeable analogy: the United States, they say, has exactly the same law on foreign agents that has been in force for three-

quarters of a century. This technique of misdirection is hardly new, and it fits well with Putin’s “look who’s talking” routine. Russia’s state-controlled TV channels have hammered home this analogy to their viewers since last year; in April, during his televised call-in show, Putin himself joined this chorus. Sometimes, even knowledgeable people in Russia can be heard to say, “This NGO law is, of course, awful, but even America has something similar. . . .”

The Kremlin’s parallel between Putin’s NGO law and the U.S. Foreign Agent Registration Act (FARA) is false. Apart from the name, these two pieces of legislation have hardly anything in common.

■ Apart from the name, these two pieces of legislation have hardly anything in common.

FARA (also known as the McCormack Act, after the Massachusetts congressman who sponsored it) was passed by Congress

and signed into law by President Franklin D. Roosevelt in 1938 to control the dissemination of Nazi and Communist propaganda in the United States. During and immediately after the Second World War, the U.S. government successfully prosecuted 23 criminal cases under FARA; the most prominent was the case against the German-American Vocational League, which was declared a propaganda outlet for the Third Reich. After the war, the law underwent numerous amendments, with the most significant changes made in 1966 and 1995. One would not, however, learn about these changes from Vladimir Putin, who has asserted that “in the U.S., this law has been in effect since 1938. . . . There is no Nazism today, but [the law] is still in effect.”

The 1966 amendments shifted the focus of the law from propaganda to political lobbying and narrowed the meaning of “foreign agent,” increasing the Justice Department’s burden of proof. From that mo-

ment on, an organization (or person) could only be placed in the FARA database if the government proved that it (or he or she)



The writing on the wall of the Memorial Society office in Moscow says: “Foreign agent loves USA”
Photo: ITAR-TASS

was acting “at the order, request, or under the direction or control, of a foreign principal” and was engaged “in political activities for or in the interests of such foreign principal,” including by “represent[ing] the interests of such foreign principal before any agency or official of the Government of the United States.”

Without fulfilling these two criteria—proving that an organization or person is under the control of a foreign principal and represents their interests—it has become impossible to register anyone in the United States as a foreign agent.

Since 1966, the U.S. government has not won a single criminal case under FARA. Civil and administrative cases have been ruled in the government’s favor only

NGOs. The law provides explicit exemptions for organizations engaged in “religious, scholastic, academic, or scientific pursuits or of the fine arts,” as well as for those “not serving predominantly a foreign interest.” “Political” NGOs that have foreign origins or funding also have no obligation to register as foreign agents, since they do not act “in the interests of a foreign principal.” No one in his or her right mind would declare Reporters Without Borders an “agent” of France, or Amnesty International an “agent” of the United Kingdom.

It is significant that the Russian “equivalent” of FARA altogether lacks the concept of a “foreign principal,” under whose control and in whose interests “agent” organizations would function (it

the U.S. Justice Department does not—and cannot—demand that they register as foreign agents. After the establishment of his organization, Zlobin contacted the FARA unit and received a response that the Center on Global Interests cannot be considered a foreign agent since it does not aim to represent the interests of the Russian state or of Russian entities.

In all, seven “agents” of the Russian Federation are currently registered in the FARA database. They include American lobbying, law, and public relations firms that represent the interests of the Russian government; Gazprom Export; the Rodina (Motherland) Party; Foreign Minister Sergei Lavrov; and the Kremlin-connected oligarch Oleg Deripaska. (The FARA online database



1. Arseny Roginsky, Director of Memorial Society



2. Office of the GOLOS Association, the first Russian NGO declared as a “foreign agent”
Photo: www.golos.org

when U.S. attorneys have presented indisputable proof—such as in the case of the Irish Northern Aid Committee, which provided financial aid to the families of IRA terrorists at the IRA’s request (a fact that the Committee’s founder had freely acknowledged). At the demand of the U.S. Justice Department, the Committee was designated as a foreign agent of the IRA. Among the organizations currently registered as foreign agents are such groups as the Netherlands Board of Tourism and Conventions, Switzerland Tourism, and other entities whose explicit purpose is to promote their countries’ interests in the United States. Meanwhile, the 1995 amendments to FARA (which took effect on January 1, 1996) removed some of the remaining vestiges of the prewar era, introducing the neutral term “informational materials” in place of the more denigrating “political propaganda.”

Most importantly, the U.S. Foreign Agent Registration Act does not target

only contains an ambiguous reference to “political activities, including in the interests of foreign sources”). This is hardly surprising, for such groups as GOLOS, which protects the rights of Russian voters; AGORA, which offers legal advice to Russian citizens; and Memorial, which preserves Russian historical memory, have no “principals” except for Russian society.

search is available at fara.gov; to search for Russia, choose “Active Foreign Principals” and “Russia” as the country.) Naturally, not a single NGO is included in this list.

Just like other awkward attempts by Putin to draw parallels with the West (such as his comparison of Kremlin appointments of Russia’s regional governors with the Electoral College used in U.S. presidential elec-

■ It is significant that the Russian “equivalent” of FARA altogether lacks the concept of a “foreign principal.”

The difference between the American and Russian “foreign agent” laws is best illustrated by Russian-funded NGOs in the United States—in particular, the Institute for Democracy and Cooperation, headquartered in New York and headed by Andranik Migranyan; and the Center on Global Interests, based in Washington and headed by Nikolai Zlobin. Both organizations are openly financed by Russian sources, yet

tions), the “analogy” between FARA and the Russian NGO law crumbles upon any thorough examination. Indeed, the only truthful analogy that comes to mind for the Russian government’s latest actions is an earlier time when the Kremlin—in Joseph Stalin’s own words—was also engaged in a struggle against “wreckers, spies, saboteurs and murderers, who are being sent in our midst by the agents of foreign countries.” ♦

1. Arseny Roginsky, Director of Memorial Society

2. Office of the GOLOS Association, the first Russian NGO declared as a “foreign agent”
Photo: www.golos.org

How Gazprom Snoozed through the “Shale Gas Revolution”



The “shale gas revolution” in the U.S. is changing the world’s energy map. By 2035 America can become the world’s largest gas producer, outpacing Russia. Until recently, Gazprom has been skeptical about such forecasts. As IMR Analyst Olga Khvostunova points out, Russian monopoly’s lack of long-term vision can have negative implications both for the company and for the country.

Fois Gras or Steaks?

In late December 2012, analysts from Rusenergy, one of the leading consulting companies of the Russian oil and gas industry, reported the past year’s major trends, producing findings of great interest. According to Rusenergy, Russia’s gas monopoly Gazprom has become the “Loser of 2012.” As the largest company in the world in terms of gas reserves, Gazprom is criticized for its inefficient management, investments in projects of questionable profitability, reputation as a “gas terrorist,” and so on. But until recently, these criticisms have not prevented the company from maintaining its position as a global leader in terms of net profits, or its CEO, Alexei Miller, from being listed among Harvard Business Review’s top 100 most effective managers in the world.

In 2012, Gazprom’s internal problems suddenly surfaced. In its report, Rusenergy ranked the company in first place in such categories as “Failure of the Year”—for the collapse of Shtokman Development AG, a consortium set up for developing the Shtokman field; and “Disappointment of the Year”—for its decision to launch the construction of the South Stream before all necessary permissions had been acquired,

and before the demand for energy in Europe, where Gazprom exports two-thirds of its produced gas, had stabilized. In addition, Gazprom initiated costly projects to develop the Chayanda field and construct the Yakutia-Vladivostok gas pipeline.

Slow recovery of the demand for Russian gas in the European Union can be attributed to a range of reasons, but one of the main factors is the “shale gas revolution” in the United States. This “revolution” is a phenomenon caused by new technological developments in shale gas and oil production. Even though the existence of tremendous reserves of shale gas and oil has been known since the 19th century, their production was previously considered unprofitable. This situation changed when oil and gas prices reached a high enough level, and new technologies for hydraulic fracturing and horizontal drilling were sufficiently developed, encouraging investments to flow into shale projects. The “shale gas revolution” caused price-cuts in the U.S. market, and today, American gas on the local markets is cheaper than gas in Russia.

Nevertheless, Gazprom’s management was skeptical about the new developments in the U.S. energy market. In June 2010, while delivering a speech at the Euro-

pean Business Congress in Cannes, France, Gazprom CEO Alexei Miller tried to debunk what he called “the shale myth,” claiming that shale gas is nothing more than a local natural resource that can only be used to compensate for shortages of conventional gas in the regional markets. He also sarcastically remarked, “If you like foie gras, it doesn’t mean that you don’t need steaks anymore.” Despite sagging demand in the European gas markets during the 2008–09 global financial crisis, Miller assured the forum’s delegates that energy industries in these countries would recover by 2012, and that Gazprom would continue to fill the European Union’s growing demand.

All Not Quiet on the Western Front

Gazprom’s confidence that European demand will continue growing has been based on the assumption that the financial crisis will make European governments sober up and stop talking about energy security, decreasing their energy consumption, and switching to renewable energy sources. Miller labeled such aspirations “morally invalid,” especially in the face of EU countries’ ongoing efforts “to balance their budgets.”

But according to BP’s 2011 Statistical Review of World Energy, demand for gas in Europe decreased by 9.9 percent over the past year. This dip was caused not just by the economic crisis, high gas prices, and the continuing growth of renewable fuel consumption, but also by a shift in consumption toward cheap coal.

Meanwhile, Gazprom has continued to reinforce its export policy in Europe. In October 2012, the second stretch of the Nord Stream gas pipeline was opened, which increased its capacity from 27 billion to 55 billion cubic meters per year. Company management claimed that construction of a third and fourth stretch was being considered as well.

At the same time, in mid-2012, when oil prices were rising, the difference between spot prices and contract prices went up to \$150 for a thousand cubic meters (Gazprom ties its gas prices to the price of the oil basket, with a time lag of six to nine months). Over that period, Gazprom’s European partners incurred losses because

they had to resell Russian gas at lower prices. At times, the spot price was as low as \$300 for a thousand cubic meters, while the contract price was \$450. The increase in Gazprom's contract gas prices seemed especially inadequate given the stability of the spot market prices.

Gazprom's awkward attempts to strengthen its position went against the prevailing trend of the European market, which was changing as a result of the influence of global fluctuations in LNG supplies from Qatar and Norway. The "shale gas revolution" redirected export flows to the

shale gas in the U.S. gas production structure did not exceed 1 percent. In 2011, this share reached 34 percent (214 billion cubic meters). Thus, over the last decade, U.S. dependence on gas imports has decreased by 45 percent, with LNG imports dropping by 19 percent. As the International Energy Agency forecasts, the shale gas share in the U.S. energy structure will have reached 43 percent by 2015, and 60 percent by 2035.

These shifts in the American market have had a negative impact on Gazprom's plans. First, anticipating a growth in demand for gas in the United States in the

Total, which are controlled by their countries' governments. Every company has a much better stocks dynamic than that of our 'national treasure.' ExxonMobil, a leader of this diagram, practically matches the S&P 500 index, while Chevron (not shown on the diagram so as not to embarrass Gazprom) has improved its position by 25 percent since 2008."

On January 17, Gazprom published its financial report (conducted by International Accounting Standards) for nine months of 2012. Even though some of the figures have improved in the third quarter,

■ While world gas prices were rising, Gazprom could feel comfortable. When the global environment has changed, the company's internal problems have become visible.

European market. As a result, by the end of 2012, the LNG's share of the EU energy market had increased to 20 percent—compared to 12 percent in 2008.

Under these conditions, which were unfavorable for Gazprom, the European Union lobbied for passage of the Third Energy Package, a bundle of laws that set a goal of liberalizing the EU energy and gas markets. The key provision of the Package is to split the production of electricity from its transmission in terms of the companies operating in the EU market. This provision works against Gazprom, which produces, transports, and eventually sells gas (through affiliated companies). The Russian government's attempts to negotiate an exception for Gazprom were unsuccessful.

On top of that, in September 2012, the European Commission initiated an antitrust investigation against Gazprom on the basis of allegations that the company was restricting competition and abusing its dominant position in Central and Eastern European markets (including Poland, the Czech Republic, Slovakia, Hungary, Bulgaria, Estonia,

early 2000s, Gazprom started to actively explore opportunities to develop the Shtokman field, the largest known gas field in the world. The plan was to produce LNG from natural gas extracted at Shtokman and to export it to the United States.

But while Gazprom's management was choosing foreign partners to join the consortium for developing Shtokman, the world energy market began to change. As a result, at the end of August 2012, Gazprom and its partners in Shtokman Development AG (France's Total and Norway's HydroStatoil) made a decision to put the project on hold because of excessive costs for the development and the "emergence of new projects of shale gas production."

A Vague Future

In late September, Sergei Aleksashenko, a Russian economist and head of the analytical group Development Center, published an interesting diagram that illustrated the dynamics of major energy companies' stock prices during 2008–2012 (2008 was taken as a zero mark). In his comment on the dia-

the data for these nine months do not look promising in comparison with the previous year. For example, the company's net profits have decreased by 11 percent (compared to the same period of the previous year), operational costs have increased by 18 percent, total supply volume has dropped by 8 percent in annual terms, and the income from gas sales has only increased by 1.6 percent. At the end of the year, Gazprom recorded an overall drop in production. All of these factors will probably have a negative impact on how investors view the company, and will prevent its stock quotes from growing.

While world gas prices were rising, Gazprom could feel comfortable. Today, when the global environment has changed, the company's internal problems have become visible: strategic management mistakes, aggressive marketing policies, high levels of bureaucracy and corruption, and vague prospects for financial prosperity in the long run.

On July 1, 2013, domestic gas tariffs in Russia will increase by 15 percent. Gazprom plans to achieve the net back parity by 2014, which means that gas prices for Russian consumers will grow by 2.5 times. Such a hike runs the risk of causing additional social tension inside the country.

All of these factors can lead to serious problems for Gazprom. Considering the fact that the company provides one-fifth of Russia's federal budget revenues, Gazprom's destabilization can cause risks for society as a whole. If Gazprom does not begin to adjust its long-term strategy and change the model of its relationships with its partners in the European Union and the Commonwealth of Independent States, Russian citizens will quite soon have to pay for the company's errors. ♦

■ Alexei Miller argued that "shale gas is a well-planned propaganda campaign, similar to those for global warming or biofuels."

Latvia, and Lithuania). The news of this investigation caused the company's stocks to drop in value, and the overall capitalization of its holdings to decrease by \$2 billion. If found guilty of the current charges, Gazprom will have to pay a fine of \$14 billion.

Shtokman Is Still There

Meanwhile, the "shale gas revolution" has already brought America to the threshold of energy independence. In 2000, the share of

gram, Aleksashenko wrote: "No company performed as badly as Gazprom. No one managed to lose more than one half of its value (53 percent). Not even BP, which had to deal with the largest catastrophe in the Mexican Gulf that cost the company more than \$20 billion in fines only. Not even Surgutneftegaz, whose ownership structure remains a mystery to many analysts and whose quality of corporate management is the lowest of the low. Not even ENI and

Sacrificial Offering à la Homo Sovieticus



The Kremlin's decision to retaliate against Russian orphans after the passage of the U.S. Magnitsky Act was a continuation of Soviet traditions. IMR Advisor Ekaterina Mishina, a prominent Russian legal expert, notes that the entire history of the USSR was marked by a hypocritical "care for children."

Homo Sovieticus is alive and well, like King Kong—or even worse. King Kong, after all, was mortal, whereas Homo Sovieticus lives, mutates, adapts to new environments, and sometimes even wins his battles. The passage of the “Dima Yakovlev Law” marks yet another triumph of the Soviet mentality, which is based on a strict prioritization of state interests over individual ones. One’s attitude toward this law has become a sort of litmus test that defines not only the individual’s basic moral principles but also his or her understanding of current events. The problem is far more than the inappropriateness of “our reply to Lord Curzon” in the cut-off-the-nose-to-spine-the-face style. By passing this statute, our lawmakers, like the sergeant’s wife from Gogol’s *Government Inspector*, have flogged themselves in front of an amazed global public, not only “exceeding the limits of necessary defense,” but also showing their ignorance of (or disregard for) international law, primarily the 1989 Convention on the Rights of the Child.

I will not accuse the whole corps of lawmakers of this ignorance, because

some of its representatives can picture parallel bars or a punching bag much better than they can the Universal Declaration of Human Rights. But it seems that it was not these individuals who wrote this bill. As for the authors, they should have provided an acceptable alternative to American adoptions of Russian citizens if they wanted to make such a move decently and humanely. But “decently and humanely” did not work out, as usual.

I have some questions on this point. If the authors had realized that they were aggravating the situation of disabled children, then what did they intend to do about Article 55, Part 2 of the Constitution, which states that “in the Russian Federation no laws must be adopted which abolish or diminish human and civil rights and freedoms”? The ban on adoptions by Americans diminishes the opportunity for disabled Russian children to exercise their right to health protection and medical help.

One could try to think better of people and assume that the authors were sincerely misled by the statistics provided by some government officials, which assured

them that the possibilities for treatment and gradual social adjustment of disabled children in Russian orphanages were no worse than they would be in American families. In this case, how come these unpleasant government officials who provided lawmakers with incorrect data have still not been punished in accordance with Article 41, Part 3 of the Russian Constitution, which says: “The concealment by officials of facts and circumstances, which pose a threat to the life and health of people, shall result in liability according to federal law”?

If, however, the authors of the bill did not use any statistics on the situation in Russian orphanages, then they should be ousted from their positions. No matter how you slice it, the whole incident looks disgusting and most strongly impacts those sick and defenseless children. But such actions are well within the traditions of Homo Sovieticus. This is not the first time in our history that a law has been used to turn children into hostages or objects of manipulation.

Throughout its existence, the USSR promoted its image as a tireless protector of children. This effort began rather well. The original Bolshevik policy that aimed to destroy all middle-class prejudices had a few merits, especially in regards to the laws on marriage and family. In September 1918, the new Code on Marriage, the Family, and Guardianship was adopted. Article 133 of this code stated that actual provenance is to be considered a family cornerstone and that no distinction is to be made between registered and informal relationships. A note to this article stipulated that its provisions applied to “children born outside wedlock before the publication of the Decree on Civil Marriage” in December 1917.

A number of the code’s provisions clearly indicated that its authors gave careful consideration to the problems of motherhood and childhood protection. According to Article 140, “a woman who is pregnant and not legally married should, not later than 3 months before giving birth, submit an application to the registry office at the place of residence, with the time of conception, the father’s name

and place of residence... A legally married woman can submit the same application if the child conceived by her is not her legal husband's." The Registry Office obligingly notified the person mentioned in the application, and the latter had the right to challenge the mother's application in court (Article 141). Article 144 of the code stipulated that "if the court finds that, at the time of conception, the person mentioned as the father had sexual relations with the child's mother, but also with other women, the court brings the latter as respondents and demands that they participate in expenses" related to (as mentioned in Article 143) "pregnancy, childbirth and child support."

adopted orphans in order to exploit them in farm labor. In this context, the abolition of adoption was labeled a necessary and temporary measure for the prevention of child exploitation. This justification did not, however, prevent the authorities from extending universal labor duty to all children aged 16 or older. Per Article 4 of the 1918 Labor Code, students had to exercise their labor duty in the schools. The ideological explanation for this discrepancy was that the Soviet state aimed to abolish child labor, but in view of the Civil War and a severe shortage of schools and orphanages, the prohibition of child labor would inevitably result in a rise in juvenile crime. No one explained why it was ac-

ceptable for children to be assigned labor duty but unacceptable for them to live in an adoptive family in the countryside and work on a farm. The abolition of the institution of adoption in a country where hundreds of thousands of children had been left orphans was not only unreasonable and cruel, but also primarily ideological. Government "care" for children expanded along with the strengthening of the Soviet state. In 1935, the age of criminal discretion was lowered from 14 (as set in Soviet Russia's Criminal Code of 1926) to 12 years. From this point on, the decree of the USSR Central Executive Committee and the Council of People's Commissars "On the protection of property of state enterprises, kolkhozes and cooperatives, and the protection of public property" from August 7, 1932 (more commonly known as the "Law of Three Spikelets"), applied to 12-year-old children. Railroad and water transport cargo as well as kolkhoz and cooperative property (including livestock and harvest) were considered state property. The punishment for theft of such property was execution by shooting and confiscation of personal property. Those convicted of crimes covered by this law were not subject to amnesty. The size of the theft was of no importance—a person who collected as little as a handful of grain or "spikelets" could be prosecuted.

■ **The passage of the "Dima Yakovlev Law" marks yet another triumph of the Soviet mentality, which is based on a strict prioritization of state interests over individual ones.**

As for orphans, the code treated them much more severely. Article 183 stipulated, "Since the moment of the entry into force of the present law, the adoption of either one's own or someone else's children is not allowed. Any such adoption made after the moment specified in this Article does not bring forth any responsibilities or rights for [either] the adoptive parent [or] the adoptee." The abolition of the institution of adoption in a country where hundreds of thousands of children had been left orphans as a result of the First World War, the revolution, and the Civil War was not only unreasonable and cruel, but also primarily ideological. Russia was then a largely agrarian country, and it was claimed that peasants often

whose deceased military parents had been legally married were eligible to receive a state pension.



At the same time, the previous equality between illegitimate children and children born into a registered marriage was abolished. It was no longer possible to establish paternity from a registry or by a court order. A single mother's right to file a judicial claim for the recovery of alimony for a child born outside of wedlock was annulled as well. As Stalin famously declared, "Life has become better, comrades, life has become merrier."

By banning Americans from adopting Russian orphans, our state has dealt another blow to the poor and the vulnerable, justifying its strike on ideological grounds. The Spartans, who used to throw weak and crippled infants from cliffs, were fairer—they did not claim to be punishing the babies by doing so. As for Russian orphans, they are doomed to face a life of deprivation and suffering for the sake of politics. And they will never realize that Soviet/Russian children have always been and will always be the happiest children in the world. ♦

In 1944, when the male population dramatically decreased as a result of Stalin's purges and losses during the Second World War, and a great number of children were left fatherless, the state—for some reason—chose to aggravate the situation

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The placard reads: Mr. President! I don't know who Magnitsky is. I just want to have a mom. Photo: www.rosagit.info

TB or Not TB: In Recognition of World TB Day



On March 24, the world marked the annual Tuberculosis Day. Whereas in Western countries this illness has been controlled since the middle of the 20th century, in Russia, tuberculosis remains an acute problem to this day. IMR Advisor Boris Bruk analyzes the situation and ponders the effectiveness of anti-tuberculosis measures taken by Russian authorities.

On March 24, 1882, at the meeting of the Physiological Society in Berlin, the German bacteriologist Dr. Robert Koch shared his research findings about the discovery of the bacillus that causes tuberculosis (TB). Unfortunately, over 130 years later, the problem of TB still remains unresolved in a number of countries, including Russia.

In the last decades of the nineteenth century, the situation regarding TB was critical: in some cities, the spread of infection reached 100 percent, and in Europe alone, TB caused the death of one in seven people. The Russian annual mortality rate from TB was estimated at 400 deaths per 100,000 persons. The situation was especially severe in prisons, where “the spread of ‘phthisis’ was substantial and isolation of infected persons was often impossible.” For example, in a Yaroslavl prison, the rate of TB infection reached 66 percent.

With the invention of antibiotics in the 1940s, countries in the West were able to bring the TB situation under control. In the Soviet Union, where the fight against TB became one of “the key objectives of the state healthcare system,” the government announced its victory over TB in the 1970s. This “victory” was achieved through the creation of a centralized system that required mandatory screenings for TB and the immediate isolation of persons infected with TB in sanatoria. Experts suggest that after the disintegration of the Soviet Union, the TB prevention system was deconstructed and that, as a result of the attendant social and econom-

ic challenges, declining funding, and “the destruction of [the] monolithic system of control,” the TB situation in Russia was aggravated. Among other possible reasons for the resurgence in TB incidence were the increased number of socially vulnerable groups, increased migration from Russia’s “near abroad,” reduced funding for TB departments, a high level of TB infection in prisons, and a higher rate of refusal of vaccination and/or TB screening.

During the period from 1991 to 1997, TB rates doubled from 38 to 74 cases per 100,000 persons, while the number of deaths increased on average by 11 percent. In addition, an insufficient supply of medications and, consequently, the impossibility of providing the full course of treatment to all affected individuals resulted in cases of multidrug-resistant TB (MDR-TB).

In these conditions, in the 1990s, foreign aid was believed to offer the most timely and effective response. Since 1994, the British NGO MERLIN has worked in close collaboration with the Regional Health Administration and regional tu-

Goldfarb, former project director of the PHRI/Soros Russian TB Program, various Russian “regions were interested in learning about the international experience; they were interested in getting results.” Goldfarb believes that in its initial stages, the program, which “aimed at introducing internationally accepted anti-TB strategies,” was quite successful. Supported by regional authorities, PHRI actively worked with regional health departments in Tomsk, Kemerovo, and Ivanovo.

A “constructive cooperation” approach was developed with the Main Directorate for the Execution of Punishments (GUIN). As Goldfarb recalls, however, with the introduction of the initiative to strengthen the “vertical of power,” “everything came under the thumb of the Russian Ministry of Health.” In Goldfarb’s words, “The Ministry of Health is an extremely corrupt organization controlled by the pharmaceutical industry, both Russian and foreign. They started putting spokes in our wheels and we had to leave the country.”

■ The most recent WHO report suggests that 60 percent of MDR-TB cases are concentrated in four countries: India, China, Russia, and South Africa.

berculosis services in the Tomsk Oblast. Implementation of the Directly Observed Treatment, Short-course (DOTS) strategy recommended by the WHO led to a 200 percent reduction in the occupancy of hospital beds, a decrease in the amount of time spent in the hospital, and a lower number of cases of TB infection and deaths.

Additionally, in the second half of the 1990s, with financial support from George Soros, the New York-based Public Health Research Institute (PHRI) started work in Russia. According to Alexander

The programs of such major international players as the Global Fund to Fight AIDS, Tuberculosis and Malaria and USAID, which started their work in the late 1990s, were implemented for a longer time in Russia. However, in 2011, the Russian Ministry of Health and Social Development decided to decline \$127 million in financial assistance from Global Fund sources. This decision resulted in the change of Russia’s status from “recipient” to “donor,” a label that makes the country responsible for contributing \$20 million annually dur-

ing the period from 2011 to 2013. In 2012, USAID, which had participated in the fight against TB in Russia and supported over 200 Russian HIV/AIDS organizations, had to end its programs in the country.

According to Russian NGOs, the “refusal of foreign aid might lead to an outbreak of TB in Russia,” and, according to some reports, in early 2012, the situation did indeed worsen. For example, a number of regional clinics and prisons faced a critical shortage of anti-TB drugs. This perspective is not shared by everyone, though. In the words of a representative from the Russian Ministry of Health, the participation of international organizations, including the Global Fund, did not help to solve the TB problem, but, on the contrary, resulted in lower indicators of death from TB in some Russian regions.

The question about the real reasons for and the timing of the government’s refusal to accept foreign aid remains a topic for discussion. Many analysts and experts point to the political component of this de-

(approved in late December 2012) sets such goals as the reduction of the annual number of TB-related deaths to 11.2 cases per 100,000 and the reduction of TB cases to 35. Between 2011 and 2015, Stage 1 of the state program is intended to reduce the annual number of deaths from TB from 14.2 to 12.8 and the annual number of new cases of TB from 73 to 56.

Despite financial investments, announcements about stabilization, and the ambitious plans of the Russian government, the current situation regarding TB does not allow for much optimism. Although in terms of quantity and percentages, there has clearly been no return to Dr. Robert Koch’s times, one should realize that at present, the task of TB prevention and treatment has become much more complex. Given that Russia is currently ranked thirteenth in TB burden among 22 high-burden countries, the consequences of the disease might become catastrophic. The WHO reports that the number of registered cases of MDR-TB in the world



Latvia, Peru, the Philippines, Russia, South Africa, South Korea, and Thailand showed that almost 44 percent of participants demonstrated resistance to at least one second-line drug. Scholars believe that individuals in many post-Soviet countries are infected with TB strains resistant to some antibiotics. The treatment of a drug-resistant strain of TB may take several years, and the cost of treatment can be 200 times more expensive than that required to treat a regular type of TB. The WHO expresses concern that countries relying on national contributions to treat and control TB—of which Russia is one—face an obvious TB threat of insufficient funding.

■ Experts suggest that after the disintegration of the Soviet Union, the TB situation in Russia was aggravated.

cision. One commentator has stated that “Russia’s limitations on international cooperation are impossible to be considered separately from public ‘patriotic’ campaigns in the country”. Within this context, some conclusions have emphasized the “increased political commitment of the [Russian] federal executive bodies” to solving the TB problem. According to some observers, this political commitment is primarily expressed through the decision to “flood the problem” with money.

At last year’s press conference on the occasion of World TB Day, it was announced that within five years, public expenditures for TB diagnostics and treatment would be increased by almost four times. In 2012, twelve Russian regions received over 6 billion rubles from the federal government for the fight against TB. In 2013, these regions will be granted 1 billion rubles. In this context, according to official estimates, the epidemic TB situation in Russia is being stabilized, with decreasing death rates from TB (a 14.5 percent drop) and a decreasing number of new TB cases (a 9.6 percent drop) in the period from 2008 to 2010.

It is expected that this positive trend will continue. For example, the state-run Program on the Development of Health-care in the Russian Federation until 2020

has been constantly increasing and that TB treatment has become a challenging task. The situation is especially troubling in prisons, where, according to the WHO, the spread of TB is almost 100 times higher than among the general population and the share of MDR-TB is estimated to be as high as 24 percent.

The most recent WHO report on the subject suggests that 60 percent of MDR-TB cases are concentrated in four countries: India, China, Russia, and South Africa. The largest number of patients with MDR-TB reside in Eastern Europe and Central Asia.

The WHO estimates that out of the 630,000 cases of MDR-TB registered in 2011, approximately 9 percent are cases of extensively drug-resistant TB (XDR-TB), the form of TB caused by a strain of bacteria resistant to second-line drugs. A recent study that involved 1,278 TB patients from Estonia,



In addition to the problem of drug-resistant types of TB, there is another very serious problem: co-infection HIV/TB. WHO data demonstrate that TB causes one-fourth of all deaths among HIV-infected individuals. Until the mid-1990s, HIV was not considered a problem in Russia. In 1999, however, around 18,000 cases of HIV were registered. The virus spread quickly, and by the early 2000s, 515 cases of co-infection HIV/TB had been registered. In 2011, the number of individuals affected by such co-infection was estimated to be almost 12,000. According to official data, during the period from 2004 to 2011, the number of co-infection cases increased by 741 percent.

In this context, Russian organizations of civil society and specialists with first-hand knowledge about TB challenges have argued that the existing system is incapable of solving the problems related to the spread of the infection and of improving the conditions for TB treatment. Against a background of unimpassioned and sometimes opiating official discourse, voices have been raised to emphasize the importance of making every effort to stop TB and defending the rights of TB patients. According to representatives of the Andrey Rylkov Foundation for Health and Social Justice, the system of combating TB must be reformed. ♦

Our Projects

IMR Review



Since 2011, the Institute of Modern Russia has been developing a digital publication, IMR Review, on the basis of our website, www.imrussia.org. IMR Review features high-quality content in both English and Russian: we provide exclusive analysis and interviews, as well as opinion articles on the major issues of U.S.–Russia relations and Russian politics, economy, law, and public life.

In the last two years, IMR Review has covered a number of topical issues, such as the passage of the Magnitsky Act and the consequent Russian adoption ban; the Kremlin's propaganda system; studies of the roots of Belarusian and Russian authoritarianism; comparative analyses of electronic democracies, the BRIC countries' soft power efforts, and the crackdown on Russian NGOs; the specifics of the Russian legal system; and so on. We have also published interviews with prominent Russian and American scholars, politicians, policy experts, and opinion leaders.

Our goal is to guide our audience through the intricate ways of Russian politics, to debunk major stereotypes, and to dismantle myths created by Kremlin propaganda. We seek to create a genuine platform for discourse that can bring Russians and Americans together, engage them in a dialogue, and promote mutual understanding.

Political Dialogue and Public Outreach



Contributing to political discourse is an important part of our work. Speaking directly to policymakers, political analysts, the media, and the general public helps generate ideas and stimulate debate on a number of crucial issues regarding U.S.–Russia relations.

On the basis of that belief, IMR organizes conferences, roundtables, public talks, and presentations in the United States and other countries. Since 2011, we have sponsored events at the Harriman Institute at Columbia University, bringing prominent Russian politicians, opposition members, policy experts, and opinion leaders to address the American public.

On March 4, 2013, IMR, in partnership with Freedom House and the Foreign Policy Initiative, co-hosted a forum on Capitol Hill that was dedicated to Russia's relationship with the West. The speakers included Sen. Ben Cardin; Rep. Jim McGovern; Russian State Duma member Dmitri Gudkov; European Parliament members Guy Verhofstadt, Kristiina Ojuland, and Edward McMillan-Scott.

IMR also participates in the annual conventions of ASEES, presenting research papers on the topics of corruption, protests, and the impact of authoritarianism in Russia. As part of our public outreach efforts, IMR President Pavel Khodorkovsky regularly speaks at major U.S. colleges and universities, giving a multifaceted overview of recent political, economic, and social developments in Russia.

The Interpreter



In 2013, IMR and the Herzen Foundation launched a new online magazine called *The Interpreter* dedicated to translating Russian-language news articles, editorials, and blog posts. The project seems at once long overdue and well timed. Since Vladimir Putin returned to the presidency in 2012, Russia has undergone many note-

worthy developments with which the Western press has often struggled to keep up, much less make sense of their backstories.

Too often, the heart of the stories about Russia that are reported in the United States lies in news that is only reported in Russian and is overlooked or marginalized in the 24-hour English-language news cycle. *The Interpreter* relays many of these stories in real time. Occasionally stepping out of its role as mere translator, this online magazine offers its own commentaries on the material it translates. These include pieces of reportage, interviews, and special reports that analyze broader trends and themes.

The idea for *The Interpreter* came from Russians who believe that journalists, policymakers, analysts, and interested laymen in both the United States and Europe would benefit from a clearinghouse of unfiltered and unexpurgated Russian content. In this sense, *The Interpreter* complements the research and articles published by IMR.

The Innovative Approach to History Textbook



The complexities of facing Russia's future require new approaches to its past. Today, the return of neo-Stalinism and the conservative Soviet philosophy of history is visible in the Russian education system and manifests itself daily both in the country's policies and in the public mind.

This powerful ideological machine was formed over the course of 150 years, stemming from the writings of Nikolai Karamzin and developing to the current idea of the necessity of a sovereign ruler. Subverting the dominant paradigm of Russian history remains a challenge.

Nevertheless, innovative approaches can be found in the New Imperial History project. This project, sponsored by IMR, explores the myths of outdated historiography, recognizing the multiplicity of the past with a view to the pluralism of the future.

The project challenges the prevailing approach to Russian history and provides a realistic avenue for fostering changes in Russian society. This collaboration of prominent Russian historians presents Russian history as a foundation for critical dialogue on complex situations; alternative historical developments; and factors that have contributed to various political, economic, and cultural outcomes.

In its final form, the collective project will become a textbook for college students, both Russian and English, featuring contemporary historical essays and discussions of the post-Soviet space.

Anticorruption Campaign



Corruption is without a doubt the most topical question in Russia today, with destructive effects for state efficiency, the government's reputation, budget stability, rates of economic growth, competition, and so on. The National Anticorruption Committee estimates the corruption market in Russia at around \$300 billion a year.

IMR seeks to expose the scale of Russian corruption that runs rampant through all aspects of the country's politics, business, and law. Russians have grown to believe that corruption is an inevitable evil, and even those who recognize its absurdity nonetheless cannot imagine the country's economy, government, or social sphere functioning without it.

As a part of its anticorruption efforts, IMR commissioned "Photo 51: Is Corruption in Russia's DNA?" This project, which examines the underlying roots of corruption that are deeply instilled in Russian society, consists of a series of photographs taken by Misha Friedman, a renowned New York photographer, in various parts of Russia. Corruption has penetrated to the very core of Russian society and, metaphorically speaking, has become a part of the country's DNA. In March 2013, the "Photo 51" exhibition premiered in New York. It will be showcased in the United States, the European Union, and Russia.

HIV/AIDS and TB Awareness Initiative



In 2011, IMR launched an initiative to raise awareness of the disastrous state of affairs regarding HIV/AIDS and tuberculosis in Russia. Russia has become a world leader in TB and currently, following India and China, has the largest number of multidrug-resistant TB cases. In most first-world nations, HIV/AIDS and TB have been taken under

state control, have ceased to be taboo subjects, and have been destigmatized. This is not the case in Russia or the former Soviet republics, where independent observers report that the incidences of TB and HIV/AIDS have reached epidemic levels. But despite these grim figures, the authorities have not only ignored this problem but are actively suppressing information surrounding it.

In the face of scarce information about the epidemic, New York-based photographer Misha Friedman has presented IMR with a valuable resource: a series of photographs that document the lives and inadequate treatment of HIV/AIDS and TB patients in the Caucasus, Uzbekistan, and Ukraine. In the autumn of 2011, with IMR's support, Friedman expanded his project, visiting and photographing TB hospitals in Russia.

Over the course of 2012, IMR sponsored a series of exhibitions in the United States, the European Union, and Russia to showcase Friedman's works and draw public attention to this acute social problem.

Your Human Rights Booklet



Originally written by the Human Rights Foundation in Spanish, *Your Human Rights* (Tus Derechos Humanos) was an informational booklet created for the people of Cuba. The guide was designed with the intent of eventually distributing it among other nations with oppressed citizens who are unaware of their rights.

IMR believes that this guide is relevant to the current situation in Russia. The Russian version of the guide will be tailored to the specific cultural and political context of Russia, where the booklet will be distributed, with clear, simple, and concise text that is accessible to a broad range of demographics.

The importance of *Your Human Rights* lies in its direct link to its audience through the grassroots nature of distribution. In light of recent violations of human rights in Russia and the crackdown on civil society and human rights activists, this project has the ability to deliver valuable advice to those who need it most and would instantly benefit from such knowledge. The booklet also emphasizes aspects of personal rights such as integrity, freedom of association, and political participation. It is not only useful in its educational capacity with regard to people's fundamental rights, but it also encourages freedom of thought and expression—necessary components of democratic change.

Political Art Show: "Russian Visionaries"



"Russian Visionaries" was a multimedia art project that displayed portraits of modern Russian thought leaders alongside their predictions for the future of Russia after the 2012 presidential election. The project was sponsored and developed by IMR and showcased in New York, Moscow, Berlin, and Paris in 2011 and 2012.

The central pieces of the project are the austere black and white photographs taken by Kirill Nikitenko, a well-known Moscow photographer. Among the 54 photographs are portraits of prominent Russian writers, actors, journalists, economists, politicians, and human rights activists known for their strong independent views and their opposition to the current regime. They include Boris Akunin, Alexei Navalny, Leonid Parfyonov, Sergei Parkhomenko, Lyudmila Ulitskaya, Garry Kasparov, Lyudmila Alekseeva, Lev Ponomarev, and many others.

All the participants shared their predictions of Russia's future if Vladimir Putin remains in power. These predictions were presented alongside the portraits. Incidentally, the show coincided with the unprecedented mass opposition rallies that began in Russia in December 2011 and lasted through the winter and spring of 2012. The original idea to bring together Russian intellectual leaders came from Elena Khodorkovskaya, the former wife of Mikhail Khodorkovsky, Russia's most prominent political prisoner.

INSTITUTE of MODERN RUSSIA

Knowledge. Ideals. Independence.

The Institute of Modern Russia (IMR) is a nonprofit, nonpartisan public policy organization—a think tank—with offices in New York and Washington DC. IMR's mission is to foster democratic and economic development in Russia through research, advocacy, public events, and grant-making. We are committed to strengthening respect for human rights, the rule of law, and the development of civil society in Russia. Our goal is to promote a principle-based approach to Russia-U.S. relations and Russia's integration into the global community of democracies.

IMR is a federal tax-exempt Section 501(c)(3) public charity, incorporated in New Jersey.

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