

Russia: An Imperialist State with Regional Clout

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Preface

This document was originally submitted to the Socialist Action pre-convention discussion for the October 2018 convention. Its general line was not adopted at the convention, over disputes regarding its analysis of Russia's activities and interests in Syria and the connections of Russia with the far right. It did, however, cause Socialist Action to vote in favor of recognizing Russia as an imperialist state, and vote to hold a discussion on publishing a revised work based upon this document. That document has yet to be published. The authors are now submitting it, with minor edits, for the use of Socialist Resurgence.

Introduction

It is necessary to preface this study of whether Russia is imperialist with an introduction to the terms and criteria being used for such an analysis. We are utilizing the same criteria introduced by *China: A New Imperial Power*, a document on Chinese imperialism submitted to the IDB by Keith L. on May 17. This means that we are basing our criteria on the analysis of capitalist imperialism performed by Lenin in his 1917 *Imperialism, the Highest Stage of Capitalism* with requisite updates on the basis of historical developments. This analysis found capitalism imperialism to be founded upon monopoly capitalism, with the following features:

(1) the concentration of production and capital has developed to such a high stage that it has created monopolies which play a decisive role in economic life; (2) the merging of bank capital with industrial capital, and the creation, on the basis of this "finance capital", of a financial oligarchy; (3) the export of capital as distinguished from the export of commodities acquires exceptional importance; (4) the formation of international monopolist capitalist associations which share the world among themselves, and (5) the territorial division of the whole world among the biggest capitalist powers is completed. Imperialism is capitalism at that stage of development at which the dominance of monopolies and finance capital is established; in which the export of capital has acquired pronounced importance; in which the division of the world among the international trusts has begun, in which the division of all territories of the globe among the biggest capitalist powers has been completed.¹

As noted in *China: A New Imperial Power*, the form of imperialist domination of the world has changed over time, with indirect semi-colonial rule largely supplanting formal ownership of

¹ Lenin, Vladimir. *Imperialism: the Highest Stage of Capitalism*. Marxists Internet Archive, 2005. Chapter 7.

colonies on the part of imperial powers.² Imperial powers today mostly compete for economic, political, and military domination of notionally independent states.

Another major element of analysis which must be incorporated is the role of combined and uneven development. It is possible for imperialist states to be more advanced or powerful in certain areas and not others, and even wholly backwards in others. Such was the case, indeed, of the capitalist imperialism described by Lenin in 1916-1917; the contemporary imperialist world saw huge gaps in terms of industrial, military, and financial power between powers like Russia and Japan and those like Britain and the United States. Notwithstanding these gaps, Russia and Japan still constituted imperial powers, and were still capable of developing monopoly industries, exporting significant amounts of capital, and exploiting colonies.

A final element of capitalist imperialism which must be considered is its volatility. The relations between imperial powers, and their divisions of the world, are dependent upon the comparative strengths of such powers. These strengths are constantly changing, and can be upended dramatically by wars, revolutions, crises of world capitalism, etc. It is precisely these trends which led Lenin to critique as an impossibility Karl Kautsky's notion that an alliance of all the world's imperial powers (ultraimperialism) could be indefinitely sustained:

We ask, is it "conceivable", assuming that the capitalist system remains intact—and this is precisely the assumption that Kautsky does make—that such alliances would be more than temporary, that they would eliminate friction, conflicts and struggle in every possible form?

The question has only to be presented clearly for any other than a negative answer to be impossible. This is because the only conceivable basis under capitalism for the division of spheres of influence, interests, colonies, etc., is a calculation of the *strength* of those participating, their general economic, financial, military strength, etc. And the strength of these participants in the division does not change to an equal degree, for the *even* development of different undertakings, trusts, branches of industry, or countries is impossible under capitalism. Half a century ago Germany was a miserable, insignificant country, if her capitalist strength is compared with that of the Britain of that time; Japan compared with Russia in the same way. Is it "conceivable" that in ten or twenty years' time the relative strength of the imperialist powers will have remained unchanged? It is out of the question.³

Certainly, the advantages accrued by imperial powers and denied to and extracted from semi-colonies makes the emergence of new imperial powers rare and contingent on unusual developments. To proclaim the impossibility of such a development, however, would be to ignore the historical record of instability and turmoil which has shaped capitalist development and imperialist and inter-imperialist conflict. In the cases of Russia and China, furthermore, the fact of their economic development in relative isolation from imperialist exploitation during much

² L., Keith. "China: A New Imperial Power". Socialist Action IDB, May 17, 2018. 2.

³ Lenin, Vladimir. *Imperialism: the Highest Stage of Capitalism*. Chapter 9.

of the twentieth century is a significant factor which warrants consideration. As we will explore below, the course of developments during capitalist restoration in Russia was critical in shaping its potential to emerge as an imperialist power.

Capitalist Restoration In Russia

The modern Russian state was born in the death throes of the Soviet Union. The collapse of the USSR was a chaotic event. After the effective dissolution of the Soviet Union in 1991 following a failed coup attempt against Mikhail Gorbachev, Boris Yeltsin's government engaged in a 'shock doctrine' program of drastic economic reform, mass privatization, free trade, abolition of price controls, and other such measures, with the backing of the IMF, World Bank, and US and European governments.⁴ When the Russian parliament resisted the breakneck pace and wild abandon of the reform process, Yeltsin dissolved parliament and placed the parliament building under siege, and then fired on demonstrators and stormed the building with thousands of soldiers and dozens of tanks and helicopters in support.⁵ This assault, and the subsequent enforcement of dictatorial power by the Yeltsin government, enabled a massive intensification of the reforms, with sharp austerity cuts to government services and even more rapid and widespread privatizations.⁶

Foreign investors made incredible returns on investments in Russia; in 1995 the Wall Street Journal projected potential gains of 2000% in three years.⁷ Ownership of the privatized companies, however, by and large was seized by Russian ex-bureaucrats turned oligarchs due to restrictions on direct foreign purchasing of Russian assets.⁸ Enormous state owned companies like Norilsk Nickel, Yukos, and Sidanko were sold for a tiny fraction of their value to the new oligarchs - purchased with public money which had been stolen and transferred to private bank accounts; in essence "the Russian people fronted the money for the looting of their own country".⁹ As a result of this oligarch acquisition and accumulation of assets, despite astronomical profits for foreign investments and joint ventures, the "principle share of the wealth in Russia was in the hands of Russian players, not their foreign partners" - and indeed, subsequent Western-dominated privatization programs in Argentina, Bolivia, and Iraq would take steps to prevent a repeat of this development.¹⁰ Of particular interest was the actions of ex-KGB members including Vladimir Putin, who had extensive access to funds that had been sequestered for use in overseas operations as well as funds that had been stored away by various Communist Party organs; one contemporary estimate placed the sum of hidden assets at \$50 billion.¹¹ After the failure of the August 1991 coup attempt and subsequent dissolution of the KGB, many former KGB members went into the private sector or the black market, with

⁴ Klein, Naomi. *The Shock Doctrine: The Rise of Disaster Capitalism*. Kindle., 2007. Chapter 11.

⁵ Ibid.

⁶ Ibid.

⁷ Browning, E. S. "Bond Investors Gamble on Russian Stocks", Wall Street Journal, March 24, 1995.

⁸ Klein, Naomi. *The Shock Doctrine: The Rise of Disaster Capitalism*. Chapter 11

⁹ Ibid.

¹⁰ Ibid.

¹¹ Dawisha, Karen. *Putin's Kleptocracy: Who Owns Russia?* New York: Simon & Schuster, 2014. 49.

significant institutional advantages from their seed funds and political connections; where they did not become oligarchs themselves, they served as muscle to secure the market positions of oligarchs.¹²

The results of this program were catastrophic for the Russian economy and society as a whole. From 1989-1998, Russian GDP fell by 45%, income inequality massively spiked, and the death rate grew from 1% per year to 1.5%; an additional 700,000 deaths per year.¹³ Real wages fell by a third and unemployment rose by 8 percent.¹⁴ The number of Russians living in poverty rose from 2 million in 1989 to 74 million.¹⁵ On the international level, the state was largely crippled and without influence. When the Clinton administration pushed forwards with NATO expansion into eastern Europe in the 1990s, Yeltsin could do little more than offer ineffectual complaints to Clinton, and then resignedly declare that “Well, I tried”.¹⁶ A brief uptick in the economy in 1997 proved ephemeral; in 1998 the stability of the rouble came under siege and despite an IMF-World Bank financial package (in exchange for additional austerity promises) and the burning through of Russian foreign currency reserves the Russian government was forced to let the currency float and default on its debt.¹⁷ The Yeltsin government floundered, but eventually found its footing with the economic stewardship of Prime Minister Yevgeny Primakov, who was a bitter critic of the economic reform process whose new policies, in conjunction with the depreciated rouble, sparked a partial recovery.¹⁸ Nevertheless, the crisis helped to devastate Yeltsin’s popularity, and a transfer of power was arranged to Vladimir Putin - who had made a name for himself in managing the Second Chechen War.

Putin came to power with a promise of ending the chaos of the Yeltsin years and restoring Russia. Throughout the early 2000s, the Russian economy recovered, helped by a rise in the price of oil and gas; during Putin’s first two terms (ending in 2008) Russian GDP rose by 70%.¹⁹ In public, Putin initially challenged the power of oligarchs, declaring that he would “rid Russia of the oligarchs as a class” and launching corruption investigations against Vladimir Gusinsky and others.²⁰ In practice, however, these investigations were directed only against his political opponents; oligarchs with connections to Putin remained unimpeded and, in fact, strengthened.²¹ Putin would go on to conclude an effective deal with oligarchs where he agreed not to interfere with their business operations or renationalize privatized state property in

¹² Ibid, 73-75.

¹³ Popov, Vladimir, and Jomo Kwame Sundaram. “Post-Soviet Russian Economic Collapse”. Inter Press Service.

¹⁴ Conradi, Peter. *Who Lost Russia?* Oneworld Publications, 2017. Chapter 7.

¹⁵ Klein, Naomi. *The Shock Doctrine: The Rise of Disaster Capitalism*. Chapter 11.

¹⁶ Conradi, Peter. *Who Lost Russia?* Chapter 7.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Engel, Pamela. “How Vladimir Putin Became One of the Most Feared Leaders in the World.” *Business Insider*. February 14, 2017.

²⁰ Aris, Ben. “Oligarchs’ Power over Kremlin Has Come to an End, Says Putin,” *The Telegraph*. July 28, 2000.

²¹ Ibid.

exchange for their abstention from politics and not challenging his presidency.²² This deal led to a reconstitution of the composition of the oligarchs. Those with political ambitions like Mikhail Khodorkovsky faced trial for corruption, tax evasion, fraud, and other charges.²³ Meanwhile, many of Putin's close political allies became billionaires.²⁴ On the whole, however, wealth became even more concentrated in the hands of the elite: from 1991-2011 the wealth of the richest fifth of Russians doubled, while that of the poorest fifth of Russians fell by half.²⁵

Russian Economy

Russia had a 2016 Gross Domestic Product (GDP) of \$3.64 trillion by purchasing power parity (PPP), placing it at sixth in the world.²⁶ Its 2016 GDP per capita was \$24,789 by PPP.²⁷ In *China: A New Imperial Power*, Keith described the importance of using PPP figures when comparing international economies in most respects; this consideration applies even more so to Russia as the country has faced a currency crisis in the last few years which severely distorts its nominal figures. In 2014, a rouble was generally worth around 3 cents; from 2015 onwards this fell to around 1.5 cents.²⁸ This has caused a collapse in Russian GDP in nominal terms that is not reflected in actual declines in production or economic activity. From 2013 to 2016, Russia's GDP as measured nominally using market exchange rates fell from \$2.297 trillion to \$1.283 trillion, a seemingly catastrophic decline of more than 44% which would be similar in scope to that of the 1990s.²⁹ When the PPP figures are examined, however, it becomes clear that the vast majority of this collapse was an artifact of exchange rate variations and not, as in the 1990s, reflected in general economic conditions; Russian GDP measured by PPP fell from \$3.766 trillion in 2013 to \$3.636 trillion in 2016 - a decline of only 3.5%.³⁰ This disparity is easily visible in Figure 1:

Figure 1³¹

²² Engel, Pamela. "How Vladimir Putin Became One of the Most Feared Leaders in the World."

²³ Parfitt, Tom. "Mikhail Khodorkovsky Sentenced to 14 Years in Prison." *The Guardian*, December 30, 2010.

²⁴ Kramer, Andrew E., and David M. Herszenhorn. "Midas Touch: Those With Putin Ties Glow Brightly." *The New York Times*, March 1, 2012.

²⁵ Parfitt, Tom. "Russia's Rich Double Their Wealth, but Poor Were Better off in 1990s." *The Guardian*, April 11, 2011.

²⁶ World Bank. "GDP, PPP (current international \$)". International Comparison Program database. 2017.

²⁷ World Bank. "GDP Per Capita, PPP (current international \$)". International Comparison Program database. 2017.

²⁸ XE. XE Currency Charts: RUB to USD. 2018.

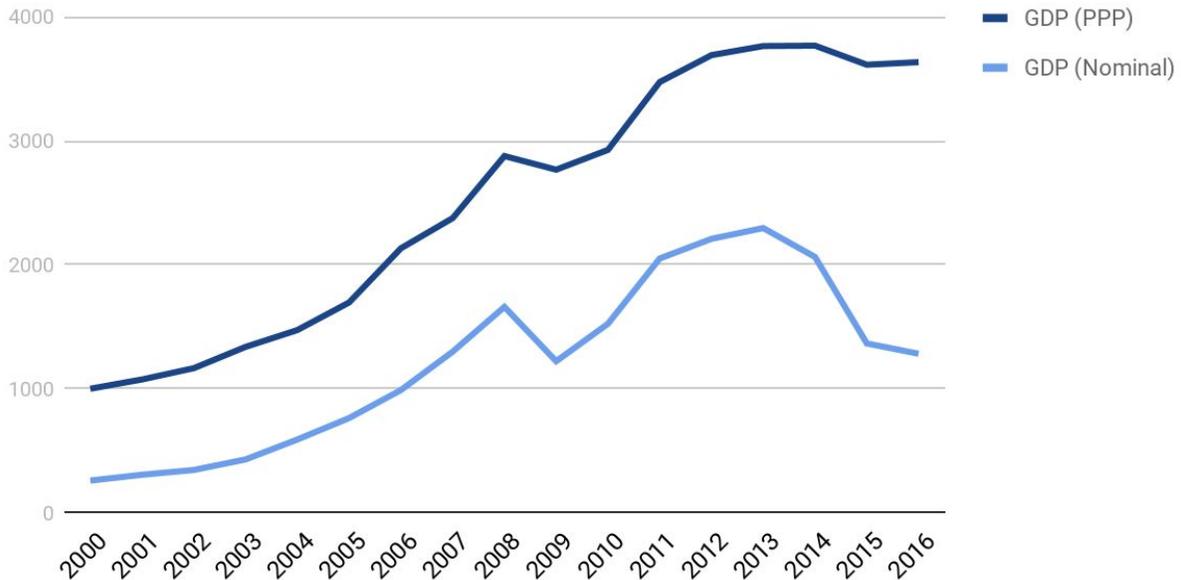
²⁹ World Bank. "GDP (current US\$)". World Bank national accounts data, and OECD National Accounts data files. 2017.

³⁰ World Bank. "GDP, PPP (current international \$)".

³¹ World Bank. "GDP (current US\$)"; World Bank. "GDP, PPP (current international \$)".

Russian GDP 2000-2016

USD Billions



The decline in the rouble does pose some serious economic concerns to Russia, particularly for Russian companies which collectively owe \$670 billion in dollar-denominated debt which became more expensive to service as the rouble fell against the dollar.³² It does not, however, constitute a crisis at the level of the 1990s, as would be suggested by nominal GDP figures.

The Russian economy is, as a function of its history since the collapse of the USSR, incredibly heavily concentrated around a tiny group of oligarchs and monopolies. A Credit Suisse report noted that:

Russia has the highest level of wealth inequality in the world, apart from small Caribbean nations with resident billionaires. Worldwide, there is one billionaire for every USD 170 billion in household wealth; Russia has one for every USD 11 billion... in Russia today 110 billionaires own 35% of all wealth.³³

This concentration of wealth is reflected further in the concentration of monopolies within the Russian economy. An OECD study found that companies with more than 250 employees employed about 80% of workers in Russia and accounted for an even higher share of output, whereas in most OECD countries such companies accounted for only about 50% of

³² Matthews, Chris. "Russian Ruble's Fall: A Classic 'Currency Collapse.'" *Fortune*. December 16, 2014.

³³ Keating, Giles, Michael O'Sullivan, Anthony Shorrocks, James B. Davies, Rodrigo Lluberas, and Antonios Koutsoukis. "Global Wealth Report 2013". Credit Suisse. October, 2013. 53.

employment and output.³⁴ The most prominent Russian monopoly company is Gazprom, which had 463,000 employees as of June 2018.³⁵ The company is the world's largest gas company, and controls nearly a fifth of the world's known gas reserves.³⁶ Another prominent monopoly company, Sberbank, employs more than 310,000 workers.³⁷

Russian monopolies occupy a significantly more limited role than those of China's, or other major imperial powers. Russia had only four companies - Gazprom, Lukoil, Rosneft Oil, and Sberbank - on the *Fortune 500 Global* list of the 500 largest world companies by revenue.³⁸ This puts it well behind even imperial powers like the UK (23), France (29), and Germany (29); much less the US (132) or China (109); in this regard Russia fits into the grouping between countries like Denmark (1) and Sweden (3) or Italy (8) and Spain (9).³⁹ Two considerations about this finding are important, however. Firstly, while Russia places relatively few companies into the top 500, they occupy relatively high positions: 63, 102, 158, and 232 respectively for Gazprom, Lukoil, Rosneft Oil, and Sberbank, all within the top half. Secondly, when a broader grouping of the world's largest companies - the *Fortune 2000 Global* list, incorporating the top 2000 - is considered, the margin between Russia and other imperial powers shrinks considerably. Of the top 2000, Russia holds 27 spots, beating out Spain (23), matching Italy (27), and coming considerably closer in ratio to France (59) or Germany (51).⁴⁰

Russia's largest monopolies are also heavily internationalized, and increasingly so. By 2011 Lukoil and Gazprom were the two largest Russian non-financial companies by foreign assets, with \$29.2 and \$21.8 billion respectively in foreign assets and the top 20 Russian non-financial multinationals collectively held \$111.2 billion in foreign assets.⁴¹ In 2018, Lukoil planned to direct 20% of its investment abroad - about \$9.7 billion, with targets including acquisitions in Iran, Iraq, Mexico, Azerbaijan, Cameroon, Ghana, and Nigeria.⁴² Rosneft, meanwhile, is seeking acquisitions in Mozambique, Vietnam, Iran, and Egypt.⁴³ In 2013, Sberbank made about \$900 million in profit from its foreign holdings.⁴⁴ The sanctions regime implemented against Russia has since pressured Sberbank to seek to sell many of its foreign

³⁴ OECD. *OECD Economic Surveys: Russian Federation 2011: Volume 2011 Supplement 1*. OECD Publishing. 68-69.

³⁵ Forbes. "Gazprom". *The World's Largest Public Companies*. June, 2018.

³⁶ Henley, Jon. "Is Europe's Gas Supply Threatened by the Ukraine Crisis?" *The Guardian*, March 3, 2014.

³⁷ Forbes. "Sberbank". *The World's Largest Public Companies*. June, 2018.

³⁸ Forbes. "Fortune 500 Global". 2018.

³⁹ Ibid.

⁴⁰ Forbes. "Fortune 2000 Global". 2018.

⁴¹ Kuznetsov, Alexey. "Global Expansion of Russian Multinationals after the Crisis: Results of 2011". Institute of World Economy and International Relations (IMEMO) of the Russian Academy of Sciences. April 16, 2013. 2.

⁴² Astrasheuskaya, Nastassia and Nadia Rodova. "Lukoil Turns to Foreign Upstream in Quest for Reserves Replacement: CEO". *S&P Global Platts*. January 12, 2018.

⁴³ Trickett, Nicholas. "Mozambique and Rosneft's Hunt for Foreign Policy Pull". *Global Risk Insights*, July 25, 2017.

⁴⁴ Davies, Megan, and Oksana Kobzeva. "Russia's Sberbank Eyes \$900 Million Profit from Abroad in 2013." *Reuters*, August 5, 2013.

assets in the banking sector, as with its May 2018 sale of Turkish asset Denizbank to Emirates NBD, but the bank is diversifying its assets into other areas.⁴⁵ Its acquisition of a plurality stake in Croatian agribusiness conglomerate Agrokor as part of a debt settlement is one such example.⁴⁶

Russia constitutes a major and growing player in world capital export. Like China, it has had to build its stocks of exported capital anew since capitalist restoration. It shares a similar trait to China in this regard, insofar as its accumulated holdings are relatively small in comparison to its share of annual capital export. This trend is exaggerated even further by the differential in timescale and circumstances of Russian and Chinese capitalist restoration. China had seriously initiated the process of capitalist restoration by the 1980s and its restoration process was closely and carefully managed over an extended period. By contrast, Russian capitalist restoration occurred as a chaotic crash course following the collapse of the USSR, with extensive devastation and the economy in crisis until the early 2000s. Consequently, Russia began its process of capital export significantly later and from a much weaker initial position than even China. How, then, has Russia's capital export developed compared to other imperial powers, and to larger semi-colonies?

Figure 2⁴⁷

Country	FDI Outflow (2016, Billions USD)	FDI Outflow (Mean, 2011-2016, Billions USD)	Share of World FDI Outflow (2011-2016, Percentage)	FDI Outflow Stocks [Accumulated holdings] (2016, Billions USD)
United States	299.0	318.8	22.1	6,383.8
United Kingdom	-12.6	-14.4	-1.0	1,443.9
Japan	145.2	128.1	8.9	1,400.7
Germany	34.6	68.3	4.7	1,365.4
China	183.1	117.3	8.1	1,281.0

⁴⁵ Seddon, Max. "Sberbank sells Turkish unit DenizBank to Emirates NBD for \$3.2bn". Financial Times. May 22, 2018.

⁴⁶ Ilic, Igor. "Sberbank to Own Biggest Single Stake in Croatia's Agrokor." Reuters, April 7, 2018.

⁴⁷ United Nations Conference on Trade and Development. "Annex table 02. FDI outflows, by region and economy, 1990-2016". World Investment Report. June 7, 2016; United Nations Conference on Trade and Development. "Annex table 04. FDI outward stock, by region and economy, 1990-2016". World Investment Report. June 7, 2016.

France	57.3	43.1	3.0	1,259.4
Netherlands	173.7	83.0	5.7	1,256.0
Spain	41.8	28.8	2.0	516.1
Italy	22.8	26.0	1.8	460.4
Belgium	18.3	25.9	1.8	453.2
Russia	27.3	44.4	3.4	335.8
Thailand	13.2	8.1	0.6	85.6
Indonesia	-12.5	3.4	0.2	58.9

The data on capital export clearly show the dichotomy between accumulated holdings and annual export produced by the recency of Russia’s emergence as a capitalist power. In terms of accumulated holdings, Russia appears at the bottom of a distinctly tertiary tier of imperial powers such as Spain, Italy, and Belgium. In terms of its annual capital export, however, it far surpasses - nearly doubles - these powers, and in fact even surpasses France as a capital exporter from 2011-2016. Furthermore, there is no equivalence that can be drawn between Russia and large semi-colonies like Thailand and Indonesia. Not only has Russia’s accumulated holdings - effectively during a period of fewer than 20 years - eclipsed theirs by factors of four to one and six to one respectively, but its annual export surpassed theirs by factors of six to one and seventeen to one. If Russia’s accumulated holdings as a percentage of the world total rose to match its share of annual export - a figure which, over time, it will approach if said share remains stable - its expected accumulated holdings would be nearly \$890 billion - not quite in the second tier of extant powers, but close.

Russian Military

Despite its relative weakness as an economic power, Russia maintains an outsized and powerful military. This reflects the advantages it inherited from the remnants of the USSR, as well as the results of a program of modernization and increasing armaments. While Russia inherited a vast arsenal, much of it was either outdated or under-maintained during the economic turbulence of the 1990s; this has been largely reversed by a major modernization and acquisitions program that by 2014 saw Russia as the world’s third largest military spender.⁴⁸ The five wars Russia has directly participated in since the 1990s - two in Chechnya as well as one each in Georgia, Syria, and Ukraine - have also helped hone Russia’s military development.

⁴⁸ Galeotti, Mark. *The Modern Russian Army, 1992-2016*. Kindle. 2017. Chapter 1.

⁴⁹ This is reflected in all branches of the Russian military, from its army to the air force and navy, as well as its nuclear arsenal, cyberwarfare capability, and developments in emerging military technology including drones. While neither Russia nor any other power equals the military might of the United States, its military power is still significant and a real factor in international struggles.

Russia maintains an army of about 766,000 active troops and 2.5 million reservists, placing it fourth in the world by active personnel.⁵⁰ It is by far the world leader in terms of many of the weapons systems which defined previous conventional conflicts, such as tanks, self-propelled artillery, and rocket artillery.⁵¹ Indeed, one estimate found Russia to have more than 20,000 tanks, which would mean it has more tanks than all of NATO combined; in particular several leading imperial powers such as Britain, Germany, and France have tank arsenals of 250-300 each.⁵² The United States fields an estimated 6,000 tanks.⁵³ While estimates do vary widely due to conflicting classifications of vehicles and differing sources, by all accounts Russia's tank arsenal is massive and numerically world-leading. The majority of Russia's tanks are Soviet-legacy older models such as upgraded T-72s, but it also fields significant numbers of T-90s, a more modern model which has seen service in Syria.⁵⁴ Russia is furthermore developing a new tank model known as the T-14 which incorporates an active protection system designed to counter anti-tank weaponry; this has already prompted Norway to seek to replace its Javelin anti-tank missile system (which is also one of the main handheld anti-tank weapons of the United States) with a new system designed to penetrate such defenses. As regards conventional weapons systems and particularly in the field of armor, the Russian army is a significant contender on the world stage.

The Russian navy displays a dichotomy between traditional blue-water (oceangoing) warships and nascent area denial capabilities largely modeled off of China. Its blue-water naval capacity is centered on a handful of large Soviet-legacy ships including the aircraft carrier *Admiral Kuznetsov* and the Slava-class heavy cruisers.⁵⁵ While Russia fields more than 215 surface vessels, only about a quarter of them have blue-water capability; the remainder are capable mainly of local and coastal operations. Russia has attempted to compensate in part for the age of its main world-spanning warships by equipping them with modernized anti-ship and general purpose cruise missiles.⁵⁶ Syria proved a useful testing ground for these weapons: in February, 2018 Russia launched a major strike with its new Kalibr sea-launched cruise missiles

⁴⁹ *Ibid.*

⁵⁰ Oliphant, Roland. "How Vladimir Putin's Military Firepower Compares to the West." *The Telegraph*, May 6, 2015.

⁵¹ *Ibid.*

⁵² Janjevic, Darko. "The Strengths and Weaknesses of Russia's Military." *Deutsche Welle*. April 7, 2018.

⁵³ *Ibid.*

⁵⁴ Bender, Jeremy. "These Are the Tanks Russia Is Setting up in Syria." *Business Insider*. September 15, 2015.

⁵⁵ Bodner, Matthew. "New Russian Naval Doctrine Enshrines Confrontation With NATO." *The Moscow Times*. July 27, 2015.

⁵⁶ Janjevic, Darko. "The Strengths and Weaknesses of Russia's Military."

against Syrian rebel positions following the shutdown of a Russian bomber in Syria.⁵⁷ Recognizing the inadequacy and age of its existing blue-water forces, however, Russia has pursued a crash reindustrialization program in its shipbuilding industry, which had largely collapsed along with the Soviet Union, in an effort to restore Russia's ability to construct large numbers of new oceangoing warships.⁵⁸

In addition to its modernization and rearmament in blue-water capacities, Russia has, like China, also adopted a focus on 'area denial' weapons which would impede the operations of a superior navy close to Russian controlled areas. This has included the modernization of its submarine fleet, and particularly a class of guided missile submarines designed to attack carrier strike groups.⁵⁹ Russia has also begun to commission a new class of modern attack submarines designed to engage opposing fleets.⁶⁰ From 2015-2020, Russia plans to commission nearly a hundred additional warships, mostly in the form of smaller vessels like frigates and corvettes.⁶¹ These vessels are also capable of mounting the Kalibr cruise missile, making them a dangerous foe against traditional carrier-based naval forces as each small vessel can carry sufficient firepower to cripple or destroy a much larger and more expensive vessel while the loss of any one smaller vessel is much less devastating.⁶² This style of naval expansion has been particularly noted in the Black Sea, where Russia is utilizing its more extensive control over port facilities in Sevastopol following its acquisition of Crimea to expand the Black Sea fleet by more than 80 vessels.⁶³ With its narrow confines and geographic proximity, the Black Sea constitutes an ideal venue for Russia to block hostile access by means of area-denial weapons such as land and sea based cruise missiles and large numbers of small missile-capable vessels.

Russia's air force is extensive and increasingly technologically advanced. A US Defense Intelligence Agency estimate suggested that its active order of battle included more than 1,500 aircraft.⁶⁴ Other estimates, including aircraft in reserve and aircraft assigned to the Russian navy, place the figure over 4,000.⁶⁵ Certainly, this does not come close to equalling the 12,000 plane force wielded by the United States (combining Air Force, Navy, and Marine planes).⁶⁶ It does, however, place it at second in the world, comparing favorably to the UK (936)⁶⁷, France

⁵⁷ Stanglin, Doug. "Russian Cruise Missiles Kill at Least 30 Syrian Rebels after Jet Fighter Downed". USA TODAY, February 3, 2018.

⁵⁸ Bodner, Matthew. "New Russian Naval Doctrine Enshrines Confrontation With NATO."

⁵⁹ Gady, Franz-Stefan. "Russia to Arm Nuclear Subs With New Supersonic Cruise Missile". The Diplomat, March 8, 2017.

⁶⁰ O'Connor, Tom. "Russian Military Unveils Its Most Powerful Nuclear Submarine Yet, with Kalibr Cruise Missiles." Newsweek, April 3, 2017.

⁶¹ Bodner, Matthew. "New Russian Naval Doctrine Enshrines Confrontation With NATO."

⁶² Roblin, Sebastien. "Why Russia's Enemies Fear the Kalibr Cruise Missile." The National Interest, January 22, 2017.

⁶³ Soldatkin, Vladimir. "Russia Will Add 80 New Warships to Black Sea Fleet: Fleet Commander." Reuters, September 23, 2014.

⁶⁴ Defense Intelligence Agency. "Russia Military Power". Military Power Publications. 2017. 59.

⁶⁵ O'Connor, Tom. "How Does Russia's Air Force Compare To America's?" Newsweek, April 28, 2018.

⁶⁶ Ibid.

⁶⁷ Oliphant, Roland. "How Vladimir Putin's Military Firepower Compares to the West."

(627)⁶⁸, and other leading imperial powers. This is not, furthermore, merely a matter of a mass of aging leftover Soviet-era planes. Russia is actively modernizing its air force and producing new aircraft, including the Su-57, a fifth-generation stealth fighter aircraft comparable to the US F-22.⁶⁹ It has also developed the Su-34, a supersonic bomber with advanced electronic warfare systems and long range missile capability.⁷⁰ From 2008-2020, Russia's air force and navy have produced or planned nearly 700 upgrades or new builds of combat aircraft as part of a modernization process.⁷¹

Russia has also developed significantly improved capabilities in drones, electronic warfare, cyberwarfare, and other key modern military capabilities. As of 2008, Russia "lagged behind the world in development of UAVs [Unmanned Aerial Vehicles]".⁷² This has changed drastically, in no small part due to Russia's experiences in Georgia, as well as more recently in Syria and Ukraine. During the Georgia war in 2008, Russia was unable to deploy significant numbers of UAVs to conflict areas, and was required to rely on manned aircraft for surveillance and reconnaissance activities.⁷³ This shortfall prompted moves to develop such capabilities. Russia has made extensive use of surveillance and reconnaissance drones in both Ukraine and Syria, with its Orlan-10 drone providing intelligence to its own and insurgent forces fighting in eastern Ukraine.⁷⁴ Russia's drone fleet in Syria has reached 80 units, which carry out more than 1,000 flights per month.⁷⁵ Furthermore, the Syrian experience has encouraged the once-reluctant Russian military bureaucracy to pursue armed Unmanned Combat Aerial Vehicles (UCAVs), with programs developing both unmanned versions of existing Russian combat aircraft and new, smaller, purpose-built platforms for ground attack.⁷⁶

Another innovation pioneered in Syria and Ukraine is Russia's development of drone-jamming capabilities. Following its deployment to Crimea in 2014, Russia deployed GPS jammers which grounded UN surveillance drones for days.⁷⁷ After chemical attacks in eastern Ghouta in 2018, Russia began jamming US military drones, fearing that there would be a large-scale strike against the Assad regime in response.⁷⁸ This jamming was largely effective despite countermeasures such as encrypted signals and anti-jamming receivers employed by

⁶⁸ Ministère de la Défense. "Defence Key Figures". 2015. 19-21.

⁶⁹ O'Connor, Tom. "How Does Russia's Air Force Compare To America's?"

⁷⁰ "Meet the Su-34, Russia's Supersonic Strike Aircraft NATO Fears." The National Interest, June 4, 2018.

⁷¹ Defense Intelligence Agency. "Russia Military Power". 65.

⁷² Defense Intelligence Agency. "Russia Military Power". 64.

⁷³ Facon, Isabelle and Tetsuo Kotani. "Proliferated Drones". Fondation pour la Recherche Stratégique. 2015. 5.

⁷⁴ Ibid, 2.

⁷⁵ Karnozov, Vladimir. "Syrian Experience Urges Russia To Introduce UCAVs." Aviation International News. April 2, 2018.

⁷⁶ Ibid.

⁷⁷ Kube, Courtney. "Russia Is Jamming American Drones in Syria, Officials Say." NBC News, April 10, 2018.

⁷⁸ Ibid.

US surveillance drones.⁷⁹ The widely publicized 2011 Iranian capture of a US surveillance drone within its borders was likely carried out in part through a Russian-provided jamming system.⁸⁰ It is certainly the case that Russia's cyberwarfare capabilities have recently been the topic of hyperbolic and exaggerated claims following the allegations of Russian hacking during the 2016 US presidential campaign, with such commentators generally ignoring the massive scale of US cyber attacks and hacking across the world, which constitute by far both the world's strongest and most aggressive cyber warfare operations.⁸¹ Disregarding such lurid and selective analyses, however, should not be conflated with ignoring or dismissing Russia's genuine cyber capabilities. Russia has a serious cyberwarfare program that targets vulnerable information and infrastructure systems of imperial competitors and semi-colonies alike. One notable example of this capability is a series of cyber attacks on Ukrainian power stations from 2015 onwards, causing repeated, widespread power outages throughout the country, among thousands of other cyber attacks targeting huge amounts of Ukraine's internet-exposed infrastructure.⁸²

The Russian military operates a significant network of military bases abroad. As of 2015, Russia had two bases in Syria, a base in Vietnam, four in South Ossetia, five in Abkhazia, a base in Transnistria, two in Armenia, two in Belarus, three in Kyrgyzstan, three in Kazakhstan, and three in Tajikistan, for a total of twenty-six, according to Russian state media.⁸³ Russia also operates a major military base in Sevastopol within the Crimean peninsula, which it annexed from Ukraine in 2014. In addition to this existing network, Russia has repeatedly pursued new bases, particularly into the Middle East and Africa. In November 2017, Russia reached a preliminary agreement with Egypt for usage rights of airfields and airspace in Egypt.⁸⁴ The Sudanese defense minister expressed readiness to establish a Russian Red Sea naval base within Sudan in late 2017.⁸⁵ In early 2018, Russia pursued talks with Somaliland, an unrecognized state within northwestern Somalia, to establish a military base there.⁸⁶ This base count, of course, does not rival that of the United States, but it certainly situates Russia within and even above many other imperial powers. France, for instance, operates five military bases abroad, plus six in its remaining colonies.⁸⁷ The UK operated eight abroad in 2009, plus five in

⁷⁹ Ibid.

⁸⁰ Peterson, Scott. "Downed US Drone: How Iran Caught the 'Beast.'" Christian Science Monitor, December 9, 2011.

⁸¹ Bamford, James. "Commentary: The World's Best Cyber Army Doesn't Belong to Russia." Reuters, August 9, 2016.

⁸² Greenberg, Andy. "How An Entire Nation Became Russia's Test Lab for Cyberwar." Wired, June 20, 2017.

⁸³ Sisoiev, Grigoriy. "Russian Military Bases Abroad: How Many and Where?" Sputnik News. December 19, 2015.

⁸⁴ Kirkpatrick, David D. "In Snub to U.S., Russia and Egypt Move Toward Deal on Air Bases." The New York Times, December 1, 2017.

⁸⁵ "Sudan Announces Readiness to Establish Russian Military Base on Red Sea Coast". Sudan Vision. December 27, 2017.

⁸⁶ McGrath, Ciaran. "Putin Flexes Muscles with Plans for New African Base - with Chilling Echoes of Suez." Daily Express, April 18, 2018.

⁸⁷ Ministère de la Défense. Les forces françaises prépositionnées. May 2016. 6.

its colonies.⁸⁸ It has since added a military base in Oman.⁸⁹ Japan operates only a single military base abroad, in Djibouti.⁹⁰

In addition to its conventional armaments, Russia maintains a vast nuclear arsenal. A 2017 estimate from the Federation of American Scientists placed Russia's nuclear arsenal at 6,800 warheads, of which 4,300 were active and 1,710 were deployed, placing it first in the world ahead of the United States (which possessed 6,600 total warheads).⁹¹ Its deployed arsenal includes all elements of the nuclear 'triad' - bombers, land-based missiles, and submarine based missiles.⁹² This arsenal means that not only is Russia capable of annihilating any country in the world, but would likely be able to do so even in the case of receiving a surprise nuclear first strike targeting its nuclear weapons facilities. This capability is a huge point of leverage for Russia in international affairs it can plausibly resist nuclear threats from other powers, make such threats of its own, offer a 'nuclear umbrella' to client states, etc.

On the whole, the Russian military constitutes one of the world's most powerful armed forces. Certainly, it does not rival or threaten to eclipse the dominance of the United States military. It is, however, comparable to or even often more powerful than the militaries of many other leading imperial powers, including those of France, the UK, Germany, Italy, Canada, etc. It also possesses the forces and capabilities to challenge the US or NATO in specific localized theatres where it is more willing or able to commit significant forces due to geographic or political considerations. The Russian military is a major factor which must be considered in examining and explaining the course of world events. As we will demonstrate, it has repeatedly been used to advance the economic interests of Russian monopoly capital, both internally and abroad.

Russia's Oppressed Nationalities and Its Wars on the Chechens

Although the Bolsheviks under Lenin supported the right of the victims of the Tsar's "Prison House of Nations" to self-determination, this right was reversed under the rule of Stalin and his successors. Within a general framework of retreat on the rights of Russia's oppressed nationalities, some of the truly great crimes of Stalin included his mass expulsions and "resettlements" of whole ethnic groups feared as disloyal or useful as cheap labor for the development of Siberia and other far flung regions. Roy Medvedev, in his classic work *Let History Judge*, estimated that during World War II between four and five million of the "punished peoples" were deported and that no less than one third died in transit or exile.⁹³ Asya

⁸⁸ Rogers, James and Luis Simón. "The Status And Location Of The Military Installations Of The Member States Of The European Union And Their Potential Role For The European Security And Defence Policy (Esdp)". European Parliament's Subcommittee on Security and Defence. February 2009. 13-14.

⁸⁹ "Defence Secretary strengthens ties between UK and Oman". Ministry of Defense. August 28, 2017.

⁹⁰ Styan, David. "Djibouti: Changing Influence in the Horn's Strategic Hub". Chatham House. April 2013. 4.

⁹¹ O'Connor, Tom. "How Many Nuclear Weapons Do The U.S. And Russia Have? Here's What You Need To Know". Newsweek, February 22, 2018.

⁹² Ibid.

⁹³ Medvedev, Roy. *Let History Judge*. New York: Columbia University Press. 1989. 771-777.

Pereltsvaig references the scholar Stephen Wheatcroft for the figures by nationality as they are understood today. He says that “held in places of special exile” as of 1946: over 400,000 Chechen and Ingush; 60,000 Karachai; almost 33,000 Balkars; 82,000 Kalmyks; 194,000 Crimean Tatars, Bulgarians and Greeks; 84,000 Turks and Kurds; 5,000 Lithuanians; and 774,000 Volga Germans (the latter figure does not include German POWs or captured non-Soviet German civilians).⁹⁴ In the case of Chechnya, the post-restoration rebellion against Russia was led by a leader, Aslan Maskhadov, whose family only returned from exile in 1951.

Within the USSR in the mid-1980s, the inequality between regions remained extreme. One measure is infant mortality. In 1985, the Russian Federation had an average infant mortality rate of 20.7; higher rates pertained in Tyva, 44.4; Dagestan, 31.8; Buryatiya, 26.8; at the other end of the scale were: Kostroma, 18.6; Sakhalin, 17.9; Magadan, 17.3; and Tatarstan, 15.4.⁹⁵ While many of the oppressed nations in the USSR may have hoped that capitalist restoration might improve the condition of the nearly one fifth of the population that belongs to ethnic or national minorities, the opposite was true.

According to Cambridge University scholar David Lane, under capitalist restoration, the inequality only deepened. In a 2013 study, he documented the way in which the “social costs of transformation were carried by non-European republics and areas of the Russian Federation.”⁹⁶ Inequality deepened quickly as capitalism was consolidated. In 2011, a comparison of monthly incomes by region found that whereas the Moscow region had an average income of 47,319 rubles, Kalmykiya at the other end had an average of only 8,829 rubles. The average for the Russian Federation was just over 20,000 rubles.⁹⁷ Similarly, the regions made up of oppressed nationalities suffered dramatically higher unemployment. In 2010, areas with 10% or higher unemployment included the Republic of Komi (10.3%), Kaliningrad (10.6%), Kalmykiya (15%), Dagestan (12.8%), Ingushetia (49.7%), Kabardino-Balkaria (12.7%), Karachaevo-Cherkassia (10.3%), Chechnya (43.1%), Mari El (10.5%), Kurgan (12.2%), Altay (12.3%), Buryatiya (10.4%), Tyva (22%), Zabaykalski kray (11.4%), Irkutsk (10.2%).⁹⁸ These figures set the conditions in which workers from the oppressed nationalities are forced to migrate in huge numbers to the center. Given their vulnerability as migrants, they become a very cheap labor pool. At the same time, given the amount of natural resources or features of geopolitical importance that are located in regions occupied by non-Russian nationalities, Russian capitalism must keep the desire for independence suppressed.

One of the best sources for understanding the virulence and brutality with which capitalist Russia approached moves for independence of its oppressed nationalities is the

⁹⁴ Pereltsvaig, Asya. “Stalin’s Ethnic Deportations---and the Gerrymandered Ethnic Map,” *Languages of the World*. October 14, 2014.

⁹⁵ Lane, David. “Dynamics of Regional Inequality in the Russian Federation: Circular and Cumulative Causality,” *Russian Analytical Digest* No. 139, November 18, 2013. 2.

⁹⁶ *Ibid*.

⁹⁷ *Ibid*, 3.

⁹⁸ *Ibid*, 4.

Socialist Action newspaper coverage of Moscow's two wars on the Chechen people. The Chechen people took the opportunity of the breakup of the USSR to declare their independence. Chechnya occupies a crucial spot in the Caucasus, situated between Russia and Turkey and Iran, and between the Black and Caspian seas and the Caucasus Mountains. It is consequently considered of great geopolitical importance. In 1994, the Russian Federation under Yeltsin invaded but could not defeat the independence fighters and finally withdrew in 1996. In 1999, the Russian government used the excuse of Islamist fighters who were based in Chechnya crossing over into the Russian territory of Dagestan to go back to war and to finally reclaim Chechnya. SA reporter Gerry Foley wrote:

In the run up to elections in Russia, Yeltsin's premier, Vladimir Putin, launched a second war against the Chechen people, who number barely a million. At least 500 Chechen civilians have already been killed by long distance artillery and bombing. Hundreds of thousands have fled into the dirt poor neighboring autonomous republic of Ingushetia.

Even the refugees have come under attack from the air. In the Oct. 9 issue of the Italian left daily *Il Manifesto*, Astrit Dakli reported Putin's denial of a hit on a bus carrying people trying to escape the fighting. The premier said, "If it were true, they wouldn't keep coming to Russia."

Putin's statement was a snide suggestion that Chechens in particular and former Soviet Middle East peoples in general were swarming over Russia like a plague of locusts. That is in line with the racist campaign put forward by all the reactionary political forces in Russia today, from the government to the neo-Stalinists.⁹⁹

Even the main supposed opposition to Putin joined in these attacks. Russian leaders of the Communist Party of the Russian Federation called for the deportation of the whole bunch of "savages" and confiscation of their property. The CPRF organized former members of the political police into paramilitaries to keep watch inside Russia proper on people with, as Gerry put it in 1999, with a "Middle East appearance."¹⁰⁰ Foley wrote: "The rulers of Russia argue that the breakdown of their rule over Chechnya produced a dangerous disorder, creating a breeding ground for terrorism. But their attempts to restore capitalism has led to deprivation and chaos throughout the former Soviet Union that are already far more disastrous than any conceivable 'Islamic terrorism.'"¹⁰¹

⁹⁹ Foley, Gerry "Russia Resorts to a Racist War Against the Chechens". *Socialist Action*, November 1, 1999.

¹⁰⁰ *Ibid.*

¹⁰¹ *Ibid.*

Nonetheless, Russia's effort to couch its military assault in Chechnya as a "war on terror" would become a leitmotif as Russian capitalism gained strength, began once again to fight for non-Russian spaces for capital investment, and began more foreign interventions against Muslim peoples outside the borders of the Federation. In the second Chechen war, the US and Europe supported Russia's crushing of Chechnya under the "war on terror" slogan. As the Chechen rebels became more and more isolated, the secular forces were inevitably more than matched by the Islamists in the movement who were funded by Saudi Arabia. Xavier Rousselin pointed out in *Socialist Action* that the only solution was the immediate withdrawal of Russian troops and special operations.¹⁰² Foley said that the brutality and destruction of Russia and their US and European supporters could never be matched by Islamic radicalism.¹⁰³ Yet, from this moment, Russia would justify their foreign policy in "war on terror" and Islamophobic terms.

Russia's second war on the Chechens lasted from 1999-2009, leaving the Chechen people subjugated. Putin, after having carried out a military crushing of the city of Groszy that left 35,000 dead in the streets, was a shoo-in for president in 2000 and also became for a time a hero of western imperialism. As Gerry Foley wrote of Putin's new national and international authority, "Ruthless disregard for human suffering is after all the best qualification for a defender of capitalism."¹⁰⁴ What Russian rule has meant for Chechnya might be gleaned from the fact that today more than a third of the population is unemployed and the economic situation is unlikely to be challenged through the Russian-dominated electoral system in place. In 2012, results reportedly gave Putin the votes of 99.59% of the Chechen electorate.¹⁰⁵

Despite Putin's continued electoral victories on the basis of a "strong Russia" since, the Chechen slaughter became deeply unpopular among sections of the Russian population. During the two wars up to 200,000 civilian casualties occurred in a population of around 800,000. At the peak, 400,000 were made refugees. War historian Mark Galeotti wrote that of "any 20 Chechens alive in 1989, ten of them had experienced being a refugee at some point, and between two and five had died as a result of the war."¹⁰⁶ Suspect young men were subject to abductions and disappearances. Many ended up in the infamous "filtration camps" where torture and mistreatment was the norm.¹⁰⁷ Others were disappeared, murdered, and left in mass graves.¹⁰⁸ Draft evasion in Russia was 50% even in the early years of the war and 540 NCOs and officers resigned rather than carry out the slaughter. The use of torture camps and the number of war crimes left a bad taste in the mouth of a significant part of the Russian population. For this reason Russia has been increasing the use of PMCs, or private military contractors in the

¹⁰² Rousselin, Xavier. "Putin Pledges Escalation in Chechnya". *Socialist Action*. November 1, 2002.

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¹⁰⁴ Foley, Gerry. "Who Gains From the Slaughter in Chechnya?"

¹⁰⁵ Galeotti, Mark. *Russia's War in Chechnya: 1994-2009* (Oxford: Osprey Publishing, 2014). Kindle. "Conclusion and Consequences".

¹⁰⁶ *Ibid.*

¹⁰⁷ *Ibid.*

¹⁰⁸ *Ibid.*

Ukraine and in Syria.¹⁰⁹ The unpopularity of the second Chechen war also led to the growing suppression of the previously somewhat independent press in capitalist Russia, as media reports had allowed some truth about the war to reach the Russian public.¹¹⁰ Despite the unpopularity of this war, the military and propaganda methods developed to defeat Chechen independence remained part of the elite toolbox for the furthering of Russian imperial ambitions.

Russian Imperialism Abroad

Armenia constitutes one of the clearest examples of a semi-colony which is dominated by Russia and from which Russia extracts surplus profits as a result of its domination. Since the collapse of the Soviet Union, Russia has consistently been Armenia's largest source of trade with the balance of trade heavily tipped in Russia's favor; in 2016 Russia exported \$991 million in goods to Armenia while importing \$373 million.¹¹¹ This trade continues to grow rapidly: in 2017, Russian-Armenian trade grew by 26.1%.¹¹² There is a large Armenian migrant population in Russia, and remittances from this community equaled 21% of Armenian GDP in 2013.¹¹³ Russia has \$1.9 billion in FDI in Armenia - constituting 46% of total Armenian inwards FDI and making it far and away the largest investor in Armenia, with no other country reaching 6%.¹¹⁴

Russian economic influence in Armenia extends well beyond its direct investments and trade, however. It has acquired control over a vast swathe of Armenian infrastructure through debt for equity swaps, in which debt owned by Armenia to Russia or Russian companies is forgiven in exchange for acquiring control over Armenian assets. In 2003, Russia acquired extensive control over energy, R&D, and manufacturing assets in Armenia through such a swap, including the Metzamor nuclear power plant, six hydroelectric dams which produced 33% of Armenian energy, the Hrazdan gas power plant, the Mars electronics and robotics plant, and a Hrazdan cement factory which was the largest in the Caucasus.¹¹⁵ After the deal, Russia controlled more than 90% of Armenia's energy sector, as well as holding major stakes in other key industries including construction and manufacturing.¹¹⁶ In conjunction with direct investment, this led Russia to control, by 2008, dominating shares in aluminum, electricity, diamond, and uranium production, telecommunications, air and rail travel networks, and banking in Armenia.¹¹⁷

¹⁰⁹ Ibid.

¹¹⁰ Ibid.

¹¹¹ World Bank. "Armenia exports, imports and trade balance by country 2016". World Integrated Trade solution. 2016.

¹¹² "Armenia-Russia Trade Turnover Increases by 26.1%." ArmenPress, February 20, 2018.

¹¹³ "Stuck with each other". Economist. March 20, 2015.

¹¹⁴ "Armenia - 9.4-Foreign Direct Investment & Foreign Portfolio Investment Statistics". Export.gov. November 1, 2017.

¹¹⁵ McGinnity, Ian J. "Selling its Future Short: Armenia's Economic and Security Relations with Russia". Claremont McKenna College Senior Theses. Paper 58. 2010. 8-11.

¹¹⁶ Ibid, 11.

¹¹⁷ Minassian, Gaïdz. "Armenia, a Russian Outpost in the Caucasus?" Ifri. February, 2008. 9.

This economic dominance has produced significant profits for Russia at a higher rate than would otherwise be achievable. The Metzamor nuclear plant provides one clear example of this. The plant had been shut down in 1988 following a devastating earthquake over concerns of structural and operational stability, and reopened in the 1990s out of Armenian economic desperation.¹¹⁸ Long considered the most unstable and unsafe nuclear plant in the world by the International Atomic Energy Agency, the plant was scheduled to be closed in 2004 after an agreement reached following an IAEA inspection in the 1990s.¹¹⁹ Following the Russian acquisition of the plant and lobbying for extension of its operation, however, this date was pushed back first to 2008, and then to 2016, ensuring additional profits at the expense of a serious risk to Armenians.¹²⁰ When the Armenian government considered proposals to build a replacement plant, it selected the Russian bid despite its being significantly more expensive than the Japanese and French bids in a process that was designed to select the Russian proposal from the start.¹²¹

Another example of this tendency was the Tabriz-Yersakh natural gas pipeline. Planned in 2004, this pipeline would have established a trade link between Iran and Armenia, in which Armenia would sell electricity to Iran in exchange for Iranian gas shipped through the pipeline.¹²² This was, however, seen as a threat by Russia to its near-monopoly on the Armenian gas and electricity markets. In response, Russia cancelled its gas subsidies to Armenia, raising prices from \$54 per thousand cubic meters to nearly triple that rate.¹²³ The Armenian government capitulated to Russian demands, handing over the last Armenian-owned section of the Hrazdan power plant, control over the Tabriz-Yersakh pipeline, and awarding 92% of the Armenian gas company ArmRosGaz to Gazprom.¹²⁴ In addition, Russia was still able to more than double the price of its gas sold to Armenia, from the original \$54 per thousand cubic meters to \$110.¹²⁵ Using its newly won control over the Tabriz-Yersakh pipeline, it significantly shrunk the pipe's diameter from what was original planned, seriously limiting the amount of gas that could be supplied to Armenia from Iran and also preventing the pipeline from being used as part of a transit route to Europe.¹²⁶ This ensured that, by 2017, Russia maintained control of more than 80% of Armenian gas imports, despite an additional raise in price to \$150 per thousand cubic meters in April 2016.¹²⁷ This constituted about 2.1 billion cubic meters of gas in 2017 - about

¹¹⁸ McGinnity, Ian J. "Selling its Future Short: Armenia's Economic and Security Relations with Russia". 12-13.

¹¹⁹ Ibid.

¹²⁰ Ibid, 13.

¹²¹ Ibid, 15.

¹²² Ibid, 16.

¹²³ Ibid, 17.

¹²⁴ Ibid.

¹²⁵ Eckel, Michael. "Armenia Gives Russia's Gazprom Control of Part of Pipeline, Electricity Unit." Midland Reporter-Telegram, April 9, 2006.

¹²⁶ Minassian, Gaïdz. "Armenia, a Russian Outpost in the Caucasus?"

¹²⁷ Harutyunyan, Sargis. "Russia To Maintain 'Special' Gas Price For Armenia." Azatutyun, October 24, 2017.

\$315 million in annual revenue for Gazprom at import prices.¹²⁸ Its wholly owned subsidiary, Gazprom Armenia, then sold this gas on to customers at \$300 per thousand cubic meters. As Gazprom's cost of gas production is approximately \$20 per thousand cubic meters, this constituted about \$273 million in annual profit minus transportation costs at point of sale to the border, and then an additional profit of \$315 million when the gas was sold on to Armenian consumers at double the import rate.¹²⁹ These profits, both at the point of initial sale and additional profits accrued through distribution, were established and defended by Russian control of Armenia's energy infrastructure.

Armenia is a member of the Collective Security Treaty Organization (CSTO) military alliance dominated by Russia, and additionally has close bilateral military and diplomatic ties with Russia.¹³⁰ It hosts a Russian military base in Gyumri with thousands of soldiers and dozens of tanks and artillery pieces, with Armenia paying the costs of the base.¹³¹ This arrangement was initially established in the 1990s with Armenia concerned about Turkish intervention in its war with Azerbaijan over Nagorno-Karabakh and slated to last through 2020; it was widely expected within Armenia that the government would renegotiate the terms to require Russia to pay for the base at its expiry.¹³² Instead, the Armenian government, with strong political and economic ties to Russia, renegotiated the agreement in 2010, extending its terms through 2044 and maintaining Armenian responsibility for paying for the base.¹³³ Russia also has a second base at Erebuni airport near Yerevan which services fighter jets, bombers, and helicopters.¹³⁴ Russia is by far the leading arms seller to the Armenian military - particularly important given its ongoing conflict over Nagorno-Karabakh with Azerbaijan.¹³⁵ It is also a major financier for these arms sales, acquiring additional profits from the interest on such loans. Between 2015 and 2017, Russia loaned about \$300 million to Armenia to purchase Russian weapons, with a 3 percent interest rate over the first five years of the loan followed by ten years at higher rates.¹³⁶

¹²⁸ "Russian Natural Gas Deliveries to Armenia to Grow to 2.1 Billion Cubic Meters." Arka News Agency, October 25, 2017.

¹²⁹ "Gazprom Production Costs Stay the World's Lowest." UNIAN, June 1, 2016.

¹³⁰ McGinnity, Ian J. "Selling its Future Short: Armenia's Economic and Security Relations with Russia". 23-24.

¹³¹ Ibid, 25-26.

¹³² Ibid, 26-27

¹³³ Ibid, 27.

¹³⁴ "Russia Sends Fighter Jets to Armenian Base" Deutsche Welle, February 20, 2016.

¹³⁵ Farchy, Jack. "Russia senses opportunity in Nagorno-Karabakh conflict". Financial Times. April 19, 2016.

¹³⁶ Abrahamyan, Eduard. "Russian Loan Allows Armenia to Upgrade Military Capabilities." Central Asia-Caucasus Analyst, January 8, 2018.

Central Asia

Russia exerts a dominant military, economic, and political influence over much of Central Asia.¹³⁷ While the form of this influence varies widely, the fact of its dominant position remains relatively stable. The countries in the region share several characteristics which contribute to this phenomenon. They are geographically remote and isolated from other imperial powers (besides China) and were excluded from imperialist domination by means of Soviet control until the 1990s. They have extensive immigrant workforces in Russia and rely upon remittances and close energy ties with Russia. Russia holds extensive investment in these countries, through direct investment, as well as via indirect methods including debt for equity swaps. In addition, Russia has numerous military bases throughout the region and has used its military power to intervene in favor of its preferred rulers. Russia has faced increasing economic competition from China through Belt and Road Initiative investments, but by and large has retained the top position through a combination of its existing control of infrastructure, long term political networks, migrant labor dependency, and military presence.

Before the breakup of the USSR, the Central Asian republics were heavily subsidized by the Soviets. The role of Russian subsidies in the various Central Asian republics was a very large portion of their GDPs. In Turkmenistan, the share was 20% of the GDP and in Tajikistan it was 45%.¹³⁸ Even in the early years after the breakup, Russian subsidies were still significant, as they were given in anticipation of a growing acceptance of capitalist Russian hegemony. According to Carmen Amelia Gayoso Descalzi, author of “Russian Hegemony in the CIS States,” in 1992 Russian subsidies still amounted to the following percentages of the a Central Asian country’s GDP: Kazakhstan, 25.1% of Gross National Product (GNP); Kyrgyzstan 22.6%, Tajikistan 42.3%, Turkmenistan 67.1%, Uzbekistan 69.2%. For the first seven months of 1993, they were worth 48.8% of GNP in Kazakhstan, 23.9% in Kyrgyzstan, 40.9% in Tajikistan, 45.7% in Turkmenistan and 52.8% in Uzbekistan.¹³⁹ As the newly independent republics tried to break away from dependence on Russia, the subsidies were removed. For the Central Asian republics the lost subsidies were claimed to amount to \$40 billion.¹⁴⁰ Funds unpaid to the old USSR on energy or arms sales became external debt owed to Russia and Russia took infrastructure and production facilities in payment, utilizing the mechanisms of debt for equity swaps. In time, the new capitalist regime began to more fully use Russia’s control over energy supply, energy pricing, energy markets, transportation (Russian Railways), and regional “security” arrangements against “terrorists” to bring Central Asian republics into line with its own specific needs.¹⁴¹

¹³⁷ Kudrathodjaev, Sherzodkhon. “Uzbekistan Does Not Drift Among Great Powers,” *The Diplomat*, June 5, 2018; Lo, Bobo. *Russia and the New World Disorder*. London: Chatham House; Washington, D.C.: Brookings Institution Press. 2015. 100-117.

¹³⁸ Descalzi, Carmen Amelia Gayoso. “Russian hegemony in the CIS region: an examination of Russian influence and of variation in consent and dissent by CIS states to regional hierarchy,” Thesis, London School of Economics, 2011. 98.

¹³⁹ *Ibid.*

¹⁴⁰ *Ibid.*, 95.

¹⁴¹ *Ibid.*, 119.

Under Putin, the decision to charge European market prices for gas to Central Asian energy importers had a dramatic impact, just as it had in Armenia. Meanwhile, the weakness of the economies of the Central Asian republics sent millions of migrant workers into Russia. Their remittances amounted to sizable portions of some Central Asian republics' GDP. This made it possible for Russia began to use the stick of tightening immigration regulation to get Central Asian republics to join the Eurasian Economic Union (EEU), a trade bloc that favors Russian interests.¹⁴²

The EEU was established in 2015 at the initiative of the Russian Federation. While it was supposed to be a tool of regional economic integration, many of the agreements on which member states were brought in were negotiated on a bilateral basis with Russia alone. And while there has been give and take, Russian power has played an inordinate role in the terms, making them more unequal than was promised.¹⁴³ For less developed member states, benefits from being part of a tariff-free zone are often also negated by the fact that non-tariff regulations are based on Russia's more modern production and inspection regimes. These non-tariff regulations includes health and safety rules on food and agricultural production; these rules often contribute to a Russia-friendly balance of trade that is extreme even when the basic economic disparities are taken into account.¹⁴⁴ In addition, since for Russia the EEU is more important as a tool of political integration than as an economic necessity, the Federation has not developed institutions of compliance in which each state has equal power, leaving Russia free to often play fast and loose with EEU agreements when it feels it has the power to do so.¹⁴⁵ At the same time, the growth of the EEU, with its suggestion of rules-based trade relations, makes Russia more attractive to both EU and Chinese investors and allows Russia to claim great power status.¹⁴⁶

Russia's return to Central Asia, and the development of multilateral organizations with Central Asian countries, coincided, as well, with Russia's economic recovery—GDP tripled between 1999 and 2005¹⁴⁷— and the growing need of Russian companies to internationalize their profit-making.¹⁴⁸ According to Jerome Petrovic, in 2003, the Putin regime openly proclaimed its intention to aid Russian energy companies in the competitive economic battle in

¹⁴² Ibid, 97-98, 171; Galdini, Franco and Elyor Nematov, "Kyrgyzstan: Putin's Eurasian Economic Union and Its Discontents," *The Diplomat*, May 20, 2016; Suleimov, Timur "If Kryrgyzstan and Armenia Did Not Receive Bonuses from the EAEC, They Would Not Join the Union," *www.24kg News Agency*, April 26, 2016 (Chrome translation).

¹⁴³ Wolczuk, Kataryna. "The Eurasian Economic Union: Deals, Rule, and the Exercise of Power," Chatham House, May 2, 2017.

¹⁴⁴ Ibid.

¹⁴⁵ Ibid.

¹⁴⁶ Ibid.

¹⁴⁷ Descalzi, Carmen Amelia Gayoso. "Russian hegemony in the CIS region: an examination of Russian influence and of variation in consent and dissent by CIS states to regional hierarchy". 97.

¹⁴⁸ Perovič, Jeronim. "From Disengagement to Active Economic Competition: Russia's Return to the South Caucasus and Central Asia," *Demokratizatsiya.pub Archives*, 2005. 62.

the Central Asian region.¹⁴⁹ Russian commercial interest in the region has recently grown even deeper since the imposition of U.S. sanctions and the possibility of overcoming that liability by securing a Eurasian Economic Union foothold in the world being reshaped by China's Belt and Road Initiative, a world in which it is possible to bypass the dollar.¹⁵⁰ Once Central Asia might have been thought of as a backwater, but today it is at the heart of both the Russian and Chinese programs of internationalizing their capital. While China is a bigger investor in the region, Russia's total impact, as measured in a combination of energy infrastructure ownership, investment, migration control, and military integration, is seen by a number of analysts as assuring its role as the key external capitalist power in the region for some time to come.¹⁵¹ Enrico Cau, for example, argues that despite China's overwhelmingly greater investment capital, Russia has decades of experience with the regulatory framework, political and business connections, and control of the means of industrial transportation that China still needs to be successful.¹⁵² A future with overwhelming Russian/Chinese economic control of this region, strategically positioned between East, South and Southeast Asia and Europe, is seen to be a powerful motivator for Russia's deepening investment Central Asia.

The Central Asian republics also play a key role in Russia's modernizing Air Space Defense System. Key elements of the ASD system are located outside the existing borders of the Russian Federation. These include the Dnepr radar and the Sary-Shagan center in Kazakhstan, and the Okno (Nurek) optical-electronic observatory for outer space in Tajikistan.¹⁵³

In the last decade, the ability of Russia to use its military, which is seen as essential by regional leaders who fear non-state actors and civil war; its near hegemony in energy flow and energy transit; its dominance in trade; and its ability to immediately impact many nations' GDP by manipulating the flow of labor, has led to many widely discussed episodes of Russian imperialist intervention into Central Asia. In the following paragraphs, a selection of illustrative episodes of Russian imperial power will be documented by country.

For Uzbekistan, Russia is a key market and an important source of financing. President Mirziyoyev's visit to Moscow in April 2017 marked a \$16 billion package of agreements, "an unprecedented case both in quantitative and qualitative terms," according to a 2018 story by Sherzodkhon Kudrathodjaev of *The Diplomat*.¹⁵⁴ In the wake of the death of Uzbekistan's former ruler, Islam Karimov, who had an isolationist policy that he called "self-reliance," Russia very publicly expanded its investments and trade.¹⁵⁵ This coincided, not surprisingly, with the new Uzbekistan government scrapping a number of capital controls, making it ever more attractive

¹⁴⁹ Ibid, 65.

¹⁵⁰ Cau, Enrico "The Geopolitics of the Beijing-Moscow Consensus," *The Diplomat*, January 4, 2018.

¹⁵¹ Ibid.; Sherzodkhon Kudrathodjaev, "Uzbekistan Does Not Drift Between Great Powers".

¹⁵² Cau, Enrico "The Geopolitics of the Beijing-Moscow Consensus".

¹⁵³ Stefanovich, Dmitry. "Russia's Military Cooperation Goals in Central Asia," *The Diplomat*, January 31, 2018.

¹⁵⁴ Ibid.

¹⁵⁵ Lewis, David. "With Uzbekistan's Dictator Dead, Russia Seeks to Extend its Influence," *The Conversation*. September 9, 2016.

for Russian companies.¹⁵⁶ Before the death of Karimov, however, Russian investment was already significant, as Russia leveraged a write off of Uzbekistan's debt of \$860 billion in return for the ability of Gazprom and Lukoil to "jointly" carry out production, development, and exploration in key energy fields. These include a group of gas condensate and oil fields known as "Kandym - Khauzak-Shady - Kungrad," the Southwest Hissar project, the Aral block, the Jet field, and the Ustyurt region.¹⁵⁷ By 2014, Lukoil had invested or pledged to invest \$8 billion in these projects.¹⁵⁸ Between 1991 and 2016, total Russian investments in the oil and gas industry were said to be \$30.7 billion and this included direct investments and loans worth more than \$17 billion, according to Uzbekneftegaz.¹⁵⁹

Russia likes to claim that Uzbekistan's decision to join the Eurasian Economic Union has resulted in a 23% growth in bilateral trade in 2017, but the boost is based in the most unequal of relationships.¹⁶⁰ A look at the items in exchange in under the new trade arrangement (2016) tells part of the story:

Key exported products [Uzbekistan to Russia] : natural gas (26.6%), textile products (24.7%), transportation services (21.1%), fresh and processed fruit and vegetable products (8%), chemical products (3.1%), zinc (1.5%).

. . . From July 2017, took effect "Zeleniy Koridor" (trans. green corridor) supplying of vegetable and berry products to the Russian market. In 2017 more than one million tons of fresh fruits and vegetables, and broad range of products will be supplied to the Russian market. Experts forecast by the end of the current year trade turnover between the countries will hit \$ 5 billion.¹⁶¹

The new agreements occurring in this period amounted to an offer that impoverished Uzbekistan could not refuse and were most definitely to Russia's advantage, as in return for vegetables and natural gas, Russia exported metallurgical and petroleum products, and, most importantly, gained even greater openings for Russian capital export.¹⁶²

Russian investment in Uzbekistan is financed by Russian banks and the Russian Agency for Export Credit and Investment Insurance (EXIAR). In addition to a \$3 billion increase in oil and gas sector investment, the 2017 agreements flowing out of the EEU membership included the construction of a plant for the production of sheet metal with a capacity of up to 500,000 tons per year by Gazprombank and the organization of deliveries of excavator

¹⁵⁶ Devitt, Polina. "Russian Billionaire Usmanov: I am Helping Uzbekistan Open Up to the World," Reuters Business News, December 4, 2017.

¹⁵⁷ Azizov, Demir. "Uzbekistan, Russia in New Stage of Cooperation". Trend News Agency. December 11, 2014.

¹⁵⁸ Ibid.

¹⁵⁹ Aliyeva, Kamila. "Russia to Invest Heavily in Uzbekistan Oil and Gas Projects," AzerNews. September 29, 2017.

¹⁶⁰ "Russian-Uzbek Trade Up 23 Percent in 2017", Russia Briefing, December 4, 2017.

¹⁶¹ "Russian-Uzbek foreign trade". Asia-Invest Bank.

¹⁶² Aliyeva, Kamila. "Russia to Invest Heavily in Uzbekistan Oil and Gas Projects".

equipment for the needs of the mining industry with a total value of at least \$155 million.¹⁶³ These new deals build on an already unequal relationship regarding investment between the countries, as there are 961 enterprises in Uzbekistan with participation of Russian capital and 569 enterprises created with participation of investors from Uzbekistan in Russia.¹⁶⁴ The agreement also laid the basis for public commitments for investment by Russia's fifth richest businessmen, Alisher Usmanov, who is reportedly worth \$15.2 billion, and who holds a 49% share of the holding company USM, which he said is strengthening ties with his metal plants in Uzbekistan.¹⁶⁵ Usmanov's reported net worth amounts to one fifth of Uzbekistan's GDP.¹⁶⁶ It is likely not a coincidence that in 2017, as it deepened its economic ties to Russia, Uzbekistan agreed to begin joint military maneuvers with Russia, as well as to additional joint security measures. NATO closed its small Central Asian liaison office, which had been located in Uzbekistan beginning in 2013, citing budget concerns.¹⁶⁷

Tajikistan is the poorest of the Central Asian nations. In 2014, more than half of its GDP came from remittances of Tajik laborers working in Russia.¹⁶⁸ It is also home to Moscow's largest military base outside of Russia. Because of its strategic siting as one of the Central Asian countries bordering Xinjiang directly, Russia needs Tajikistan to join the EEU. It is necessary to firm up its own position vis a vis China as the Belt and Road Initiative unfolds.

The head of Tajikistan, Emomali Rahmon, is reportedly trying to hold out on a decision to join the EEU in return for better legal protections for migrant workers. Putin is reportedly threatening to stop all flights from Tajikistan to Russian airspace if the membership is not approved.¹⁶⁹ Russia's power to open and close the spigot for Tajik labor is a very big stick in relationship to Tajikistan. But Russia has other economic weapons as well. For example, according to the energy security analyst Nicholas Trickett, writing in *The Diplomat*, Russia has recently used its international ties with the commodity producer and trader Glencore and the Qatar Investment Authority to get a cash infusion via the privatization of Rosneft.¹⁷⁰ Trickett suggests that Russia's deepening relationships with Qatar and Glencore provide Moscow a new way to pressure Tajikistan into EEU membership. He explains that Glencore is critical to the production of Tajikistan's only real export, aluminum, as it is the sole provider of the necessary component alumina to the Tajik company Talco and could price them into oblivion. Qatar is one of the few countries that has been willing to make symbolic investments in troubled Tajikistan and so has been seen by the Tajik elite as a possible lifeline. Now both entities are tied in a new way to Russian interests and perhaps willing to put the heat on Tajikistan.¹⁷¹ The point is simply

¹⁶³ Ibid.

¹⁶⁴ Ibid.

¹⁶⁵ Ibid.

¹⁶⁶ Ibid.

¹⁶⁷ Kucera, Joshua. "NATO Closes Shop in Central Asia," Eurasianet. November 17, 2016.

¹⁶⁸ Trickett, Nicholas. "How Rosneft's Privatization Deal Affects Russia's Eurasian Economic Union Plan for Tajikistan," *The Diplomat*, Feb. 23, 2017.

¹⁶⁹ Ibid.

¹⁷⁰ Ibid.

¹⁷¹ Ibid.

that even the poorest countries in this strategic region are worth the fight and Russia has the lion's share of resources and economic power on its side. Russia also wields military power here.

The year 2017 was the 20th anniversary of the signing of the peace accords in the Tajik civil war, a conflict in which first Soviet and then Russian Federation troops from the 201st Motorized Rifle Division, and other units, defeated the United Tajik Opposition.¹⁷² The nature of the UTO is naturally disputed but the most convincing account suggests that it was coalition of secular democrats and political Islamists representing an impoverished region who demanded improved housing and living conditions. In the end, it was Russian firepower and extralegal operations that crushed the opposition and installed the dictatorial figure Rahoman as president. The brutality of Russian troops, which were at least 10,000 strong, only became a part of the western discussion of the short history of post-Soviet space when a number of Russian soldiers published their memoirs in 2006.¹⁷³ According to Bakhtiyor Sobiri, author of "The Long Echo of Tajikistan's Civil War," during the five-year civil war at least 35,000 people were killed, 37,500 households were destroyed, some 600,000 people fled to neighboring Afghanistan, 195,000 were dispersed across other post-Soviet states, and more than 1,500,000 people became refugees within their own country.¹⁷⁴ Like the Russian wars on the Chechens, the Tajik civil war normalized the trope of the war on terror and established Russia as willing and able to use military force to secure its interests.

The remainder of those Russian forces, perhaps 7,000 troops, now occupy what is called the 201st Military Base in Dushanbe, the capital of Tajikistan. The two countries recently signed a basing agreement that lasts until 2042. This force is a well-equipped anchor for the CTSO.¹⁷⁵ In the fall of 2017, Tajikistan was the site of a concluding event for the CTSO war games that coordinated cyber, air, and ground force simulations in a number of nations in the Caucasus and Central Asia. The event brought together Russian and Tajik troops and was described by the military expert Dmitry Stefanovich in this way:

The scale of the event was impressive: more than 12,000 people, over 1,500 units of equipment, more than 90 aircraft. One vivid illustration was the participation of strategic and substrategic assets in the destruction of the "terrorists." Long-range Tu-22M3 bombers struck the targets with high-explosive bombs (probably using "Syrian" experience), and, more importantly, they were accompanied by a "retinue" of MiG-31 interceptors "to clear airspace." Strategic Tu-95MS bombers with cover from the Kazakh Su-30 fighters saw some action as well. Back on the ground, the operational-tactical missile system Iskander-M (which was airlifted to Tajikistan for the second time in 2017), destroyed the

¹⁷² Galeotti, Mark. *The Modern Russian Army: 1992-2016*. "The 1990's: Power Projection".

¹⁷³ Sobiri, Bakhtiyor. "The Long Echo of Tajikistan's Civil War," *Open Democracy*. July 7, 2017.

¹⁷⁴ *Ibid.*; Bleuer, Christian. "The Tajik Civil War Twenty Years Later," *The Diplomat*. June 1, 2017.

¹⁷⁵ Stefanovich, Dmitry. "Russia's Military Cooperation Goals in Central Asia".

target 130 km away with the new missile, which is more accurate and stealthier.

¹⁷⁶

The 2017 war games are understood to have demonstrated the ability of the expanding and Russian-led CSTO to respond to any non-state actors in collaboration with opposition forces inside member states that might threaten the social order in the region, as well as missile and air attacks from any source.

The relationship between Russia and the Central Asian nation with the largest GDP puts into relief the many tools at the dominant nation's disposal. Kazakhstan is very important to Russia. It is home to the Baikonur cosmodrome, the world's first and largest operational space launch facility, which Russia has the right to use indefinitely for space launches.¹⁷⁷ Kazakhstan is also considered the most important part of Russia's trade integration plans. It is equally central to the CSTO. Trade regulations, investment, the threat of military intervention, and propaganda are all used to maintain Russian economic advantages in relation to the Kazakh elite.¹⁷⁸ Kazakhstan is also an energy producer that is central to China's geoeconomic plans and whose government works hard at making overtures to the United States and other global investors. Up to 40% of Kazakhstan's trade is with the EU.¹⁷⁹ However, its proximity to and fundamental dependence upon Russia remain the central fact of economic life and national security.

A large portion of Kazakh oil exports flow through the Russian pipeline infrastructure, under the control of Russian pipeline operator Transneft. Kazakhstan is also a transit state for Russian gas imports from Turkmenistan via the Central Asia – Center gas pipeline, which is controlled by the Russian gas monopolist Gazprom.¹⁸⁰ Russian direct foreign investment in Kazakhstan is \$1.3 billion,¹⁸¹ financing facilitated by the Eurasian Development Bank.¹⁸² Russian companies are integral to the exploration and development of the oil and gas fields and not insignificant in refining.¹⁸³ In 2013, Russian exports to Kazakhstan reached \$17.7 billion dollars but the Central Asian nation's exports to Russia totaled only \$5.8 billion, demonstrating the imbalance of trade.¹⁸⁴

¹⁷⁶ Ibid.

¹⁷⁷ "Kazakhstan's Geopolitical Tightrope," Euractiv. August 3, 2017.

¹⁷⁸ Kuszner, Julia. "Russia's borders: Moscow's long alliance with Kazakhstan is strong but not unbreakable," The Conversation, June 20, 2015.

¹⁷⁹ "Kazakhstan's Geopolitical Tightrope". Euractiv.

¹⁸⁰ Ibid.

¹⁸¹ Kuszner, Julia. "Russia's borders: Moscow's long alliance with Kazakhstan is strong but not unbreakable".

¹⁸² "The Eurasian Development Bank to provide a US \$50 million loan facility to the Russian-Kyrgyz Development Fund," Eurasian Development Bank. February 21, 2018.

¹⁸³ "Economic Cooperation," The Embassy of the Russian Federation to the Republic of Kazakhstan.

¹⁸⁴ Ibid.

When Kazakhstan agreed to join the Eurasian Economic Union in 2015, local capitalists hoped for a boost in profits from trade. Instead, the reality of the bias of EEU regulations resulted in a rapid deterioration of Kazakhstan's already unequal balance of trade. A mere six months after joining the EEU, imports from Russia rose 7.3% and exports to Russia fell 41.2%¹⁸⁵. A broad array of economic sectors were involved, including automobiles, dairy, beef production, and confectionary products. *Eurasia.net* reported on the opening of a trade war between Russia and Kazakhstan.¹⁸⁶ Kazakh critics claimed that Russia now accounted for 33% of Kazakhstan's imports and only 6.6% of its exports.¹⁸⁷ "Be a Patriot--Buy Kazakhstan!" campaigns were unleashed.¹⁸⁸ While hoping for adjustments, Kazakhstan elites felt the need to push forward plans to make the Kazakh language, instead of Russian, the official language, but this was used against them by Russian propagandists who reminded Kazaks of Russia's ability to use Russian speakers in the nation to sow discord.¹⁸⁹

That is, the damage from the EEU trade regimen occurred in the midst of rising fears about Russia "taking back" North Kazakhstan under the logic used in Crimea, that is, protecting the Russian majority that lives in the north. The capital of North Kazakhstan, Petropavlosk, was founded by the Russian empire in the 18th century and perceived slights against Russians living in Kazakhstan were, at this time, being magnified and broadcast by the Russian propagandist Vladimir Solovyov into the country.¹⁹⁰ Solovyov spread false stories about Kazakhstan perfidy and asked if Kazakhstan was soon to be the scene of a new Maidan.¹⁹¹ Putin publicly mentioned his commitment to the protection of Russians in Kazakhstan in a youth forum.¹⁹² The long time leader of Kazakhstan, President Nazabayev, fearing that Russia would organize a separatist movement in the north, introduced tougher sentences for anyone calling for changes in territorial sovereignty.¹⁹³ Behind the scenes, Russia had been stalling any decision on the right of a Trans-Caspian Pipelines to ferry gas and oil from Kazakhstan and Turkmenistan to Europe without passing through Russia. Thus on the twentieth anniversary of a pact of friendship and mutual security interests, Russia's power to affect economic life in Kazakhstan to its own advantage was a big part of the public discourse.¹⁹⁴

Recent events in Turkmenistan also provide a glimpse into the great power competition in Central Asia and confirm that the semi-colony never really gains very much from playing one power off the other. In Soviet times, Turkmenistan provided about 30% of the gas sold by

¹⁸⁵ Lillis, Joanne, "Kazakhstan and Russia Trading Punches in Import-Export Row," *Eurasia.net*, April 16, 2015.

¹⁸⁶ *Ibid.*

¹⁸⁷ *Ibid.*

¹⁸⁸ *Ibid.*

¹⁸⁹ Kumenov, Almaz. "Kazakhstan, Russia Celebrate 20 Years of Friendship Despite the Cracks," *Eurasia.net*, July 10, 2018.

¹⁹⁰ Lillis, Joanne, "Kazakhstan and Russia Trading Punches in Import-Export Row".

¹⁹¹ *Ibid.*

¹⁹² Michel, Casey. "Putin's Chilling Kazakhstan Remarks," *The Diplomat*, September 3, 2014.

¹⁹³ Kumenov, Almaz. "Kazakhstan, Russia Celebrate 20 Years of Friendship Despite the Cracks".

¹⁹⁴ Lillis, Joanne, "Kazakhstan and Russia Trading Punches in Import-Export Row".

Russia.¹⁹⁵ In the post-Soviet period, when Turkmenistan could no longer produce as efficiently and Russia demanded lower prices in return for purchasing Turkmenistan's gas, tensions developed to the point that Gazprom cut off Tajikistan completely, buying no gas at all in 2016.¹⁹⁶ At that point, Turkmenistan turned to China, who loaned money and then agreed to buy about 40% of Turkmenistan's gas.¹⁹⁷ The catch was that China does not pay Turkmenistan much in cash but only writes off payments on its loans in return for the gas, leaving the country in dire financial straits.¹⁹⁸ Commentators openly spoke about the possibility of China taking the Galkynysh Gas Field as the result of a debt default.¹⁹⁹

As of 2017, under these pressures, Turkmenistan seems to have caved in to Moscow and restarted economic negotiations with Russia, signing an agreement for a 2017-2019 plan that includes, "with the participation of Russian capital," 190 economic entities and 200 joint projects.²⁰⁰ Leading Russian companies that will be newly investing in the industrial sector, construction and transport are Vozrozhdenie, KAMAZ, Zarubezhneft, Siberia Airlines. According to Dimitri Dolaberidze, "The priority areas of cooperation are the banking-financial sector, support for export-import operations and joint foreign economic projects."²⁰¹ Gas sales were not mentioned. However, later that spring, Russian company Konkov's Petro-hydraulic Drives said that they were going to provide innovative solutions for improving oil production in Turkmenistan.²⁰² And the Turkmen government officially invited Russian companies to form the oil and gas sector to take part in the construction of a \$10 billion gas pipeline from Turkmenistan to India, the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline.²⁰³ Just a few months after that, in July of 2018, Russia stopped obstructing agreement on a regulatory regime that is necessary for another pipeline, the Trans Caspian pipeline, that, if ever actually built, would give Turkmenistan a direct pipeline to Europe.²⁰⁴

These machinations over who is in the driver's seat regarding Turkmenistan's gas and oil industry are also connected to a great power competition over which nation controls what Turkmenistan does on its border with Afghanistan. The US demands that Turkmenistan resell military vehicles across the border to Afghanistan, while Russia opposes these sales, fearing

¹⁹⁵ Dubnov, Arkady, "A New Russian Turn to Turkmenistan?," Carnegie Moscow Center, February 18, 2016.

¹⁹⁶ Shlapentokh, Dmitry "Turkmenistan's Gas Export Dilemma," The Central Asia-Caucasus Analyst, November 15, 2017.

¹⁹⁷ Ibid., Pannier, Bruce. "A Terminal Crisis in Turkmenistan," Open Democracy, December 20, 2017.

¹⁹⁸ Ibid.

¹⁹⁹ "Expert: U.S. may use Turkmenistan against Iran and Russia," EurAsia Daily, December 25, 2017.

²⁰⁰ Dolaberidze, Dimitri. "Turkmenistan, Russia Start Business Negotiations," Georgia Today. March 8, 2018.

²⁰¹ Ibid.

²⁰² "Turkmenistan Invites Russian Companies to Join Construction of \$10bn Gas Pipeline," Russia Business Today, May 1, 2018.

²⁰³ Ibid.

²⁰⁴ Indeo, Fabio. "Settling the Caspian Issue and Realizing the Trans-Caspian Energy Corridor," The Diplomat, July 10, 2018.

that the vehicles will end up aiding the Taliban or ISIS in their homeland.²⁰⁵ It seems that a recent Russian agreement allowing a joint Turkmenistan-Russia naval buildup in the Caspian Sea was used as a tradeoff to gain what Russia wants most, a new agreement to strengthen the border to Afghanistan.²⁰⁶ It is fairly certain that none of these negotiations will lead to new prosperity or true security for Turkmenistan and that in the near term, Russia has regained a central place in the Turkmenistan energy sector.

On the whole, Russia is the leading imperial power in much of Central Asia. Its networks of military bases, political connections, remittance dependencies, and established investments have secured it in this position for now, despite increasing competition from China. Central Asia plays a key role for Russian imperialism. It constitutes Russia's 'backyard' in which it holds key advantages by means of geographic proximity and historical domination. It has provided a venue for Russian capitalism to extract surplus profits without having to wrest control from entrenched Western imperial powers. While hardly the cornerstone of world economics, Central Asia still consists of a sizable market and population; Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan alone constitute a combined population of more than 71.8 million.²⁰⁷ Tens of millions of workers in the region face economic super-exploitation by Russian capital and the political, economic, and military domination of their resident states by Russia.

Ukraine

In 2013, foreign direct investment in Ukraine was officially around \$8.4 billion. Most of this was Russian capital or Ukrainian capital reinvested through special purpose entities (SPEs), which minimize taxes and grant a special legal status, via Cyprus, the Netherlands, or other tax havens.²⁰⁸ An OECD Investment Review, taking into account the lack of transparency in these dealings, estimated that Russian investment in the Ukraine totaled around \$9.9 billion at the end of 2014.²⁰⁹ In addition, the sale of Russian gas to the Ukrainian company Naftogaz was a major mechanism for the massive theft of public funds by private oligarchs on both sides of the border.

In 2012, Ukraine's dependence on Russia for loans for public debt and private corporate debt was reviewed by the Center for Eastern Studies.²¹⁰ Because Ukraine could not pay the high prices demanded by Russia for natural gas, Ukraine applied to Russia for a \$2 billion dollar credit for 7 years with Gazprom. Russia was Ukraine's only possible source of funding because the IMF had cut off Ukraine for failure to meet conditions in late 2010. As a result, the state was falling into every deeper debt to Russian banks. The situation was described by Slawomir Matuszak in this way:

²⁰⁵ Ramani, Samuel. "Russia's Security Inroads with Turkmenistan". *The Diplomat*. November 24, 2017.

²⁰⁶ *Ibid.*

²⁰⁷ "Central Asia Population 2018". *World Population Review*. 2018.

²⁰⁸ Averchuk, Rostyslav. "Foreign Direct Investment in the Ukraine: War and Peace," *VoxUkraine*. February 2, 2017.

²⁰⁹ *Ibid.*

²¹⁰ Matuszak, Slawomir. "Ukraine is becoming dependent on Russian loans," *OSW (Center for Eastern Studies)*. April 4, 2012.

The high prices for Russian gas are leading to widening trade deficits and declining foreign exchange reserves. Moreover, Ukraine is facing increasing debt problems; in total, Ukraine has to repay more than US\$10 billion before the end of 2012, US\$3.7 billion of which it owes to the International Monetary Fund. It seems likely that Kyiv's credit dependence on Moscow will deepen, which will give Russia additional instruments to put pressure on Ukraine; if the economic situation deteriorates significantly, this may lead to Ukrainian enterprises being acquired by Russian capital.²¹¹

Not only the state, but Ukrainian businesses, cut off from IMF or other European loans, were deeply dependent on Russian finance capital. Matuszak explains:

In this situation, the only option in many cases is to take loans from Russian banks. The state banks Sberbank and Vneshtorgbank are particularly active in this field. The external debt of the corporate (non-banking) sector reached US\$67.7 billion at the end of 2011 (an increase of 19.3% from last year). Although there is no information on the levels of the Ukrainian companies' debts to Russian banks, we can estimate that they must amount to several billion dollars for the year 2011 alone. The largest loans in the last year include several made by Sberbank: \$500 million to the company DTEK, \$250 million to Ukrtelekom, and \$260 million to the Yuzhne Design Office. In addition, a number of companies are in talks with other Russian banks.²¹²

Matuszak concludes that "Russia is exploiting Ukraine's problems servicing its debt to increase that country's dependence on Russian loans. The fact that state banks are leading the way in this suggests that these activities are supported by the Russian government." He predicted that that this process could lead to "Russian traders acquiring a number of Ukrainian companies."²¹³

The direct involvement of Russian companies extracting wealth from Ukraine has been significant since the restoration of capitalism in both countries. Despite the war and sanctions on Russian companies, following a drastic plunge at the height of the crisis, Russian direct investment is once again growing.²¹⁴ This is not surprising, as the much touted association agreement with the EU was initially vetoed by the Dutch and not finally signed until May 2017. Once the Association agreement was signed, trade with the EU rose to 40%, but Russia, due to a complementary though unequal economic relationship that is decades old, remains a key trading partner.²¹⁵ And according to Michał Kozak of the Central European Financial Observer, "Three years after the Russia's aggression on Crimea, Russian businesses are feeling very

²¹¹ Ibid.

²¹² Ibid.

²¹³ Ibid.

²¹⁴ Kozak, Michał. 'Russia's presence in Ukraine economy may become even bigger'. Central European Financial Observer. May 23, 2017.

²¹⁵ Peterson, Nolan. "Long at War, Ukraine and Russia Trade On," *Newsweek*, January 28, 2018.

much at home there. Capital from the north does not lose ground, but is gaining new outposts.”

²¹⁶ He writes:

According to the data provided by the State Statistics Service of Ukraine, Russian businesses invested USD1.67bn in Ukraine in 2016, which constitutes almost 38 per cent of last year’s foreign investments. Formally, in the same period more funding was received from the European Union, at USD1.97bn. However, nearly USD428m of Cypriot investments is in fact domestic Ukrainian capital – first diverted to Cyprus as a tax optimization, and later reintroduced to Ukraine by oligarch corporations.

The western Europe [sic] looks even bleaker in this comparison if one takes a look at investments broken down into EU member states. USD403.9m of capital came from the United Kingdom, i.e. four times less than from Russia, USD255m arrived from the Netherlands and USD250m from Austria. Similar to the Cypriot inflows, this capital in reality belongs to Ukrainian owners of companies registered in the respective countries.

²¹⁷

So, in the peculiar situation of Ukraine, despite being publicly chastised as an aggressor nation, Russia’s economic power remains competitive with that of the EU.

At the same time, the failure of Ukrainian business and state to “reform” after the shift of power at the time of Euromaidan from the oligarchs based in eastern Ukraine to oligarchs from the western Ukraine,²¹⁸ has translated into insufficient interest in investment by capitalists from western Europe. Michael Carpenter, writing for *Foreign Policy*, says that Ukraine needs a \$6 billion dollar western investment fund and like others from think tanks like Chatham House, are frightened that the whole effort to tear Kiev from Moscow could fail.²¹⁹ Taking the long view, Russia continues investment.

A Ukrainian journalist who takes into account the “Europeanization” of Russian capital, i.e. the process whereby Russian companies have been changing their names and sites of incorporation to avoid sanctions,²²⁰ reported that Russian businesses retain a monopoly in a number of industries. Kiril Sasonov argues that the “most famous monopolists are Russian players in the electricity market, tobacco products and mobile communications. The positions of Russian representatives in the banking sphere are also quite serious.” He says that the main player in the Ukrainian energy power industry is VS Energy, which is controlled by the Russian businessmen Mikhail Voevodin, Evgeny Giner and Alexander Babakov. The latter is a deputy of the State Duma of the Russian Federation and voted for the annexation of the Crimea. Until the recent announcement by Russian bank subsidiaries that they are quitting the Ukraine due to

²¹⁶ Kozak, Michał. 'Russia's presence in Ukraine economy may become even bigger'.

²¹⁷ Ibid.

²¹⁸ Sherr, James. “The Struggle for Ukraine,” Chatham House Report, October 18, 2017.

²¹⁹ Carpenter, Michael. “Ukraine Needs U.S. Help to Fight Corruption,” *Foreign Policy*, January 4, 2018.

²²⁰ Sasonov, Kiril. “Russian Business in Ukraine: Monopolists Under Cover,” donestskie.com, August 27, 2016. For a further example of Europeanization, see Keena, Colm. “Russian Companies Sanctioned over Ukraine Linked to Ireland,” *The Irish Times*, March 27, 2018.

hostility, and according to the data of the Association of Ukrainian Banks, approximately 40% of capital in the Ukrainian banking sector has been Russian-owned. “Seven Russian banks operate in Ukraine: Sberbank, VS Bank (a daughter company of the state-owned Sberbank of Russia), VTB and its subsidiary BM Bank, Prominvestbank (a daughter company of Vnesheconombank), as well as Alfa-Bank and Forward Bank, whose Russian owners hide behind the backs of Western intermediaries.”²²¹

Many commentators have noted the irony in the fact that under the Poroshenko government, Russian businessmen have increased their share of key industries and then use the wealth extracted to support Russian foreign policy initiatives, including financial support of the European far right. Regarding the purchase of VS Energy by Russian politician Alexander Babakov, Kozak writes:

Babakov considerably consolidated his stake in the Ukrainian economy at the time when Petro Poroshenko was the Minister of Economic Development and Trade in the pro-Russian government formed by Mykola Azarov. According to the data of the State Property Fund of Ukraine, from the autumn of 2012, the holding group VS Energy, owned by Babakov, was the 6th largest buyer of Ukrainian state property, having spent USD210m. In 2015, it already controlled one third of Ukraine’s electricity distribution market.

“This combination looks astounding indeed: Babakov, a secret oligarch, earns a fortune in Ukraine, which he invests in France – by helping out the French alt-right. The French alt-right, having received the money, pays back with adoration for Putin and lobbying for the international recognition of the Donetsk People’s Republic. He is using Ukrainian money to destroy Ukraine and grease the palms of European politicians. How lovely! The fact that this scenario is played out by the very Babakov who is on the European sanctions list adds spice to the situation. To me, Babakov’s case is one of the most inexplicable issues in today’s Ukraine,” said Alexei Navalny, quoted by the Ukrainian portal Censor.net in the autumn of 2014.²²²

In another example, Ukraine’s most important shipyard, NSZ Okean plant in Nikolaev, is reportedly being acquired by Zonel Operations, an entity registered in Cyprus but associated with the former Russian energy minister Igor Yusufov.²²³ In short, Russia was the dominant imperialist power in Ukraine before the Euromaidan, and despite war and sanctions and the urging of western capitalist think tanks that European investors not abandon Ukraine, will remain a key player in the wealth extraction game.

²²¹ Kozak, Michał. 'Russia's presence in Ukraine economy may become even bigger'.

²²² Ibid.

²²³ Ibid. See also “In Nikolaev - as to his home. Russians are given control over the most modern shipbuilding plant in Ukraine,” Korabelov. March 13, 2017.

<https://korabelov.info/articles/v-nikolaev-kak-k-sebe-domoy-russkim-o/>

A big part of Russia's investment in the Ukraine involved war production. It is not insignificant that at the time of Maidan, Russia also stood to lose some important suppliers for its military, especially for the modernization programs underway. When the Soviet Union dissolved in 1991, "Ukraine was left with about 30 percent of the Soviet defense industry on its territory, including about 750 factories and 140 scientific and technical institutions."²²⁴ Russia is the third largest purchaser of Ukrainian arms, after China and Pakistan, and, according to Eugene Rumer and Alesandra McLees, has relied on Ukrainian production for very specific parts of its arsenal.

There are parts and services that Russia currently imports only from Ukraine. Russia's military depends on Motor Sich in the southeastern Ukrainian city of Zaporizhia for helicopter engines and on the Russian company Antonov's plant in Kyiv for transport planes. Most importantly, the Russian army relies on the Southern Machine Building Plant Association, known as Yuzhmash, in the southeastern Ukrainian city of Dnipropetrovsk, which designs, manufactures, and services rockets and missiles.

Some of the most important ties between the two countries' military industries relate to Russia's strategic nuclear forces. More than half of the components of Russia's ground-based intercontinental ballistic missiles come from Ukraine. Ukrainian specialists carry out regular inspections of Russia's strategic missiles to certify them for service as well as supplying essential missile components including targeting and control systems for the RS-20 Voyevoda missile (known by NATO as the SS-18 Satan). At the same time that they rely on exports to Russia, many Ukrainian enterprises that manufacture defense products are also dependent on imported parts and materials—primarily from Russia.

The relationship between the Ukrainian and Russian defense industries had been bolstered by Russia's ambitious military modernization program, on which Moscow plans to spend \$720 billion by 2020. Russia's defense spending has nearly doubled in nominal terms since 2007, and in 2014 alone it will grow by 18.4 percent. Russian enterprises, which were originally intended to fill all of the government's equipment orders, are so "overworked," as Russian Deputy Prime Minister Dmitry Rogozin said in December 2013, that the modernization program also relies on the Ukrainian defense industry.²²⁵

Clearly, Russia had a great deal at stake in Ukraine, even if only their military needs were considered.

The spoils of war have also been considerable. While the exact process by which Russian businessmen reap profits from the industries nationalized by the Donetsk People's

²²⁴ McLees, Alexandra and Eugene Rumer. "Saving Ukraine's Defense Industry". Carnegie Endowment for International Peace. July 30, 2014.

²²⁵ Ibid.

Republic and the Luhansk National Republic are unclear, thus far the evidence suggests that these entities are under the control of private Russian business. In March of 2017, after the Ukraine passed a law prohibiting cargo traffic across the military lines, the DPR announced that it was taking control of 43 businesses, mostly metallurgy and mining once run by the oligarch Rinat Akhmetov.²²⁶ The industry was put in the hands of a Russian company named “Veshtorservis” registered in South Ossetia. To avoid blockades of Donbas industrial output, much output is shipped to Russia and then sold as if it was produced in that nation. For example, a 2018 report issued by the Donetsk Institute of Information and edited by Vitalii Syzov, says that the transshipment of coal produced in the separatist republics and routed through Russia for sale in six months of 2017 amounted to one million and 345 thousand tons through the port of Rostov alone.²²⁷ In regard to the nearly 80 mines inside the Donetsk People’s Republic, the separatist government says it does not have the money to support work, so they are using the Russian model and turning to 100% privatization of this industry.²²⁸ It goes without saying that such capital investments must be Russian. As the report concludes, “Clearly the beneficiaries of the introduction of so-called external management at the industries of the Donetsk region are Russian logistical and intermediary structures.”²²⁹

In Crimea, the Russians nationalized the 18 companies owned by the oligarch Ihor Kolomoyskyi and his close aide Oleksandr Dubilet, and then sold them to their own favored private investors.²³⁰ Other companies were also taken and sold. In May, a court in the Hague ordered the Russians to pay \$159 million in compensation for these expropriations, but Russia ignored the proceedings and will likely avoid complying with this ruling.²³¹ More detail regarding the economic and political power that has flowed out of the Russian military intervention into the Ukraine is provided in the next section.

Russian Military Intervention in Donbass and Crimea

Russian military support for the Russian-speakers in the Crimea and the Donbass who wanted some kind of autonomy from Kiev, freedom from the threat of banning the Russian language, and defense from the rightist and fascist paramilitaries unleashed by the new government put in place in the wake of Euromaidan, has turned out to be a double edged sword. The people of the Donbas and Crimea have been poorly served by Russian intervention.

²²⁶ Syzov, Vitalii. “Half a Year after Seizure: The Peculiarities of the DPR Industry,” Donetsk Institute of Information. August 2017. See also Rapozza, Kenneth “Who Profits from the Broken Russia-Ukraine Peace Deal?,” Forbes, January 26, 2018.

²²⁷ Ibid (Syzov).

²²⁸ Ibid.

²²⁹ Ibid.

²³⁰ Sambros, Andry. “Imitating Chavez: A Year of Nationalization in Crimea,” Carnegie Moscow Center, March 19, 2015.

²³¹ “Hague arbitration court orders Russia to compensate Ukraine for assets lost in Crimea,” UAWire. May 10, 2018.

To analyze this phenomenon, it is first necessary to demonstrate its existence, contrary to the claims otherwise of many on the left.

No great feat is necessary to demonstrate the role of the Russian military in the annexation of Crimea. The Russian government has admitted it: in April 2014, Putin announced that soldiers in unmarked uniforms who had taken control of Crimea prior to the referendum and Russian annexation were in fact Russian soldiers, who he claimed “stood behind the back of Crimea’s self-defense forces”.²³² Indeed, Putin has admitted that plans for the annexation of Crimea began on February 23, 2014, long before the March 16 referendum in which Crimeans voted to join Russia.²³³ A large majority of Crimeans voted to join Russia in 2014, with many motivated by a desire to no longer be second class citizens, decrying the economic malaise in the region from lack of investment, or fearing anti-Russophone policies from the new government.²³⁴ Russian rule in Crimea, however, has proved to be more interested in securing its rule by military deployments and repression, with little time spared for the development of the Crimean economy in the interest of its residents.

The majority of Crimeans still appear to want to remain part of Russia, but serious disillusionment has developed with the results of four years of Russian rule.²³⁵ Local leaders appointed by the Russian government on the basis of loyalty have drawn repeated complaints for incompetence and corruption.²³⁶ Sergei Aksyonov, who received the position of prime minister for his Russian nationalist credentials, is widely believed to have connections to organized crime and to have distributed Crimean assets corruptly.²³⁷ The response to a 2016 power crisis when energy pipelines were sabotaged by Ukrainian activists - in which senior ministers were found to have taken holidays during the crisis and money which had been set aside for generators in the case of such an occurrence was found to have been stolen - has provoked particular opprobrium.

The Sevastopol region has also seen particularly severe complaints. Its governor, Dmitri Ovsyannikov, was appointed by Putin in 2016 and subsequently filled the government bureaucracy almost exclusively with non-Crimean Russians.²³⁸ He won an election in September 2017, but only with direct campaign support from Putin and even then only with a

²³² Isachenkov, Vladimir. “Putin Admits Crimea Troops Were His, Calls East Ukraine ‘New Russia.’” *The Seattle Times*, April 17, 2014.

²³³ MacFarquhar, Neil. “Putin Contradicts Claims on Annexation of Crimea.” *The New York Times*, December 21, 2017.

²³⁴ Hjelmggaard, Kim. “Crimeans Back Russian Takeover: If They Try to Take It Back, ‘I Will Fight.’” *USA TODAY*, January 4, 2017.

²³⁵ MacFarquhar, Neil. “In Crimea, Russian Land Grab Feeds Cries of ‘Carpetbaggers!’” *The New York Times*, September 30, 2017.

²³⁶ Walker, Shaun. “No Regrets over Ukraine Split, but Crimeans Want More Love from Russia.” *The Guardian*, January 19, 2016.

²³⁷ *Ibid.*

²³⁸ MacFarquhar, Neil. “In Crimea, Russian Land Grab Feeds Cries of ‘Carpetbaggers!’”

33% turnout.²³⁹ The Sevastopol government has also carried out a process of confiscation of at least 10,000 land plots, primarily from working-class people, in order to create desirable large, contiguous seaside plots for sale to developers and officials in a notoriously corrupt system of development.²⁴⁰ The Russian government's acceptance of a proposal by former Russian nobility to erect a monument to "reconciliation" in recognition of the final stand made by the White Army in Sevastopol has also prompted significant local opposition, including from many descendents of Red Army soldiers.²⁴¹

One area of Crimea in which Russia has ensured that everything goes to plan is in its military deployments to the region. Whereas it previously had to negotiate changes to the Black Sea fleet base in Sevastopol with Ukraine, it has taken advantage of the acquisition to augment and reform the fleet.²⁴² Military bases, both new and refurbished from defunct ex-Soviet facilities, have sprung up across the peninsula, including anti-ship missile batteries, basing for infantry, radar stations, ammunition and vehicle depots, artillery ranges, and military airfields.²⁴³ S-400 surface to air missile batteries have also been established across Crimea.²⁴⁴ In order to protect this military hub and maintain its control over the peninsula as a whole, Russia has adopted increasingly repressive measures across Crimea.

Russia has increasingly criminalized and repressed dissent within Crimea. In 2015, three activists were arrested and sentenced to manual labor for displaying the Ukrainian flag during a celebration of a famous Ukrainian poet.²⁴⁵ A children's drama school which staged Ukrainian-language plays was forced to close in 2015 under pressure from officials who accused it of promoting Ukrainian nationalism.²⁴⁶ In 2015, promoting "separatism" was made punishable by up to five years in prison.²⁴⁷ In August 2016, journalist Mykola Semena was charged under the law for articles opposing the annexation.²⁴⁸ Alleged saboteurs have faced brutal torture to extract forced confessions.²⁴⁹ In a UNAC article reprinted by *Socialist Action* in

²³⁹ Ibid.

²⁴⁰ Ibid.

²⁴¹ Ibid.

²⁴² Litovkin, Nikolai. "Russia to Open New Naval Base in Black Sea to Counter NATO." UPI. June 29, 2016.

²⁴³ "In Crimea, Russia Signals Military Resolve with New and Revamped Bases." Reuters, November 1, 2016.

²⁴⁴ Stewart, Phil. "U.S. Warily Eyeing New Russian Air Defenses in Crimea." Reuters, January 16, 2018.

²⁴⁵ Walker, Shaun. "Crimea Still Erasing Its Ukrainian Past a Year after Russia's Takeover." The Guardian, March 13, 2015.

²⁴⁶ Kolokoltsev, Andrei. "Crimea Children's Theatre Forced to Shut for 'Promoting Western Propaganda.'" The Guardian, January 6, 2016.

²⁴⁷ Walker, Shaun. "Crimea Still Erasing Its Ukrainian Past a Year after Russia's Takeover."

²⁴⁸ "Crimea Journalist Faces Extremism Charges". Deutsche Welle, December 8, 2016.

²⁴⁹ Skovoroda, Yegor. "Crimea: Peninsula of Torture." Open Democracy, February 24, 2017.

March 2018, it was noted that repression has spread to target leftists, with anarchist activists facing beatings, illegal seizures, arbitrary detention, and torture in custody.²⁵⁰

The harshest and broadest repressive measures have been deployed against Crimean Tatars. Deported from Crimea in the 1940s under Stalin, most Tatars were able to return only in the 1990s, and they have consistently proved among the strongest opposition to Russia's annexation of Crimea.²⁵¹ In 2014, the Mejlis - a parliamentary body representing Crimean Tatars - called for a boycott of the referendum, which was widely observed by Tatars.²⁵² Subsequently, Russian officials prohibited Tatar leaders from returning to Crimea, banned a traditional rally to mark the mass deportations, banned books by Tatar activists, stormed and dispersed the Mejlis with armed men, and carried out searches and raids of Tatar mosques, schools, community centers, businesses, and homes.²⁵³ Tatars have faced continual killings and disappearances, including some carried out by uniformed soldiers, which have gone unresolved.²⁵⁴ In September 2017 Akhtem Chiygoz, the deputy chairman of the Mejlis, was sentenced to eight years in prison for "organizing mass unrest".²⁵⁵ The Islamic faith of many Tatars has been used to justify intensive repression and surveillance under the guise of deeply Islamophobic anti-terrorism laws and policies, with security forces surrounding mosques during Friday prayers and carrying out mass arrests of more than a hundred people.²⁵⁶ Between 15,000 and 30,000 Crimean Tatars are estimated to have fled Crimea to Ukraine since the annexation.²⁵⁷ These callous, mendacious, and self-serving acts by the Russian state in Crimea have had parallels in its intervention in the Donbass.

In the summer of 2014, the Ukrainian government was making rapid advances against separatists in eastern Ukraine, with the situation looking so grim for the separatists that much of the top leadership including the leaders of both the Donetsk and Luhansk People's Republics resigned.²⁵⁸ As Ukrainian forces approached the border with Russia, however, they began to suffer devastating artillery strikes. On July 11, a rocket artillery strike at Zelenopillya killed 30 Ukrainian soldiers.²⁵⁹ Subsequently, strikes hit Ukrainian forces at Amvrosiivka and across

²⁵⁰ Shakin, Yuri and Phil Wilayto. "Leftist activists in Crimea report persecution by Russian authorities". Socialist Action. March 22, 2018.

²⁵¹ "Russian Regrets? Crimeans disenchant 2 years after annexation". CBC Radio. January 26, 2016.

²⁵² Ryzhkov, Vladimir. "Russia's Repression of Crimean Tatars Repeats U.S.S.R.'s Mistake," November 4, 2014.

²⁵³ Ibid.

²⁵⁴ Ibid.

²⁵⁵ Jordash, Wayne, and Ashley Jordana. "As Russia Ratchets up Repression in Annexed Crimea, Crimean Tatars Deserve European Support." Open Democracy, May 9, 2018.

²⁵⁶ Ibid.

²⁵⁷ Blair, David. "Special Report: Crimea Tatars Endure Second Tragedy under Russian Rule." The Telegraph, July 7, 2016.

²⁵⁸ Luhn, Alec. "Ukraine Claims Conflict with Pro-Russia Rebels Entering Endgame." The Guardian, August 15, 2014.

²⁵⁹ Aboulenein, Ahmed. "Thirty Ukrainian Troops Possibly Killed in Rebel Missile Attack". Reuters, July 11, 2014.

Chervonopartyzansk over July and August.²⁶⁰ An investigation estimating firing trajectories from craters was able to find launch positions in Russia, where comparison of satellite photos before and after the attacks revealed the introduction of tracks and scorch marks typical of multiple rocket launch system artillery, with entry and exit tracks for the vehicles leading further into Russia.²⁶¹ The United States later released satellite imagery showing the rocket launchers firing from these positions in Russia.²⁶²

Additionally, Russia began deployment of ground forces into eastern Ukraine to reinforce the separatists and prevent the Ukrainian army from achieving its threatened overrunning of their positions. Russia claimed that soldiers fighting in eastern Ukraine were “volunteers” operating on their own.²⁶³ Journalists from *The Guardian*, however, witnessed Russian armored personnel carriers crossing into Ukraine.²⁶⁴ NATO also released satellite photography showing Russian tanks, artillery, and armored personnel carriers within eastern Ukraine.²⁶⁵ Russian troops also inadvertently revealed their presence in Ukraine by posting pictures to social media sites which could be geolocated.²⁶⁶ A group of Russian paratroopers posed for photos by corpses of Ukrainian soldiers, while videos showed Russian armor crossing pontoon bridges into Ukraine.²⁶⁷ The problem became so widespread that in October 2017 Russia banned its soldiers from taking selfies in an effort to prevent further information leakage.²⁶⁸ Igor Strelkov, a separatist commander, later admitted that Russian forces had moved into eastern Ukraine in August, implausibly claiming that these soldiers were “on vacation” from the army, and that Russian soldiers had been the main forces in a September counterattack by separatist forces towards Mariupol.²⁶⁹ Over four thousand medals “For Distinction in Combat” were awarded from November 2014 to February 2016 - most during a period when Russia was not otherwise involved in combat.²⁷⁰

Further evidence of the Russian intervention can be found in the casualties from the conflict. Russian officials have clamped down tightly on the subject, offering significant

²⁶⁰ Borger, Julian, and Eliot Higgins. “Russia Shelled Ukrainians from within Its Own Territory, Says Study.” *The Guardian*, February 17, 2015.

²⁶¹ Ibid.

²⁶² “US: Photos show Russia fired into Ukraine”. CBS News. July 2014.

<https://www.cbsnews.com/video/us-photos-show-russia-fired-into-ukraine/>

²⁶³ “‘Significant Escalation’: Russian Tanks Enter Ukraine,” CBS News. August 28, 2014.

²⁶⁴ Walker, Shaun. “Russian Military Vehicles Enter Ukraine as Aid Convoy Stops Short of Border.” *The Guardian*, August 15, 2014.

²⁶⁵ “‘Significant Escalation’: Russian Tanks Enter Ukraine,” CBS News.

²⁶⁶ Ostrovsky, Simon. “Russia Denies That Its Soldiers Are in Ukraine, But We Tracked One There Using His Selfies.” *Vice News*, June 16, 2015.

²⁶⁷ Miller, James. “Russia’s Military Is Already in East Ukraine. Will There Be a Full-Scale Invasion?” *The Daily Beast*, August 2, 2014.

²⁶⁸ Cockburn, Harry. “The Russian Military Just Banned Selfies.” *The Independent*, October 6, 2017.

²⁶⁹ “Russia’s Igor Strelkov: I Am Responsible for War in Eastern Ukraine,” *The Moscow Times*. November 21, 2014.

²⁷⁰ Anders, Klement. “Russia’s War in Ukraine: The Medals and Treacherous Numbers”. *Bellingcat*. August 2016. 1.

compensation contingent on silence and threats to families of fallen soldiers.²⁷¹ Nevertheless, work by Russian activists has found and identified many casualties. At least 150 Russian soldiers died during the August fighting and an additional 70 were killed in January and February 2015.²⁷² A report from “Cargo 200”, a project named after a euphemism used by the Russian military to refer to bodies of dead soldiers undergoing transport, had as of May 2017 found full information on 1,094 Russian citizens killed in Ukraine - including both regular and mercenary forces - and partial information on 398 more killed, as well as 821 missing.²⁷³ The Committee of Soldiers’ Mothers, a group of families of Russian soldiers, reported that thousands of Russian soldiers had been fighting in Ukraine, and that burials had been conducted in secret with little information given to families.²⁷⁴ OSCE monitors spotted Russian military vehicles crossing the border carrying dead soldiers back to Russia in November 2014.²⁷⁵

A few people have individually spoke out about the deaths and Russian deployments to Ukraine. Yelena Tumanova reported that her son, Anton Tumanov, had been told on August 10, 2014 that his unit was being sent to Donetsk, and on August 20 she received a coffin with his remains after Anton was killed in an artillery strike.²⁷⁶ Lev Shlosberg, a regional bureaucrat from Pskov, told reporters that 2,000 men from the division based there had been sent to Ukraine and that at least 100 had died.²⁷⁷ Yelena Vasilyeva, a Russian anti-war activist who organized demonstrations outside Russian military bases, reported in January 2015 that 500 Russian soldiers from Kamenka and Murmansk had refused orders to deploy to Ukraine.²⁷⁸ The number of Russian troops in Crimea has varied depending on the military situation, with the initial conventional intervention in August 2014 likely involving several thousand troops and hundreds of tanks and armored fighting vehicles, a drawdown from September 2014 until early 2015 reducing the standing force to only around a thousand, and then subsequent redeployment of massed forces following intense combat in January-February 2015.²⁷⁹ Significant forces have remained active through the present day.

How, then, has Russia used the influence it has acquired in the Donbass by means of military intervention? Firstly, it has moved to exploit the region economically through a variety of mechanisms, to the extent possible given the ongoing war and devastation. A handful of Russian oligarchs have played a significant role both in financing the separatists and acquiring

²⁷¹ Luhn, Alec. “Nemtsov Colleagues Try to Continue Investigation – but Face Wall of Silence.” The Guardian, March 29, 2015.

²⁷² Amos, Howard. “Boris Nemtsov’s Report Counts Hundreds of Russian Dead in Ukraine,” May 12, 2015.

²⁷³ ““Traceless regiment”: Russian military losses in Donbas”. Ukraine Crisis Media Center. May 24, 2017.

²⁷⁴ Farchy, Jack. “Grieving Russians begin to question secret Ukrainian war”. Financial Times. August 29, 2014.

²⁷⁵ Parfitt, Tom. “Russian Dead ‘Being Removed from Ukraine,’” The Telegraph. November 13, 2014.

²⁷⁶ Luhn, Alec. “They Were Never There: Russia’s Silence for Families of Troops Killed in Ukraine.” The Guardian, January 19, 2015.

²⁷⁷ Ibid.

²⁷⁸ Ibid.

²⁷⁹ Urban, Mark. “How Many Russians Are Fighting in Ukraine?” BBC News, March 10, 2015.

property within the economies of the separatist-controlled regions. One of the most prominent of these is Konstantin Malofeev, an oligarch known for his close ties to Putin and separatist commanders, as well as for his reactionary Duginist political views; Malofeev is a monarchist, creationist, and openly declared to the *Financial Times* that “I want the Russian Empire back”.²⁸⁰ Malofeev has been linked to the illegal smuggling of coal out of the Donbass and its sale under pretense of being produced in Russia.²⁸¹ An estimated 12 million tons of coal per year are extracted and sold on from Russia at prices ranging from \$100-160 per ton, thus yielding annual revenues of \$1.2-\$1.92 billion.²⁸² Operations at these mines follow “virtually no health or safety standards” and miners describe regular accidents and collapses with a high fatality rate.²⁸³

Another oligarch, Alexander Timofeev, has also participated in the coal trade, having “nationalized” and taken over the Kiselev coal mine in Torez City.²⁸⁴ The nationalizations carried out by the separatist government have regularly taken this form, in which property is transferred from Ukrainian to Russian or pro-separatist Donbass oligarchs under the guise of “nationalization”. Timofeev has used the same process to acquire control of the Donetsk energy market and warehouses full of tobacco, alcohol, and jewelry.²⁸⁵ As previously mentioned, the seizure of steel mills, coal mines, and 40 factories from Ukrainian oligarch Rinat Akhmetov put them in the hands of private Russian business.

In addition to direct profit through acquisitions in the Donbass, Russia has also used its position as leverage to force economic concessions from Ukraine. The region contained Ukraine’s most productive coal mines, and from 2014-2015 Ukraine faced a serious crisis, lacking sufficient thermal coal for its power stations.²⁸⁶ Ukraine was forced to turn towards Russia as a supplier of the deficient coal, as well as to arrange purchases of some of the Donbass coal directly.²⁸⁷ In addition, Ukraine was forced to agree to supply electricity to Crimea, with a reduction in the standard tariff; a particularly important concession given that Crimea received 90% of its power from Ukrainian stations.²⁸⁸

Russia has also moved to establish effective political control of the territories and subordinated the interests of the separatists when conflicts emerged. Initially, the Donetsk People’s Republic had largely permitted access to foreign journalists, hoping that any press would be helpful for legitimizing its cause; after a Russian soldier was captured fighting in

²⁸⁰ Weaver, Courtney. “Malofeev: the Russian billionaire linking Moscow to the rebel”. *Financial Times*. July 24, 2014.

²⁸¹ Rapozza, Kenneth “Who Profits from the Broken Russia-Ukraine Peace Deal?,” *Forbes*, January 26, 2018.

²⁸² Kravchenko, Stepan, and Anna Andrianova. “Russia Props Up Ukraine Rebels With Coal Sales From War Zone.” *Bloomberg*. September 29, 2017.

²⁸³ Warwick, Filip. “Illegal Coal Mines a ‘lifeline’ in Ukraine,” *Al Jazeera*. December 16, 2014.

²⁸⁴ Rapozza, Kenneth “Who Profits from the Broken Russia-Ukraine Peace Deal?”.

²⁸⁵ *Ibid.*

²⁸⁶ Bojcun, Marko. “Why Is the War in Eastern Ukraine Still Going On?” *Open Democracy*, June 14, 2016.

²⁸⁷ *Ibid.*

²⁸⁸ *Ibid.*

Ukraine and Russian special forces officers in the DPR were interviewed, however, it was directed to crack down on Western journalists.²⁸⁹ In mid-2015, Russia considered seeking a political settlement to the conflict, pressuring the separatist republics into suspending their Novorossiia confederation project and re-implementing a ceasefire that they had broken.²⁹⁰ Several separatist commanders, including Alexei Mozgovoy and Alexandr Bednov, opposed this abandonment and ceasefire and pledged to ignore the ceasefire and continue fighting.²⁹¹ Mozgovoy and Bednov were subsequently assassinated behind the front lines and several other dissident commanders also faced assassination attempts; while responsibility for these killings has not been made clear with several plausible suspects, many in the region suspect the involvement of Russia.²⁹² In November 2017, a conflict emerged within the top leadership of the Luhansk People's Republic, with its leader, Igor Plotnitsky, firing his interior minister over allegations of plotting a coup.²⁹³ Russian mercenary and regular forces were apparently deployed to the capital to prevent an escalation of the conflict, and shortly thereafter Plotnitsky resigned for "health reasons" and was replaced by Leonid Pasechnik.²⁹⁴

Russia has been a major power in Ukraine since its recovery from the 1990s economic collapse. Prior to the 2014 Euromaidan protests and overthrow of Yanukovych, it was the dominant political and economic force in the country, despite the entreaties of the European Union. The results of the US and EU-backed protests initially seemed disastrous for Russia, with the favorably-aligned Yanukovych government collapsing and the rise of anti-Russian nationalist forces in Kyiv, including many anti-Russian and pro-Western elements of the right and far right. Russia was able to contest these developments, however, by means of military intervention as well as utilization of its existing investment and trade ties with Ukraine. In Crimea and the Donbass, Russia exploited the genuine feelings of much of the local populace against the Euromaidan protests and incipient regime in Kyiv to advance its military, economic, and geopolitical objectives.

In Crimea, Russia utilized the Russian national identification of many of its residents and promises of protection and revitalization to secure local support for annexation, and subsequently has converted the peninsula into a massive hub of military power while the languishing economy has seen only a transfer from Ukrainian oligarchs to Russian oligarchs and a campaign of escalating repression has targeted political dissidents and the national minority Crimean Tatars. In the Donbass, the genuine outrage and fear of many residents was likewise manipulated and abused to advance Russian interests. Following its deployment of

²⁸⁹ Kanygin, Pavel. "The Donbass War. Assessing the Aftermath: How the 'Russian Spring' Came to an End in Eastern Ukraine." Meduza, November 13, 2015.

²⁹⁰ Crowcroft, Orlando. "Ukraine Crisis: Who Killed Rebel Leaders Alexei Mozgovoy and Alexandr 'Batman' Bednov?" International Business Times UK, June 4, 2015.

²⁹¹ Ibid.

²⁹² Ibid.

²⁹³ Goncharenko, Roman. "Leader of Rebel-Held Ukraine Region Resigns amid Infighting." Deutsche Welle. November 24, 2017.

²⁹⁴ Ibid.

ground forces to the Donbass in 2014 Russia has exercised control over the leadership and policies of the separatist regimes, sacrificed their interests when convenient for greater Russian geopolitical aims, transferred ownership of 'nationalized' properties to Russian oligarchs, exploited the mass devastation of the war to provide extremely cheap and unsafe labor for coal extraction and other uses, and enforced repressive measures against reporting which threatened to expose its involvement.

Additionally, Russia has managed to retain a key stake in the Ukrainian economy despite its active participation in warfare against Ukraine in the Donbass. Through shell companies and indirect investment, exploitation of outstanding debt, control over gas flows through Ukrainian pipelines, transshipped coal, and its large share of Ukraine's trade Russia has remained a significant player in Ukraine even outside of the territories where it maintains military forces. Indeed, in certain cases as with the pressure applied to Ukraine's coal supplies by the loss of the Donbass, its military intervention has actually strengthened its position in the remainder of Ukraine. It is also clear that Russia is positioned to return to exert even more economic clout if foreign policy advisers are unable to convince western imperialist nations to overcome their fear of Kiev's corruption and dramatically boost investment.

Syria

Russia's investments in Syria before the outbreak of civil war were considerable. In 2009, Russian investment in Syria was estimated to amount to \$19.4 billion, while annual Russian exports to Syria in 2010 totaled \$1.1 billion.²⁹⁵ Serious money was invested in infrastructure, tourism, and energy, the latter including nuclear power and fossil fuel processing, distribution, and exploration. In addition, arms sales to Syria between 2007 and 2010 alone amounted to \$4.7 billion, making Syria Russia's seventh largest arms client.²⁹⁶

Major Russian companies doing work in Syria before the current military conflict began included Tatneft, involved in a joint oil pumping venture and \$12.8 million effort to drill exploratory wells; Sovinterod, a water engineering company; and Stroitransgaz, a company with ventures totaling \$1.1 billion that included a gas processing plant in Homs, a gas distribution center in Palmyra, and work on the Arab Gas Pipeline.²⁹⁷ Stroitransgaz is owned by Gennady Timchenko, a close friend of Putin. Other Russian companies involved before the opening of the civil war in Syria include the airline Aeroflot, the steel pipe manufacturer TMK (Truybnaya Metaurgicheskaya Kompaniya), and the gas producer ITERA. TMK, another company that is majority-owned by a close Putin ally, Dmitry Pumpyansky, sold pipeline to Syrian Gas Company, the Syrian Petroleum Company, and Al Furat Petroleum Company.²⁹⁸ While all these investments are important to the Russian elite, perhaps more significant is the issue of energy

²⁹⁵ "Billions of Dollars of Russian Business Suffers Along with Syria," The Moscow Times. Sept. 2, 2011.

²⁹⁶ "Russia's Economy Interests Behind Its Risky Move in Syria," Inform Napalm. May 21, 2016.

²⁹⁷ Ibid.

²⁹⁸ "Clinton's Shadow Diplomat". Center for Security Policy Press. October 24, 2016.

pipeline routes. A friendly regime in power in Syria is important to Russia because of the gas pipeline wars in which major imperialist powers are in constant competition for routes and concessions that most enhance their influence over gas supplies to Europe, Central Asia, the Middle East.

Russia had also invested a considerable amount in Syria by canceling the Assad regime's debt obligations in 2005. When the Soviet Union collapsed, Syria, like many of the countries once allied with the USSR, owed millions of dollars in loan repayments. The debt was not serviced for ten years and in 2005, Syria owed Russia \$13.4 billion. At that time, Putin renegotiated the debt, canceling 73% or around \$9.8 billion.²⁹⁹ As the result of this deal, Syria agreed to pay off \$1.5 billion in cash over ten years and the rest of the remaining debt via the facilitation of joint ventures with Russian firms. In the immediate wake of the 2005 loan agreement, the Russians were able to finalize a \$100 million deal to sell Syria the Strelts air defense missile system. This loan agreement set the stage for the Russian investment detailed above as it opened the door to Russian firms in a new way. As Mark N. Katz explains:

Further, in March 2005, Russia's Tatneft signed an agreement to explore and develop new oil and gas deposits in Syria. Syria's oil minister, Ibrahim Haddad, described Tatneft as "the first Russian oil company in recent years to conclude a contract to extract oil in Syria," and expressed the hope that more Russian companies would become involved in Syria's [sic] oil and gas development. In December 2005, the Russian company Stroytransgaz signed contracts with Syria to build a gas processing plant (worth \$200 million) and a gas pipeline (worth \$160 million). That same month a preliminary agreement worth \$2.7 billion was reached for a Russian oil-refining and petrochemical complex to be built in Syria.³⁰⁰

This deal also set the stage for a large increase in trade between Russia and Syria.

With the advent of the Arab Spring, these economic relationships grew in importance. Russia approached the democratic uprising of the workers and farmers of the Arab Spring with the same fears as the rest of the imperialist world.³⁰¹ It abstained on the 2011 UN Security Council vote on Resolution 1973, which authorized a no-fly zone over Libya, still hopeful of increasing partnership with the US and EU, but the result of the US-EU led intervention in Libya was a great disappointment to Russia. As a result of the toppling of the Gaddafi government, the Russians lost huge investments. In 2008, Russia had forgiven \$4.5 billion of Libya's debt to the USSR in return for the involvement of Russian companies in joint ventures in that country. These companies included Tatneft, Gazprom, and Lukoil Overseas. The total losses for Russian companies in Libya is unknown but the figures for just a few Russian entities are staggering. The arms exporter Rosoboronexport estimated its losses at more than \$4 billion. RZD, the

²⁹⁹ "Russia Writes Off \$9.8 Billion of Syrian Debt". The Daily Star. January 26, 2005.

³⁰⁰ Katz, Mark N. "Putin's Foreign Policy in Syria," Middle East Review of International Affairs, Vol. 10, No. 1, March 2006. 56.

³⁰¹ Trenin, Dmitri. *What is Russia Up to in the Middle East?* Cambridge, UK: Polity Press, 2018. Chapter 3.

Russian Railways, claimed \$2.2 billion in already invested funds and an amount not easily calculated for the decades of work it expected to come.³⁰² Many journalists use the figure \$10 billion for Russian losses at the fall of Gaddafi.³⁰³

In time, Russia's efforts to recoup investments in Libya included giving political, financial, and armaments support to a commander of one of the factions fighting for control, the Libyan National Army (LNA). In June of 2018, Russia's preferred collaborator, military strongman Khalifa Haftar, made news by seizing two of Libya's two main oil exporting ports from another armed faction.³⁰⁴ Should Haftar finally win the battle against the UN-backed "unity government" for hegemony in Libya, Russia hopes to gain a naval foothold on the Mediterranean.³⁰⁵ Russia has shipped the LNA arms through Egypt to evade a UN arms embargo, sent technicians to maintain and upgrade the LNA's arsenal, and deployed special forces units to Egypt prepared to support the LNA in eastern Libya.³⁰⁶ In exchange, Russia hopes to extract preferential deals in eastern Libya, expansion of its military influence in the Mediterranean including a possible military base in Benghazi---something which Haftar and Russian officials have discussed---and a share in any political resolution of the ongoing civil war in Libya.³⁰⁷ Since 2017, Russia has also been simultaneously initiating new business and military partnerships in Algeria, where Russian companies are already engaged in energy exploration and infrastructure developments.³⁰⁸

In the midst of the 2011 losses in Libya and the new visibility wrought by the Arab Spring to Chechen fighters and other Muslim combatants from oppressed nationalities from Russia's interior and near-abroad who were fighting in the Middle East, Russia began to paint the upsurge of workers and farmers and other victims of the neoliberal regimes in the region as "Orange Revolutions" designed to allow the US and Europe to threaten Russian interests. Russia began to link the upsurge in the Middle East in its propaganda to its own historic and never-ending "war on terror" in its own interior, as well as in the Caucasus and Central Asia, and to prepare to stop the toppling of Assad in Syria, all of whose opponents they falsely characterized exclusively as Wahabi or Salafist extremists. In this they would just be following the playbook that they had used in Chechnya and other efforts to suppress oppressed nationalities and nations. All the while Russia continued to push for Syrian investment. In 2013,

³⁰² Kozhanov, Nicolay. "Russian Policy Across the Middle East: Motivations and Methods," Chatham House, February 2018. 11.

³⁰³ Pigman, Lincoln, and Kyle Orton. "Inside Putin's Libyan Power Play." Foreign Policy. September 14, 2017.

³⁰⁴ "Libya Oil Output Faces Cuts as Haftar Seizes Ports" The New Arab. June 30, 2018.; Russia has increasingly involved Egypt and the United Arab Emirates in the campaign to support Haftar. See Trenin, Dmitri . *What is Russia Up to in the Middle East?* Cambridge, UK: Polity Press, 2018. Chapter 3.

³⁰⁵ "Inside Putin's Libya Power Play," Foreign Policy.

³⁰⁶ Ibid.

³⁰⁷ Ibid.

³⁰⁸ "PM Medvedev Calls for Creating Conditions Conducive to Business with Algeria". TASS. October 9, 2017.; "Russia to develop military-technical cooperation with Algeria". TASS, February 19, 2018.

for example, an agreement was signed for Russian companies to develop oil fields offshore of the Syrian coast. The first phase was to be worth \$88 million and was to last for five years.³⁰⁹

The Russian foray into Syria in 2015 was a logical response for a Russia feeling outfoxed by the US and Europe in Libya and determined to protect its sizeable business investments, its geopolitical power as a regional energy and pipeline hegemon, and military assets that are central to its future naval and air plans. The latter center on an air base at Latakia that is home to more than 1000 personnel and on the naval installation in the port city of Tartus, which provides Russia's only access to the Mediterranean, crucial for both commercial and military purposes.

In Syria, Russia's use of indiscriminate air power leveled opposition cities in the kind of total destruction for which it had become known in Grozny, Chechnya. It is widely recognized that its intervention saved Assad, whose military just before Moscow's intervention was severely weakened by demoralization, desertion, and draft dodging.³¹⁰ In retrospect, it is easy to see that the aerial assaults on Aleppo and East Ghouta were necessary to empty major cities of the civilian neighborhoods full of people hostile to Assad, as the regime's plans to seemingly "socially" cleanse major cities of the Sunni poor are now documented and in the news.³¹¹ These bombings, which targeted hospitals, schools, and markets, were widely seen as war crimes.³¹² On August 22, the Russian government proudly announced that they have flown 39,000 sorties, destroying 121,466 "terrorist targets" and killing more than 86,000 "militants."³¹³ We can only guess at the number of civilians actually killed in these bombings given that any opponent of Assad has been labeled a terrorist by Moscow. The Syrian Observatory for Human Rights claims around 8000 civilian deaths from Russian air strikes.³¹⁴ We can only be reminded of Gerry Foley's observation about Russian elites during the second Chechen war: "Ruthless disregard for human suffering is after all the best qualification for a defender of capitalism."³¹⁵

Airpower is not the only contribution made by Russia to the salvation of the Assad regime. In the same official video of August 2018, Russia reported that 63,000 Russian military personnel had seen combat in Syria since 2015.³¹⁶ This number would be larger if it had included PMCs. Private paramilitaries from the Wagner group, and other security firms are on

³⁰⁹ "Damascus Wants Russia to Develop Syrian Oil, RT, November 28, 2015.

³¹⁰ Bender, Jeremy. "Here Are All of the Problems with the Reeling Syrian Army." Business Insider, May 1, 2015.

³¹¹ Rollins, Tom. "Decree 66: the Blueprint for al-Assad's Reconstruction of Syria?," IRIN, April 20, 2017.; Agha, Munqeth Othman. "Class and Exclusion in Syria". Rosa Luxemburg Stiftung. August, 2017.

³¹² "Russia says 63,000 troops have seen combat in Syria". BBC News, August 23, 2018.

³¹³ Ibid.; For the sake of understanding the scale of Russian air strikes, it is useful to note that a US-led multinational coalition battling the Islamic State (IS) group has said it has carried out 29,826 air strikes in eastern Syria and neighbouring Iraq since August 2014. See the same source.

³¹⁴ Ibid.

³¹⁵ Foley, Gerry "Russia Resorts to a Racist War Against the Chechens".

³¹⁶ "Russia says 63,000 troops," BBC News.

the ground to defend Syrian infrastructure and Russian assets in numbers greater than 3000.³¹⁷ Many of the officers and soldiers of the PMCs have backgrounds in Russian military attacks on Chechnya, Crimea, and eastern Ukraine.³¹⁸ Their existence was confirmed in one of a large number of news accounts in a Feb. 13, 2018 NYT interview with Alexander Ionov, the head of the Russian security firm, Transcontinental (also known to U.S. activists in his role as head of the Anti-Globalization Movement of Russia). Ionov was in Syria at the time of the US attack that killed several hundred Russian combatants. According to the NYT:

And some individual Russians have begun speaking out. Aleksandr Ionov, a Russian businessman working in Syria offering security and other services, said he estimated after conversations with associates in several private military organizations that more than 200 Russians might have been killed.

Mr. Ionov said not all those killed were Russian: Some of the paid fighters came from other countries that were once part of the Soviet Union. "More than 200 is the current estimate, we cannot know the exact number yet, but most of them were Russian," he said in a telephone interview.

Mr. Ionov said he was speaking out because he wanted any Russians who were killed to be officially recognized for their sacrifice.

"The truth has to be told," he said. "If people died, then this should be recognized and respects should be paid to people who fought against terrorists."

He called on the government to give a fuller version of events, adding, "People are outraged because they want to know the truth."³¹⁹

Ionov was not the only one speaking out about Russian fatalities. Aleksandr Averin, a member of the Other Russia national-bolshevist (red-brown party), confirmed that Kirill Ananiev, a party member who left for Syria about a year ago, had been killed in the airstrike, noting that there were other "substantial losses."³²⁰ As Averin's remarks suggest, many of the paramilitaries are recruited by Russia's far right, ultra-nationalist, and fascist political parties and private fighting outfits.

In return for saving Assad and key in-country investments, Russia has formally been granted the lion's share of reconstruction booty and expects to reap great wealth from it. Thus, Russia will be central to the process begun by Assad---the process that sparked the Arab Spring uprising in Syria---to increase the privatization of industry, to advance the theft of state property, and to dramatically grow the penetration of foreign capital in what remains of Syria.

³¹⁷ "Putin's Private Army in Syria: Officially Illegal, the Kremlin Denies It, but the Evidence Is in the Numbers". Haaretz and Reuters. February 14, 2018.

³¹⁸ Avramov, Kiril and Ruslan Trad, "An Experimental Playground: The Footprint of Private Military

³¹⁹ Nechepurenko, Ivan, Neil MacFarquhar and Thomas Gibbons-Neff. "Dozens of Russians are Believed Killed in U.S.-Backed Syria Attack," New York Times, February 13, 2018.

³²⁰ Ibid.

According to the *Financial Times*, despite the facts of US sanctions on Russian companies, Kurdish troops occupying key oil fields, and US air support of the Kurds, Russian military experts believe that the rules for reconstruction will be set by Russia. Russian companies are already using “unconventional” methods. For example, Tareq al-Jawabra, director of the European department of Syria’s State Planning Agency, said, “Evropolis, a company linked to an ally of Vladimir Putin, the Russian president, is receiving revenues from Syrian oil wells in territory captured from ISIS by a Russian private military contractor.”³²¹ He further explained, “I don’t know how many wells, and how big a cut they get. But there are others as well. It may be one model that helps get around the problem with the sanctions.”³²²

Such creativity was reaffirmed by the news from Sergei Katyrin, President of the Russian Chamber of Commerce, at a Moscow meeting of Russian and Syrian businessmen held, obscenely, during the bombing of East Ghouta. Assad, he said, had agreed that first priority for the \$200 to \$500 billion dollars of work needed for Syria’s reconstruction will go to Russian companies. Acknowledging the need to create new means of profiting without being victimized by US sanctions and lingering violence, Victor Khaikov, President of Russia’s National Oil and Gas Service, said that the risks involved will mean additional benefits to Russian companies. “It implies Russian participation in Syrian projects,” he said, “and negotiations are ongoing.”³²³

These contracts now under negotiation build on awards already made. In 2016, Russia and Syria announced nearly a billion dollars worth of agreements to reconstruct the war torn nation. According to RT on April 26, 2016:

Syria has offered Russia a chance to participate in exploring and developing oil and gas on land and offshore. In particular, Russia was invited to upgrade the Baniyas refinery and construct a refinery with Iran and Venezuela.

Damascus is also ready to discuss payment in national currencies with Russia. At the moment, Syria is negotiating a free trade zone with Russia, Belarus and Kazakhstan, if the treaty is signed and trade reaches a certain level, Damascus will then begin to pay in local currency.

Al-Halqi added Syria and Russia intend to open a bank to facilitate transfers between the countries. The bank would be controlled 50-50 by the countries’ central banks.³²⁴

Many other subordinate deals in various fields are underway, as well. For example, the *Syria Observer* recently reported that Russia just signed a 50-year contract for the product of phosphate fields near Palmyra that Russian troops recently took from Iran and ISIS. Syrian

³²¹ Hille, Kathrin, Henry Foy, and Max Seddon, “Russian Business First in Line for Spoils of Syrian War,” *Financial Times*, March 2, 2018.

³²² *Ibid.*

³²³ *Ibid.*

³²⁴ “Russia signs contracts worth \$950mn for Syria reconstruction”. RT. April 26, 2016.

phosphates meet the low cadmium requirements of European fertilizer buyers and Russia expects to secure 2.4 million tons a year.³²⁵ When urban reconstruction is involved, according to *Foreign Policy* author Bethany Allen-Ebrahimian, Russia is not expected to develop all of Syria, but only the loyalist areas.³²⁶ As such, Russia will also be central to the implementation of the demographic reorganization and “social cleansing” of Syria’s Sunni poor that Assad has begun with Law No. 10.

Overall, Russia’s economic and military intervention in Syria - which has garnered it new weight with blocs of Middle Eastern capital³²⁷ - combined with its efforts to establish economic and military footholds in Libya and Algeria, illuminate well its role as an imperial power with a substantial regional reach. Russia views its intervention in Syria as part of re-establishing its standing as a great power and doing away with the U.S. monopoly on political and military action in the Middle East and most commentators would agree with this analysis. It is also modern Russia’s first war in a country with which it has no common border and helpfully demonstrates to the world its ability to carry out an expeditionary war.³²⁸ In the end, the victory in Syria complements Russia’s visions for north-south connections, including in the Middle East, along an axis that will link their Black Sea port at Novorossiysk to Mediterranean ports and then to an industrial zone in Egypt that will be a gateway for Russian exports to Africa.³²⁹

Iran

As Russia expands its investments in Syria in the wake of the civil war, it has likewise taken advantage of favorable conditions to expand into Iran. In addition to its sizable pre-existing energy industry, Iran is undergoing a massive infrastructure rebuild, creating significant opportunities for foreign investors; from 2017-2022 it plans to add a total of 15,000 km of new rail lines as well as 8-10,000 additional train cars per year.³³⁰ The state of world affairs affords Russian capitalists significant advantages in exploiting these opportunities. Capitalists from Western imperial powers have been restricted in their ability to invest in Iran by the US-led sanctions regimes and otherwise hostile diplomatic environment. Conversely, Russia has worked closely with Iran in their mutual support for the Assad regime, helping to foster an improvement in relations. Indeed, the speaker of the Iranian parliament declared in an interview with Russian news agency TASS that Russia would be given priority “in any industry [it] wants to invest in”.³³¹

³²⁵ “Russian Ambitions for Syrian Phosphates,” *Syria Observer*, August 3, 2018.

³²⁶ Allen-Ebrahimian, Bethany. “Syrian Reconstruction Spells Juicy Contracts for Russian, Iranian Firms,” *Foreign Policy*, October 20, 2017.

³²⁷ Trenin, Dmitri. *What is Russia Up to in the Middle East?* Chapter 4.

³²⁸ *Ibid*, Chapter 2.

³²⁹ *Ibid*. See also document section on Africa.

³³⁰ Shepard, Wade. “When U.S. Sanctions Backfire: Russia And Iran Partner Up In \$2.5B Deal.” *Forbes*, July 1, 2017.

³³¹ “Iran will give Russia priority in any industry it wants to invest in — official”. TASS. April 21, 2016.

Russia has already moved to take advantage of this priority. In February 2016, Russia and Iran reached agreements on \$40 billion in engineering and railway deals, financed by Russian loans.³³² In August 2017 Russian rail company Transmashholding struck a \$2.5 billion deal to establish railroad car production in Iran, with the company receiving an 80% ownership stake.³³³ In November 2017 Russia and Iran agreed on terms for a \$30 billion investment into Iran's energy industry which will see Rosneft and Gazprom developing major oil and gas fields in Iran.³³⁴ In July 2018, Russia and Iran entered into discussions for an investment of \$50 billion into the energy sector.³³⁵ Even more potentially awaits: Iran is expected to need a total of \$200 billion in investments into its oil and gas infrastructure by 2021 and its only other major deal in the sector was a \$4.8 billion investment from French multinational Total S.A.³³⁶ (Total S.A. later pulled out of the deal following the renewal of US sanctions on Iran).³³⁷ Russia and Iran are also working on the establishment of a massive, 7,200 km "North-South Transport Corridor" infrastructure network from Moscow to India running through Azerbaijan and Iran, providing an alternate route to Suez Canal-based shipping.³³⁸ This flurry of deals and new infrastructure development has helped to rapidly expand Russia-Iran trade, from about \$1.7 billion in 2014 to an estimated \$10 billion by 2018.³³⁹

In the armaments industry, Iran is an increasingly large market for Russia. In 2016, Iran agreed to purchase nearly \$8 billion in Russian planes, helicopters, ships, and submarines.³⁴⁰ Iran completed also a deal which had long been delayed by UN sanctions to purchase Russian S-300 surface to air missiles for \$800 million in April 2017.³⁴¹ Iran is expected to pursue further military purchases of T-90 tanks and Su-30 fighters from Russia.³⁴² Indeed, some estimates have put the expected cost of modernization for the Iranian military at \$40 billion.³⁴³ Iran has also permitted Russian usage of Iranian airfield for airstrikes on Syria, a move that prompted widespread anger among many Iranians as a violation of the Iranian constitution which prohibits the establishment of foreign military bases.³⁴⁴

Africa

³³² Solovyov, Dmitry and Jack Stubbs. "Khamenei's top aide says Tehran, Moscow ink \$40 billion in projects: agencies". Reuters. February 4, 2016.

³³³ Shepard, Wade. "When U.S. Sanctions Backfire: Russia And Iran Partner Up In \$2.5B Deal."

³³⁴ Foy, Henry, Najmeh Bozorgmehr, and Anjli Raval. "Russia and Iran sign \$30bn energy agreements". Financial Times. November 1, 2017.

³³⁵ Foy, Henry and Najmeh Bozorgmehr. "Russia ready to invest \$50bn in Iran's energy industry". Financial Times. July 13, 2018.

³³⁶ Foy, Henry, Najmeh Bozorgmehr, and Anjli Raval. "Russia and Iran sign \$30bn energy agreements".

³³⁷ Hafezi, Parisa. "Iran tells EU to speed up efforts to save nuclear deal". Reuters. August 20, 2018.

³³⁸ "Russia plans pathway to rival the Suez Canal". Middle East Monitor. August 10, 2016.

³³⁹ Shepard, Wade. "When U.S. Sanctions Backfire: Russia And Iran Partner Up In \$2.5B Deal."

³⁴⁰ Bodner, Matthew. "Iran Seeks Russian Fire Power." The Moscow Times, March 4, 2016.

³⁴¹ "Iran tests new Russian-made S-300 missile system". Deutsche Welle. March 4, 2017.

³⁴² Astakhova, Olesya. "Iran's Rouhani seeks deals with new friend Russia". Reuters. March 27, 2017.

³⁴³ Bodner, Matthew. "Iran Seeks Russian Fire Power."

³⁴⁴ Ghitlis, Frida. "Short-Lived Syria Bombing Run Exposes Iran and Russia's Awkward Partnership". World Politics Review. August 25, 2016.

Russia at present plays a distinctly tertiary role in Africa, but a growing one which displays its ambitions and capacities as an imperial power. Its present investments in Africa are relatively limited, with significant holdings mainly in energy sectors, including oil drilling and refining and nuclear power. It is increasingly seeking to broaden these investments, however, into industrial concerns, infrastructure, and other areas. Russia also seeks a larger military role in Africa. As elsewhere in the world, it is a significant arms dealer within the continent. It is combining this existing tie with military cooperation agreements and the seeking of African military bases. Russian mercenaries have already deployed in force to the continent, intervening in the Central African Republic and Sudan. In a similar manner to China, Russia is also marketing its lack of an African colonial history and Soviet-African ties during the Cold War as part of its efforts to present itself as some kind of progressive alternative to Western imperial powers.

Following the collapse of the Soviet Union, Russia-Africa ties essentially disintegrated. Cold War commitments like Soviet support for the MPLA in Angola had been ended, nascent Russian companies lacked the capacity to invest heavily as far abroad as Africa, and the Russian state was largely focused on Europe and Asia.³⁴⁵ The 2008 economic crisis, during which African countries largely avoided falling into recession as most developed economies did, attracted a resurgence of Russian interest in Africa, and Russian interest and investment began to intensify.³⁴⁶ This left Russia significantly behind China in pursuing African markets, much less the United States, Britain, France, and other Western imperialist states. Nevertheless, Russia has striven to overcome this disadvantage through a concerted expansion of its interests and influence throughout Africa. The advent of US and European sanctions which have threatened Russian access to markets in Europe and North America have also incentivized Russia to more highly prioritize pursuing access to African markets.³⁴⁷

Egypt constitutes one of the best examples of this new Russian push. In May 2018, Russia and Egypt finalized a deal establishing a Russian industrial zone in the Suez Canal area, with an expected investment of \$7 billion dollars in addition to \$190 million in construction.³⁴⁸ Egypt will provide infrastructure for the zone and facilitate the entry of Russian companies under favorable conditions for a minimum of 50 years, with options for extension.³⁴⁹ Industrial concerns in the zone are expected to include the manufacturing of “air conditioners, motors, construction equipment, glass, ceramics, electronics, medical supplies and plastic.”³⁵⁰ This zone will operate

³⁴⁵ Olivier, Gerrit and Dmitry Suchkov. "Russia is back in Africa". Strategic Review for Southern Africa, Vol 37, No 2. November, 2015. 148.

³⁴⁶ Ibid.

³⁴⁷ Kelley, Kevin J. "Why Russia Scrambles to Be a Major Economic Player in Africa." Daily Nation, April 18, 2018.

³⁴⁸ Al-Youm, Al-Masry and Farah Tawfeek. "Egypt, Russia sign agreement for Russia's Suez Canal industrial zone". Egypt Independent. May 24, 2018.

³⁴⁹ Ibid.

³⁵⁰ Ibid.

in conjunction with the already existing \$6.7 billion in trade between Russia and Egypt.³⁵¹ Indeed, Russian-Egyptian trade is already rapidly expanding; from the first quarter of 2017 to the first quarter of 2018 bilateral trade increased 55%.³⁵² Furthermore, Russia is moving to secure its investments in Egypt: in late 2017, while negotiations for the industrial zone were ongoing, Russia reached a deal to allow its military aircraft to use Egyptian airfields, in addition to expanding military ties with and weapons sales to Egypt.³⁵³ This arrangement is not only of potential utility for Russia in Syria, but also with regards to protecting its investments in Egypt and its aforementioned new investment prospects in Libya.

Russian intervention in the Central African Republic (CAR) is another indication of Russia's growing interest in Africa and willing to commit military, diplomatic, and economic force to the continent to achieve its objectives. The CAR has been undergoing civil war since 2013, when the government was overthrown by the Seleka, a predominantly Muslim coalition of rebel groups, prompting sectarian conflict as Christian militia "anti-Balaka" forces rose up in response and began fighting the Seleka.³⁵⁴ France - the former colonial power in the CAR - deployed military forces to the country, but was forced to withdraw the vast majority of its forces in 2016 following allegations of sexual violence against its forces.³⁵⁵ A new government was elected in 2016, but its grasp of the country quickly collapsed, and by 2018 about 80% of the CAR fell under the control of various rebel groups.³⁵⁶

Responding to these developments, Russia pushed for and received an exemption from a UN arms embargo and quickly moved to ship a large quantity of arms to the CAR government, including "900 Makarov pistols, 5,200 Kalashnikov assault rifles, 140 sniper rifles, 840 Kalashnikov PK 7.62-millimeter machine guns, 270 rocket-propelled grenade launchers, 20 man-portable anti-air defense systems, hand grenades, mortars and millions of rounds of ammunition", selling the arrangement to the CAR government not only with the prospect of arms, but also by pointing to its lack of African colonial history and military success in Syria.³⁵⁷ This shipment was accompanied by 175 Russian trainers and advisors, as well as the deployment of mercenary forces; one estimate suggested the presence of about 1,400 armed Russian forces in the CAR.³⁵⁸ While this arms transfer was nominally a donation rather than a sale, it was in actuality contingent on the CAR agreeing to significant economic concessions to

³⁵¹ Awadalla, Nadine, Ehab Farouk, and Ali Abdelaty. "Egypt and Russia sign 50-year industrial zone agreement". Reuters, May 23, 2018.

³⁵² Metwally, Hisham AbuBakr. "Russia aims to follow China's lead with African ties". Global Times. May 28, 2018.

³⁵³ Isachenkov, Vladimir. "Russia negotiates deal for its warplanes to use Egypt bases". AP. November 30, 2017.

³⁵⁴ Vinograd, Cassandra. "There's a new battle for influence in Central Africa, and Russia appears to be winning". Washington Post. May 31, 2018.

³⁵⁵ "France pulls out of Central African Republic". Deutsche Welle. October 31, 2016.

³⁵⁶ Vinograd, Cassandra. "There's a new battle for influence in Central Africa, and Russia appears to be winning".

³⁵⁷ McGregor, Andrew. "How Russia Is Displacing the French in the Struggle for Influence in the Central African Republic". Eurasia Daily Monitor Volume: 15 Issue: 74. May 15, 2018.

³⁵⁸ Ibid.

Russia, particularly in diamond and gold mining.³⁵⁹ One diamond mining project near the capital of Bangui was acquired by Lobaye Invest, a subsidiary of the Russian firm M Invest, and has been directly supported by Russian mercenaries with escorted armored car deliveries of mining equipment.³⁶⁰ 40 Russian Special Forces soldiers have been assigned to protect CAR President Faustin Touadéra, replacing his previous security forces.³⁶¹

Russia's decision to intervene in the Central African Republic took France, the US, and other Western imperial powers by surprise. This, in part, helped Russia push through the exemption it needed from the UN arms embargo; per one UN official "France, the U.S. and E.U. ... didn't expect the Russians stepping in" and were consequently unable to organize an immediate effective response.³⁶² The scope and ambition of the Russian deployment, however, has raised tensions, particularly with France which seeks to retain its dominant post-colonial influence on the CAR. A French diplomat bitterly complained about Russia paying bribes to the CAR government for access, Russian diplomats being granted access to the Bengengo Palace, the presence of Russian mercenaries and capitalists, and the granting of the UN embargo waiver.³⁶³ The Mondafrigue news organization, a French outlet, complained of an anti-French propaganda campaign in the region organized by Russia and compared Macron's failure to prevent Russian intervention to Neville Chamberlain at the Munich Accords.³⁶⁴ When China sought a similar waiver on the arms embargo, the US, UK, and France blocked it in the UN Security Council.³⁶⁵ A senior Western diplomat in the CAR, concerned that a Russian success in the region could lead to further expansion of its intervention model, told the Washington Post that the struggle for influence in the country "could come down to a test of, really, traditional Western resolve, power and influence... If we cede C.A.R., we're ceding Africa."³⁶⁶

As Russia seeks to increase its influence in Africa, it has pursued expansion of its military capacities in the region. In addition to the access it has acquired to Egyptian military bases, Russia is seeking access to one or more permanent military bases on the continent from which to project power. One potential location for a Russian base in Somaliland, an internationally unrecognized breakaway state within Somalia. In April, Russia discussed a proposal with the Somaliland government to host a Russian military base capable of hosting aircraft, submarines, surface vessels, and other assets, while recognizing Somaliland as a

³⁵⁹ Bershidsky, Leonid. "Death, Diamonds and Russia's Africa Project". Capsight News. August 4, 2018.

³⁶⁰ Ibid.

³⁶¹ McGregor, Andrew. "How Russia Is Displacing the French in the Struggle for Influence in the Central African Republic".

³⁶² Vinograd, Cassandra. "There's a new battle for influence in Central Africa, and Russia appears to be winning".

³⁶³ Ourdan, Rémy. "Soldats, mercenaires et conseillers russes se multiplient dans la capitale centrafricaine". Le Monde Afrique. April 23, 2018.

³⁶⁴ Beau, Nicolas. "Centrafrique, la France muette face à Poutine". MondAfrique, May 9, 2018.

³⁶⁵ "US, France and Britain freeze sale of Chinese weaponry to Central African Republic". South China Morning Post. June 15, 2018.

³⁶⁶ Vinograd, Cassandra. "There's a new battle for influence in Central Africa, and Russia appears to be winning".

sovereign state.³⁶⁷ Local media outlet *Qaran News* reported that such a deal would also include the deployment of Russian military advisors and major investment in natural gas and petroleum, with a 35% Russian share of all oil and gas profits.³⁶⁸ Such a base would give Russia a valuable position on the Horn of Africa with its proximity to major international shipping lanes, as well as access to a base in close proximity to US, Chinese, and other bases in Djibouti.

Somaliland is not the only potential location for a Russian military base in Africa, however. The Sudanese defense minister has proposed the construction of such a base on Sudan's Red Sea coast.³⁶⁹ Russia also sent a proposal to China to share its Djibouti base, but found its request denied.³⁷⁰ In addition to military bases, Russia has also moved to expand its intelligence network throughout Africa. In 2015, leaked documents revealed that Russia was working with South African Defense Intelligence on a secret \$100 million program to establish joint spy satellite surveillance across all of Africa, with Russia and South Africa both developing such satellites and sharing their networks.³⁷¹

Latin America

As Russia has developed as an imperial power, Latin America has played a small but important role for it in a variety of capacities. In addition to being a site for arms sales, trade, and investment, it has also given Russia opportunities to respond to US moves in its 'backyard' by posturing and poking at US dominance of Latin America. Russia has about \$12 billion in annual trade with Latin America, most prominently with Brazil and Mexico.³⁷² While this is quite small in comparison to other imperial powers with serious investments in the region, it has expanded by 44% since 2006 and is expected to continue growing as Russia builds up its investments in the energy sectors of Bolivia, Mexico, and Venezuela and acquires a growing military presence in the region for both strategic and propagandistic purposes.³⁷³

One of Russia's first major forays into Latin America following the restoration of capitalism came in Venezuela, with the Chavez government. Its populist rhetoric critiquing American imperialism in the region - and the genuine threat it faced from the US-backed right-wing which attempted a coup in 2002 - prompted it to become an ideal client for Russian

³⁶⁷ Akweij, Ismail. "Russia to pitch first camp in Africa with military base in Somaliland". *Face2Face Africa*. April 19, 2018.

³⁶⁸ "Russia offers to build military base in Zeila in exchange for Somaliland recognition". *Qaran News*. April 2, 2018.

³⁶⁹ "Sudan Announces Readiness to Establish Russian Military Base on Red Sea Coast". *Sudan Vision*.

³⁷⁰ Kelley, Kevin J. "Why Russia Scrambles to Be a Major Economic Player in Africa."

³⁷¹ Milne, Seumas, and Ewen MacAskill. "South Africa Spied on Own Government to Get Facts on Joint Project with Russia." *The Guardian*, February 25, 2015.

³⁷² Gurganus, Julia. "Russia: Playing a Geopolitical Game in Latin America". *Carnegie Endowment for International Peace*. May 3, 2018.

³⁷³ *Ibid*.

arms sales. Between 2001 and 2011, Venezuela purchased \$11 billion in Russian arms, making it one of the top clients globally for Russian arms sales.³⁷⁴ These sales were initially financed by loans from Russia backed by Venezuelan oil sales, with Russia collecting additional profits on the interest from these loans.³⁷⁵ Russian arms manufacturers also made limited direct investments into Venezuela, such as the 2007 establishment of a Izhevsk Mechanical Plant factory to produce AK-103 assault rifles.³⁷⁶ Venezuela also served as a convenient platform for Russian military posturing: in 2008, the Russian navy and a pair of strategic bombers deployed to the Caribbean for joint war games in response to the US deploying warships to the Black Sea to deliver aid to Georgia after its 2008 war with Russia.³⁷⁷ Russia was largely displaced in Venezuela for a time, however, with China becoming the premier investor in the country, pouring in \$40 billion between 2007 and 2012.³⁷⁸

As Venezuela's economy faced crisis in the face of a crash in oil prices, Russia re-entered the Venezuelan market, with a focus on acquiring assets. China cut down its investments in Venezuela significantly from 2013-2018, announcing only \$22 billion in new investments and failing to fulfill even this announced figure, as uncertainty over Venezuela's future and potential inability to repay loans soared.³⁷⁹ Russia has used this chance to move back into Venezuela on a larger scale - but ensuring that it is covered against a potential collapse of the economy. The state-owned oil giant Rosneft has purchased large amounts of Venezuelan oil assets at incredibly low prices, acquiring control of about 13 percent of Venezuela's oil exports by August 2017 and expanding its managerial control over joint oil projects with the Venezuelan state oil firm PDVSA.³⁸⁰ These deals - which include Rosneft being shipped about \$3.6 billion in oil annually for resale - have helped expand Rosneft in the field of international oil trading and in acquiring PDVSA's supply deals and trade agreements with the United States, India, and China.³⁸¹ Furthermore, Rosneft has partially secured itself against a Venezuelan default, as its investment position in Citgo (a PDVSA-owned refiner based in the United States) is expected to put it near the front of the line as a creditor in any bankruptcy proceeding.³⁸² Even with these assurances and renewed investments, however, Russia has increasingly turned to Nicaragua as its main military focus in the region.

Nicaragua has appealed to Russia as a potential outpost of influence in Latin America. It was seen (at least until the recent unrest) as a much more stable potential site than Venezuela.

³⁷⁴ Weiss, Andrew and Moises Naim. "Putin's latest anti-American intervention: Venezuela". Washington Post. September 6, 2017.

³⁷⁵ Ibid.

³⁷⁶ "Russia to build AK plants in Venezuela". UPI. August 15, 2007.

³⁷⁷ "Venezuela welcomes Russian warships ahead of presidential visit". CBC. November 25, 2008.

³⁷⁸ Gedan, Benjamin and Michael McCarthy. "The Limits to Russia and China's Support of Venezuela". RealClearWorld. January 15, 2018.

³⁷⁹ Ibid.

³⁸⁰ Parraga, Marianna, and Alexandra Ulmer. "Special Report: Vladimir's Venezuela - Leveraging Loans to Caracas, Moscow snaps up oil assets". Reuters, August 11, 2017.

³⁸¹ Ibid.

³⁸² Ibid.

While Nicaragua, lacking Venezuela's oil revenues, is unable to make purchases on the same scale, it has still emerged as a minor customer for Russian arms, purchasing 50 T-72 tanks in 2016 for \$80 million.³⁸³ It also has acquired "BMP-3 and BTR-80 armored vehicles, Mirazh patrol craft, [and] Molina missile boats".³⁸⁴ More importantly, it has emerged as a host for various Russian military activities. In 2015, Russian warships received permission to dock in Nicaraguan ports.³⁸⁵ Subsequently, about 250 Russian soldiers have been deployed to the country, and a satellite station for GLONASS (a Russian satellite positioning system similar to GPS) has been established with widespread speculation that the station could serve a dual-purpose to enable spy operations.³⁸⁶ Russia is also establishing an anti-drug training center in Nicaragua - a particularly meaningful development given the regular use by the United States of anti-drug operations as a pretext for military deployments to Central and South America.³⁸⁷

On the whole, Russia does not seriously contest US hegemony in the region. It lacks the economic resources of a power like China to even acquire a strong secondary position. Nevertheless, Russia still pushes into Latin America for a variety of reasons. The resentment and resistance that US imperialism generates by its long-lasting brutality and overt hegemony in the region creates occasional opportunities for a power like Russia to make economic interventions on favorable terms. Likewise, the expectation that the United States has of nearly uncontested dominance of the region due to its geographic location and military presence makes it sensitive to any competition in the region, allowing Russia to use military displays as a means of pushing back against US involvement in what it considers its own sphere of influence in Europe and Asia. It was no accident that former Secretary of State Rex Tillerson included Russia alongside China in his (hilariously hypocritical) early 2018 declaration that "Latin America doesn't need new imperial powers that seek only to benefit their own people".³⁸⁸

Ideological Anchor for the Far Right

When youthful white male fascists descended on Charlottesville, Virginia in 2017, chanting "Russia is Our Friend," many activists who had not been paying to right-wing politics were confused. Brian McLaren writing on the Auburn Seminary blog reported quizzically on expressions of "gushing love for Trump, Putin, and Stalin---of all people."³⁸⁹ McLaren and others soon learned of the contemporary idolization by important sections of the far right and fascist movements for Vladimir Putin and the Neo-Eurasianist ideologue of Russian imperialism (the multi-polar world) and the red-brown alliance, the fascist Alexander Dugin. Neo-Nazi Richard

³⁸³ Dyer, Zach. "Nicaragua drops \$80 million on Russian tanks". The Tico Times. April 29, 2016.

³⁸⁴ Ellis, Evan. "Russian Engagement in Latin America: An Update", Center for Strategic and International Studies. December 19, 2017.

³⁸⁵ Partlow, Joshua. "The Soviet Union fought the Cold War in Nicaragua. Now Putin's Russia is back.". Washington Post. April 8, 2017.

³⁸⁶ Ibid.

³⁸⁷ Kahn, Carrie. "U.S. To Monitor Security Agreement Signed Between Russia And Nicaragua". NPR. November 17, 2016.

³⁸⁸ "Tillerson Warns Against China, Russia Engagement in Latin America". VOA News. February 1, 2018.

³⁸⁹ McLaren, Brian. "What I Saw in Charlottesville," Auburn Seminary, August 2017.

Spencer celebrates Russia as "the sole white power in the world."³⁹⁰ The Traditionalist Workers Party head and white nationalist Matthew Heimach recruits to his group by promoting Putin's Russia as "the axis for nationalists." According to an interview by *Business Insider*, Heimach explained his love in this way: "I really believe that Russia is the leader of the free world right now. Putin is supporting nationalists around the world and building an anti-globalist alliance, while promoting traditional values and self-determination."³⁹¹ Heimach reportedly demonstrated his enthusiasm by getting baptized in the Russian Orthodox Church, which Putin and Dugin have recently mobilized in the interest of an imperial foreign policy.³⁹² Of course, the orientation to Russia manifested in the chanting of small groups of U.S. fascists is based on the actions and propaganda of the more powerful and electorally ascendant far right in Europe, as well as Russia's show of power in recent foreign military interventions that demonstrate its geopolitical importance.

The recent election in Italy has highlighted for all the growing appreciation of Russia as an "illiberal," authoritarian, Christian, anti-gay, anti-immigrant, anti-Muslim, anti-EU, and anti-US power by both small and growing far right parties in Europe. Matteo Salvini, leader of the far right Lega Nord, whose picture in a Putin t-shirt has gone viral, campaigned on his party's opposition to the EU and to sanctions on Russia. He pointedly traveled to Russia to sign a pre-election agreement between the Russia United party and the LN. He was joined in this theater by the leadership of the Austrian Freedom Party, whose candidate Heinz Christian Strache was narrowly defeated in his campaign for president, and Frauke Perry, of Germany's Alternative for Germany, who was hosted by the leading officials of the Duma in 2017.³⁹³ Marie Le Pen, leader of France's far right National Front, when denied loans in France, famously turned to Russia in 2014 and secured a package of loans totaling 11 million euro whose terms of repayment are obscure.³⁹⁴

Although the relationships between the European far right and red-brown politicians in Russia go far back into the Soviet era,³⁹⁵ more relevant to the ideological contest of today's world are a series of international meetings hosted by Russia beginning in 2003.³⁹⁶ The First World Congress of Patriotic Parties, held in Moscow on January 18 of that year, was attended by 44 right wing parties from around the world and opened with greetings from the Deputy Chairman of the Duma, Vladimir Zhirinovskiy. The Congress issued a statement signed by

³⁹⁰ Page, Clarence. "Is Putin the Alt-Right's BFF?," *Chicago Times*, May 16, 2017.

³⁹¹ Bertrand, Natasha. "'A Model for Civilization': Putin's Russia Has Emerged as 'a Beacon for Nationalists' and the American Alt-Right." *Business Insider*, December 10, 2016.

³⁹² *Ibid.*

³⁹³ Seddon, Max. "Putin's Party Signs Deal with Italy's Far Right Lega Nord". *Financial Times*. March 6, 2017.; Hille, Kathrin. "Russia Adds Germany's AfD to Contacts Book of European Populists". *Financial Times*. February 21, 2017.

³⁹⁴ Seddon, Max. "Putin Awaits Return on Le Pen Investment". *Financial Times*. May 4, 2017.

³⁹⁵ For a decent account of this history, see Lyons, Matthew N. *Insurgent Supremacists: The U.S. Far Right's Challenge to State and Empire*. Oakland: PM Press, 2018.

³⁹⁶ Shekhovtsov, Anton. *Russia and the Western Far Right: Tango Noir*. Oxon: Routledge, 2018. Chapter

representatives of the French Left Front, the German People's Union, the Greek Hellenic Front, the Finnish People's Patriotic Front, the Czech Republicans of Miroslav Sladek, and others.³⁹⁷

After the election of Putin and the 2004 Orange Revolution in the Ukraine, efforts to build political relationships with the European far right became more serious. Right-wing Neo-Eurasianist youth groups were set up in the Ukraine and Dugin launched the National Bolshevik Eurasian Youth Movement. The Russian Orthodox Church was allowed to set up television programming that hosted people like Alexander Dugin, Alain de Benoist, and Lyndon LaRouche. National Bolshevik and Neo-Eurasianist fascist ideologues were moved into the mainstream of Russia discourse as a way to legitimise Russian aspirations to geopolitical power.³⁹⁸ A 2013 speech by Putin at Valdai that incorporated bits and pieces of these ideological constructs in a deliberate way, sending “dog whistles,” is understood to have galvanized the global far right into a specific orientation toward Russian imperialism as antidote to Western imperialism.³⁹⁹

Putin became associated after 2015 with boosting “Christian values” against the degeneration of western culture, that is the “unipolar world” of western “liberal” capitalism. He posed the electoral successes of Le Pen in France and Viktor Orban in Hungary as a positive sign that traditional values were on the rise.⁴⁰⁰ Soon, right wing US figures like Patrick Buchanan and LaRouchite William Engdahl were celebrating Putin's role.⁴⁰¹ A number of substantive European far right parties, such as Jobbik in Hungary, began to consider the EEU as the alternative to the EU, citing the ideological superiority of the Neo-Eurasianist vision to other sorts of international cooperation.⁴⁰²

Increasingly, Russia began to host anti-NATO conferences that involved the “anti-imperialists” of the far right. In 2006, for example, a conference on “NATO and Security in Eurasia” included European far right activists such as the French fascist Yves Bataille, Polish Duginist Mateusz Piskorski, Luc Michel of the Belgian Parti Communautaire National-Europeen (PCN), the editor of *Eurasia* Stefano Vernole, and Sylwester Chruszcz of the far right League of Polish Families.⁴⁰³ Many of these players then took responsibility for setting up organizations to supply election monitors to Russia, and these were deployed to South Ossetia, Crimea, etc.⁴⁰⁴

A major arena in which the Russian state and the far right collaborate is in the state-owned media that transmits around the world and feeds into a thousand and one blogs and eccentric “alternative” news aggregators. Russian imperialism reportedly began using media as a means of soft power in earnest after they “lost” the mainstream information war around the

³⁹⁷ Ibid.

³⁹⁸ Ibid.

³⁹⁹ Ibid, Chapter 3.

⁴⁰⁰ Ibid.

⁴⁰¹ Ibid.

⁴⁰² Ibid.

⁴⁰³ Ibid, Chapter 4.

⁴⁰⁴ Ibid.

Russian invasion of Georgia. *Russia Today*, now RT, was founded as a state TV station for international audiences in 2005 and was apparently a kind of sleepy outfit with a very low readership. In 2008, however, RT switched to a media strategy that was based on being really “provocative.”⁴⁰⁵ The menu of programming began to include more and more conspiracy theorists, racists, and propagandists of the far right.⁴⁰⁶ RT was a major purveyor, for example, of 911 Truth and “Obama was not born in the US”-stories. It featured French fascist Aymeric Chauprade and US fascist Lyndon LaRouche. It boosted anti-immigrant hysteria in Europe, as when it interviewed the Swedish right-winger Kent Ekeröth in the wake of a 2013 police murder of an immigrant. Since the beginning of the Syrian civil war, RT has called on the Neo-Nazi Richard Spencer for analysis.⁴⁰⁷ Piskorski, Le Pen, Matteo Salvini, and Strache are “go-to” authorities. Manuel Ochsенreiter, the editor of the German Volkisch magazine *Zuerst*, is a regular.⁴⁰⁸

In March 2015, Russia hosted an infamous conference of the far right, which seems to have been an event designed to cultivate the less prominent grass-roots activists, that is, those who would take the advance in Russian propaganda for Neo-Eurasianism and run with it on the ground. Dubbed the International Russian Conservative Forum, it was officially organized officially by the Motherland party, but openly supported by Deputy Prime Minister Dmitry Rogozin. The international attendees from Europe were organized by the Alliance for Peace and Freedom (APF), an umbrella movement that was established in Brussels in the building of the European Parliament in February 2015 and that united fascist and neo-Nazi parties and smaller organisations from Italy (New Force), Germany (National Democratic Party of Germany), Sweden (Party of the Swedes), Greece (Golden Dawn), Spain (National Democracy), Belgium (Nation), and Denmark (Danish Party).⁴⁰⁹ Nick Griffin of the British National Party, eloquently explained that the people in the room were not fascists; the fascists were those who killed Russians in the Ukraine.⁴¹⁰ Numerous U.S. representatives of the Alt-Right are recorded as speaking. The session was mocked by the *New York Times* as gathering the fringe of the fringe,⁴¹¹ but of course, it is some of these activists who have helped to transform the European and U.S. “alternative” media-scape into the playground of right-wing “anti-imperialists,” who have linked up with former Stalinists now embracing Putin, as well as left and right wing conspiracy theorists, and sown confusion among the ranks of the anti-war and peace movements.

Well-known among US leftists is the very modest but related effort of the Russian government to woo antiwar activists into a red-brown alliance that politically supports Russian imperialism as a bulwark against US imperialism. The Anti-Globalization Movement has hosted

⁴⁰⁵ Ibid, Chapter 5.

⁴⁰⁶ Ibid.

⁴⁰⁷ Ibid.

⁴⁰⁸ Ibid.

⁴⁰⁹ Shekhovtsov, Anton. "What does the fascist conference in St. Petersburg tell us about contemporary Russia?". Anton Shekhovtsov's blog. April 1, 2015.

⁴¹⁰ Chertok, Paul. "Russia Hosts Fascist Fourm in St. Petersburg, East-West Blog, March 22, 2015.

⁴¹¹ MacFarquhar, Neil. "Right-Wing Groups Find a Haven, for a Day, in Russia," *New York Times*, March 22, 2015.

several conferences in Moscow, funded by the Russian government, that were billed as anti-imperialist, but in fact defended the concept of the “multipolarity.” “Multipolarity” is a code word popularized by the Russian fascist Alexander Dugin and adapted by the merely authoritarian Putin regime for its own purposes. It is meant to be embraced as the antidote to a unipolar world, i.e. a US-dominated planet. In a multipolar world, Russian capitalism would anchor a Eurasian empire that would rule alongside the U.S. and its European partners. We can get a glimpse of just who the heroes of the multipolar world will be, as recently the AGM named two honorary members, Assad and Ahmadinejad.⁴¹²

Sadly, the AGM successfully involved U.S. antiwar activists and other anti-imperialists in Moscow meetings with far right organizations on several occasions. Recently the founder and current head of the AGM, a former Russian police officer named Alexander Ionov,⁴¹³ turned up in the news from Syria, where he heads a “security firm” for Russian oil companies⁴¹⁴ and sits on the board of a Syrian oil corporation.⁴¹⁵ Russian efforts to posture as an anti-imperialist force for both the anti-neoliberal extreme right and the “insurgent” fascist right, as well as the anti-U.S. far left, has helped inspire far right organizations in the United States and contributed to great confusion in the broad left. As the Russian government is a socially conservative, authoritarian, capitalist and imperialist state---not a fascist one---all of these “soft power” initiatives are more pragmatic than ideological in nature on Moscow’s part. Nonetheless, they have boosted a pernicious organizing logic for important European far right parties, small fascist groups, the governing Pink Tide elites, and the neo-Stalinist reformist left.

Conclusions

The Russian economy survived the chaotic collapse it suffered during capitalist restoration with certain key attributes: ownership of the large majority of its economy by Russian capitalists, rather than foreign investors, and extreme concentration of wealth and economic power. These have proved the cornerstone for a recovery and the development of Russia into a major world power. By purchasing power parity, Russia has the world’s sixth largest economy today. Recession, intensified by US and European sanctions, has caused its economy to stagnate and decline over the last few years, but the impact of this development has been inflated in nominal figures by the decline in value of the rouble. Accounting for this, the decline was far more modest and the Russian economy has already returned to growth, albeit at a relatively slow pace. Its economy is extremely heavily monopolized, particularly in key sectors like energy production and banking. The top Russian monopolies are highly placed among

⁴¹² “Anti-Globalization Movement of Russia”. http://anti-global.ru/?page_id=12595&lang=en.

⁴¹³ Ibid., “President”. http://anti-global.ru/?page_id=4493&lang=en.

⁴¹⁴ “Alexander Ionov”. Ionov Transcontinental.

⁴¹⁵ Nechepurenko, Ivan, Neil MacFarquhar and Thomas Gibbons-Neff. Dozens of Russians are Believed Killed in U.S.-Backed Syria Attack.

world monopolies, and it also has an appreciable share of the world total when its smaller monopoly companies are included.

Russian investment has global ambitions, but starkly uneven existing presence. In terms of its total accumulation of exported capital, Russia ranks among minor powers like Belgium, Spain, and Italy. This largely reflects the fact that Russia has only been accumulating major capital export for a very short time since the restoration of capitalism and recovery from the 1990s economic catastrophe. In terms of its yearly capital export, Russia surpassed France from 2011-2016. This investment, moreover, is heavily concentrated into a regional dominance of Central Asia and the Caucasus. In conjunction with backdoor investment via debt-equity swaps, regulation of remittances, the structure and operations of the Eurasian Economic Union, and other such mechanisms, Russia dominates trade, investment, infrastructure, immigration flows, etc. throughout these regions, despite growing competition from China. As we have described above, Armenia constitutes one of the clearest examples of this dominance. Russia is the source of nearly half the foreign direct investment into Armenia - nearly eight times the next highest source - and has even broader holdings from a series of debt-equity swaps and energy deals. Russia owns nearly the entirety of Armenia's infrastructure, and has used this control to extract extra profits from gas sales, an enforced monopoly on energy access, prolonged usage of an extremely unsafe nuclear plant, preferential access to government contracts, and many other ways.

Russian capitalists are not satisfied with this regional influence, however. Increasingly, Russia is looking to expand its markets and profits abroad, despite the pressures placed upon its economy by Western sanctions. In the Middle East, Russia has a moderately broad and strongly entrenched presence, poised to capitalize on its overwhelming influence in Assad-held Syria with lucrative reconstruction contracts and taking advantage of the US sanctions regime on Iran to acquire major assets in its energy and transportation sectors. In Africa, Russia has aggressively pursued greater access, with low-key military interventions in Libya and the Central African Republic, new arrangements with Egypt including a Special Economic Zone for Russian investors and military airfield access, pursuit of a permanent military base in Somaliland and elsewhere, and joint program with South Africa to establish widespread surveillance across the continent. In Latin America, Russian capitalists have expanded from lucrative arms sales into snapping up Venezuelan assets at rock-bottom prices while placing a growing military footprint into the region in order to defend its holdings and provide a point of leverage against the United States. In the Donbass, military intervention has granted Russia access to vast coal stores mined at extremely low wages with virtually no safety precautions, while it has manipulated the leadership of separatist forces to ensure that its interests come first.

A common factor in the expansion of Russian interests across the world has been the Russian military. With enormous stores of conventional weapon systems leftover from the Soviet Union and a large-scale rearmament and modernization campaign throughout the last two decades, the Russian military contrasts Russia's relative economic weaknesses as a world

power by constituting one of the most powerful armed forces in the world. The Russian military is arguably the second strongest in the world after that of the United States. Not only does it field a vast arsenal of modern armored vehicles, planes, warships, missiles, nuclear weapons, etc., but it has extensive recent combat experience from the Caucasus to Ukraine to Syria. Russian soldiers and mercenaries are present across the world from its extensive base network in Central Asia to far-flung outposts in the Central African Republic and Nicaragua supporting the interests of Russian monopoly capital.

Much like China, Russian imperialism regularly appeals to an idea that it somehow constitutes a progressive alternative to American imperialism. This appeal - which has its basis in a pragmatic and cynical desire for political cover by the Russian state - has had widespread appeal among far-right “anti-imperialists” and proponents of a left-right or red-brown alliance against American imperialism. The facts of Russia’s global position and actions belie these illusions. Russia’s world influence is exerted in the interests of its monopoly capitalists, protecting and expanding its trade, investments, and profits abroad. Even within its own borders Russian capitalism has brutally repressed and exploited minority nationalities. Russia plays a predatory role in Central Asia, the Caucasus, and elsewhere. The “multipolar” world advocated by Dugin and a vocal wing of the Russian government is not a progressive alternative to American hegemony, but the maintenance of imperialist dominance of oppressed peoples with a reshuffling of the positions of the oppressors and a heightening of inter-imperial tensions.

Russia plays a significant role across the world and a dominant one in select areas of influence and interest where it is willing and able to make major commitments. Its economic strength is limited but far from irrelevant. Its military strength and diplomatic and political influence, however, give it an outsized influence where these factors are the primary or overriding consideration. Socialists cannot hope to explain the development of world events to workers or organize solidarity with oppressed peoples resisting imperialism without recognizing that Russia today constitutes an imperialist power struggling for super-profits at the expense of semi-colonies. As with our analysis of China, we must emphasize that in no sense does this mean that the United States has been or imminently will be eclipsed as the leading imperial power, or that the task of American workers and socialists in fighting against American imperialism is in any sense lessened. Indeed, as inter-imperialist struggle intensifies and increasingly threatens the world with the catastrophic potential of inter-imperial war, the urgency of this task becomes even greater.

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