Russian Soft Power:
Criminal Networks as a Force of Attraction

By
Cheryl Collins

Submitted to
Central European University
Department of International Relations

In partial fulfillment of the requirements for the degree of
Master of Arts in Global Economic Relations

Supervisor: Professor Anatoly Reshetnikov
Budapest, Hungary
2021

Abstract

Since Joseph Nye first discussed and popularized the concept in 1990, "soft power" has been associated with influence through the "attraction" of Western values. With the end of the Soviet Union, Nye's notion of soft power immediately gained traction as a policy concept, as Western politicians and administrators looked to project their influence in the new states. Western nations and institutions sought to instrumentalize soft power by directly and indirectly supporting nonstate actors such as civil society groups and "democracy promotion" programs that advocated social and economic liberalization in the nations "in transition." For these reasons, scholars have consistently connected soft power to Western liberal values and the expansion of liberal ideals, culture, and norms. However, as Keating and Kaczmarska have recently argued, soft power via attraction is also used by illiberal states such as Russia to promote culturally conservative values. I propose the further expansion of the concept of illiberal soft power to include the influence exerted by Russian state–linked criminal networks and their value set, which are reflective of and intertwined with Russia's political and economic system. I examine how criminal organizations aligned to the Russian state function in ways comparable to the private actors used by Western institutions and governments to align individuals and states with their norms and values. I follow with a case study examining the Russian state's use of a criminal organization in a foreign policy matter of high importance: dominance of Ukraine via the energy sector via an intermediary company called RosUkrEnergo.

Acknowledgements

I would like to acknowledge and thank with deepest gratitude Jeremy Pine, Michael Hall, and Christina Geissler — all of whose support, aid, and feedback assisted me tremendously, and without whom I would not have completed this project.

Table of Contents

Introduction

Just a few short years after Hungary joined the European Union in 2004, its government started to pivot its orientation away from the West. The Hungarian government began to look eastward toward Russia, and the ties binding the two countries quickly deepened. For example, in July 2007, the Hungarian prime minister traveled to Ukraine and then to Russia, and at the edge of a conference he shared a late-night one-on-one conversation at an airport with Russian president Vladimir Putin, his third meeting with Putin in over a year. Days later, the prime minister announced agreement on a new project: the construction of a natural gas storage facility close to the border with Ukraine. That facility would directly benefit an opaque energy company that controlled Russian gas imports into Ukraine, which then exported the "Russian" gas to Hungary and beyond: RosUkrEnergo. RosUkrEnergo was a joint venture between Russian state–controlled Gazprom and what was widely seen as a front company for a Russian organized crime group tied closely with the Kremlin. The shadowy RosUkrEnergo would gain from the new gas storage facility, as it was about to build a massive gas-powered electricity generator just inside the Hungarian border with Ukraine.

At the same time, the major Hungarian bank OTP agreed to finance the RosUkrEnergo-owned electricity plant. The bank's CEO held both Russian and Ukrainian interests, as well; he had purchased a Russian bank the year before, and in July he vowed to open 300 OTP branches in Ukraine. OTP also announced its purchase of a Russian bank for 41 million dollars, even though the bank's reported value was much higher. Some observers perceived a pattern "in

which, after a deal is struck involving increased purchases of Russian gas, a reputable Hungarian company is rewarded with a 'sweetheart deal' in Russia," as a U.S. diplomat in Hungary wrote.[1]

Hungary's shift toward Russia followed soon after the Orange Revolution in Ukraine, in late 2004. The Kremlin had felt the violent shock of "losing" Ukraine to the West as an existential threat, and Putin freely blamed Western "soft power" strategies in Ukraine for clawing that nation away from Russia's sphere of influence. Western soft power efforts had included the support and use of nonstate actors such as civil society groups to "promote democracy." The Kremlin viewed the electoral loss in presidential elections by the Russia-backed candidate as nothing less than a soft power coup.

Just a few short years later, both Hungary and Ukraine had turned eastward. Was the Kremlin using questionable, nontransparent, non-"Western" business deals with criminal-controlled organizations to pry Hungary and Ukraine away from West, without use of force? Had Russia used its own form of soft power to advance critical foreign policy objectives? Had the Kremlin turned Western soft power strategies on their head to its benefit?

Since U.S. diplomat and security theorist Joseph Nye first discussed and popularized the concept in 1990, "soft power" has been associated with Western values and influence. Nye formulated soft power as the "ability to affect others to obtain the outcomes one wants through attraction rather than coercion or payment." "Intangible assets" such as culture and values could attract and persuade others by shaping their preferences. For Nye, soft power was an alternative

[1] From American Embassy, Budapest, "Hungarian Foreign Policy Drifting to the East," August 17, 2007; "Triangulation under Fire: A Step Back toward the East," November 23, 2007.

and often more effective strategy to "hard power," or military force and other types of coercion; in Nye's view, in the long run it was more effective for states to be liked and respected than feared.[2]

In the wake of the dissolution of the Soviet Union, Nye's notion of soft power immediately gained traction as a policy concept, as Western politicians and administrators sought new ways to exercise and project influence. Western nations and institutions sought to instrumentalize soft power to more closely align the new states with the West's norms and interests. Through the 1990s and 2000s, common methods that Western states and institutions used to operationalize soft power was supporting nonstate actors such as civil society groups and "democracy promotion" programs, which promoted social and economic liberalization and other "Western" values in the nations "in transition."

Ever since Nye defined the concept, scholars have consistently connected soft power to Western liberal values and the expansion of liberal ideals, culture, and norms. However, as Keating and Kaczmarska have recently argued, scholars often mistakenly view liberal values as self-evidently superior to other, non-Western ones and perceive soft power as inextricably bound to Western norms. Owing to this preconception, they state, academic analysis has not recognized how Russia and other illiberal states wield soft power via attraction to more conservative, anti-democratic ideals. By demonstrating how illiberal ideology can effectively spread in a

[2] Joseph S. Nye. *Soft Power: The Means to Success in World Politics* (New York: Basic Books, 2004), x.

demonstration of soft power, the authors provide a new framework of analysis for understanding how Russia has expanded its global influence.[3]

Yet Russian soft power does not only encompass an attraction to values aligned with conservative Christianity, along with "strong leadership," as suggested by Keating and Kaczmarska. As Mark Galeotti and Vadim Volkov have separately argued, the overriding ethos of the post-Soviet Russian state and its elites writ large are the values of the professional "criminal" caste, and this paper posits these values too are used as a force of attraction.

Galeotti suggests that the transactional relationship between state and criminal caste dates to the Stalin era in a dynamic defined by active collaboration and mutual dependence, which Galeotti labels as "Stalin's toxic legacy." As Galeotti and Volkov both note, in the waning days of the Soviet Union, organized and higher-functioning "criminals" were embedded in the state's first efforts to create a private sector, drawing on relationships developed with Communist Party officials over decades. As the Soviet state dissolved along with its norms and laws, "the tools and attitudes of organized crime came to permeate the system as a whole" as the "violent entrepreneurs" took charge, often filling the void of failed institutions.[4] Over time, the lines between government, business, the security services, and criminal networks continued to blur, and the professional criminal value set — marked by a collaborationist, transactional approach — was expressed by those in power as well as state institutions. "Criminal" values were

[3] Vincent Charles Keating and Katarzyna Kaczmarska, "Conservative Soft Power: Liberal Soft Power Bias and the 'Hidden' Attraction of Russia," *Journal of International Relations and Development* 22, no. 1 (2019): 22.

[4] Mark Galeotti, *The Vory: Russia's Super Mafia* (New Haven: Yale University Press, 2018), 113; Vadim Volkov, *Violent Entrepreneurs: The Use of Force in the Making of Russian Capitalism* (Ithaca, NY: Cornell University Press, 2016), Preface.

especially reflected in Russian-style business practices, which were mostly unencumbered by Western regulatory and legal niceties. The melding of the criminal ethos and the state only accelerated under Russian president Vladimir Putin, who engineered a "vertical criminal integration."[5] Organized criminal organizations not only became active tools of the Russian state, they also embodied a transactional, law-averse value set that is inherently resistant to the international rules-based, Western-defined "liberal order." By exporting this value set using soft power tools such as criminal organizations, the Russian state undermines the Western liberal order, of which Nye's concept of soft power is a manifestation.

In this paper, I propose the further expansion of the concept of illiberal soft power to include the influence exerted by Russian state–linked criminal networks as reflected in "Russian"-style business practices and their values. I suggest that the values of both conservative Christianity as discussed by Keating and Kaczmarska as well as the professional criminal caste are attractive for many and exported by the Russian state via nonstate actors, in a process that mirrors the export of Western values by West-aligned nonstate actors. I also discuss how "Russian"-style business practices embody transactional, "criminal" values that are inherently "anti-Western" and thus serve Russian state interests. I examine how criminal organizations tied to the Russian state function in ways comparable to private actors such as nongovernmental organizations used by Western institutions and governments to align individuals and states with their norms and values.

[5] Galeotti, "Crimintern: How the Kremlin Uses Russia's Criminal Networks in Europe." London: European Council on Foreign Relations, 2017, 2.

Does it make sense to expand the definition of soft power to include the ways illiberal states use nonofficial, nonstate actors to exert state power, including via state-aligned criminal networks? Should the transactional values of organized crime embodied in "Russian" business practices be considered a feature of illiberal soft power?

The concept of soft power was defined and evolved from within a Western worldview that considered Western ideology as naturally more attractive than that of illiberal states after the collapse of the Soviet Union. As a result, scholars have studied soft power solely in relation to the promotion of liberal ideals and values and consequently failed to see that Russia has its own forms of soft power, including values reflected in its criminal organizations and business practices.

To demonstrate this, I first discuss the traditional definition and use of the term "soft power." I discuss how it was operationalized by Western states and institutions after the end of the Cold War to expand Western values and norms and counteract the pull of illiberal states such as Russia. Next, I explore the growth of the Russian network state, which evolved in the aftermath of the Soviet Union's collapse as a set of interconnected networks that exert influence in a diffuse and nontransparent manner that ultimately obscure ultimate accountability. I show how these power networks include criminal groups that work through, for, and parallel to the state. I then identify different forms of Russian soft power, both as it is formally conceived by the Russian state and as it takes shape in nontraditional, informal methods of attraction; that is, not only through conservative religious and illiberal political values as discussed by Keating and Kaczmarska but also the values of organized crime as reflected in anti-Western "Russian"-style business practices.

I follow this review of Russian soft power with a case study examining Russia's use of unconventional soft power through perhaps the most formidable of the Russian-based criminal networks. The study focuses on the state's use of the organization in a foreign policy matter of existential importance to the Russian state: dominance of Ukraine via the energy sector. I present some historical and political context of the two countries and discuss how Russia used this criminal network to counteract the influence of Western soft power to maintain control. In effect, Ukraine became an undeclared battleground between competing forms of soft power. Additionally, I suggest that Russian illiberal soft power was apparently successful in influencing U.S. policy. Finally, in the conclusion, I briefly discuss the implications of using this expanded view of soft power on the study of Russia and more generally on our understanding of illiberal states.

Methodology

The concept of Russian organized crime as an extension of Russian soft power exercised by the state has not been previously explored. I offer a new perspective through this case study. I examine the case of RosUkrEnergo, an intermediary company that facilitated the delivery of natural gas to Ukraine from Russia. I review a range of qualitative research sources that examine details of the gas business and dealings between Russia and Ukraine. I examine numerous secondary sources, including academic articles, news sources, and investigative journalism reports. The timeframe for this event is the mid-2000s, a period when the dominant Western hegemon — the United States — was seeking to expand the Western security alliance and had aggressively sought regime change through hard power means in Iraq and by using soft power to promote the "color revolutions" in former Soviet states.

Literature Review

In this chapter, I explain the concept of soft power and how it is has historically been instrumentalized via nonstate actors supported by Western states and institutions. I explore how soft power has been used in the realm of democracy promotion and the export of norms from the West into Eastern Europe and the former Soviet Union. Next, I examine the Russian network state and its institutions, and discuss Putin's rise and use of the growing power of the Russian energy sector to advance state goals, specifically via the gas giant Gazprom. Lastly, I provide an overview of Russian soft power, both as more traditionally and less formally defined.

What Is Soft Power?

Since Joseph Nye first discussed and popularized the concept in 1990, "soft power" has been associated with Western powers. Nye formulated soft power as the "ability to get what you want through attraction rather than coercion or payments" that "arises from the attractiveness of a country's culture, political ideals, and policies."[6] That power "rests on the ability to shape the preferences" through the attractiveness of "intangible assets" that include culture, institutions, policies, and values, which can attract and persuade others by shaping their preferences.[7]

Emerging at the end of the Soviet era, Nye's notion was twined with U.S. economic and political dominance and the apparent overarching triumph of the Western liberal model. Soft power, which was seen as a strength that encourages cooperation, discourages competition, and works through institutions, was viewed as a manifestation of Western liberalism, with an

[6] Nye, x.

[7] Nye, 5–6.

emphasis on public diplomacy as well as multilateral and bilateral diplomacy.[8] For Nye, soft power would naturally grow in importance with the decline in use of hard power.

For Nye, soft power does not have to be state based to be effective. In fact, the "democratization of technology" brought about by the information revolution at the end of the 20th century reordered the traditional state-based power centers and led to the growth of nonstate actors in strength, importance, and numbers. The information revolution allowed for an explosion of groups that sought to affect change in new ways, often creating coalitions that crossed borders. These small, nimble groups could create pressure for change in ways the older lumbering giants, created during a slower era, could not, as the instant exchange of information allowed for rapid mobilization and response to events.

Nonstate actors and soft power

Nonstate Actors. The strength and reach of nonstate actors, which grew in power and numbers in the liberal Western order after World War II and then expanded exponentially from the 1960s, accelerated dramatically from the 1990s, speeded by the end of the Cold War as well as important technological advances.

A "nonstate actor" can be defined as an organization that is "largely or entirely autonomous from central government funding and control: emanating from civil society, or from the market economy, or from political impulses beyond state control and direction; operating or participating in" transnational networks that link political systems, economics, and societies across states; and "acting in ways which affect political outcomes … either purposefully or semi-

[8] Nye, 31.

purposefully, either as their primary objective or as one aspect of their activities," as defined by Josselin and Wallace. These actors, "which are at least in principle autonomous from the structure and machinery of the state," would include a range of organizations, from think tanks to multinational corporations, from civil society associations and nongovernmental organizations (NGOs) to criminal enterprises.[9] Thus, in this definition, nonstate actors can be in alliance with the established order or considered a threat by it.

In the decades after World War II, Western industrial democracies deregulated and privatized over time, progressively lessening efforts to control their economies while decreasing barriers to cross-border trade, production, and investment. As Western governments decentralized, power shifted toward a range of nonstate actors. Central governments unburdened themselves of responsibilities previously associated with the social-democratic welfare state, leading them "to contract out public functions to private companies, converting companies and NGOs into agents providing public services."[10] Further accelerating the disaggregation of state power was ongoing decolonization by Western regimes from the 1950s, as new states welcomed assistance but were also often deeply distrustful of the first world states and economic system.

The ongoing decentralization of state power in the West allowed nonstate actors to "exploit the space between multilateral institutions and their member states, developing a triangular relationship of 'complex multilaterialism' in which economic associations and social

[9] Daphné Josselin and William Wallace, "Non-State Actors in World Politics: A Framework," in *Non-State Actors in World Politics*, Josselin and Wallace, eds. (Palgrave Macmillan, 2001), 3–4. In their definition of nonstate actors, Josselin and Wallace pointedly include economic actors and criminal elements, in contrast to the "commonly accepted" definition of nongovernmental organizations; 4.

[10] Josselin and Wallace, 9.

movements are also significant players." Aided by increased ease of international travel and accelerating advances in communications, ever-more-empowered nonstate actors — such as multinational corporations, NGOs, financial institutions, local governments, and law enforcement organizations — inevitably created their own networks, serving as a bridge between formal state and international institutions. "Emerging patterns of global governance of liberal states reflect this partial disaggregation of states as governments into extensive transgovernmental networks, linking sub-nation-state authorities and state ministries with international institutions."[11]

From the 1960s, these factors — the shift of centralizing control from states, newly decolonized states, and advances in technology and travel — helped lead to an explosive growth in the number and power of NGOs, many of which addressed various humanitarian and economic issues in new states. By the 1990s, rapidly accelerating advances in technology, especially the personalized computing revolution, allowed for the instantaneous transmission of information, ideas, images — and money. Increased ease of communication as well as the perpetual lowering of long-distance travel costs led to a vast expansion of the power and reach of nonstate actors from the 1990s.

The mushrooming of NGOs not only paralleled the expansion of the neoliberal international economy but also reflected it. NGOs operated "within and through the framework of international institutions which Anglo-American liberals created," such as the United Nations, International Monetary Fund, and World Bank.[12] Josselin and Wallace note the strong Anglo-

[11] Josselin and Wallace, "Non-State Actors," 3.

[12] Josselin and Wallace, 7.

American orientation of many nonstate actors in a system in which the "structural advantages" were held by those based in the U.S. and wider West, where funding institutions are headquartered. These Anglo-American–oriented NGOs and other nonstate actors could thus serve as an extension of Western normative power. With the end of the Cold War, "liberal pluralists take for granted the framework of international institutions and regimes … and welcome the gradual extension of this originally Western international society across the countries of the former third and second worlds."[13] Nye notes that NGOs are highly effective wielders of soft power because they could create virtual communities that spanned borders, effectively mobilizing networks to affect opinion.[14]

Operationalization of soft power

Democracy Promotion. The operationalization of soft power grew in tandem with the "disaggregation" of the Cold War economic and security structure and the creation of newly independent states of the former Soviet Union. Nye's concept of soft power came as the Cold War was drawing to an end and was then popularized as Western governments and institutions sought to incorporate the newly independent states into the Western system.

In practical terms, one important method through which soft power was often operationalized by these institutions was via direct or indirect funding to nonstate actors such as NGOs and other civil society groups to "promote democracy" and advance "reform" in the new countries. Democracy promotion often included technical advice on electoral processes,

[13] Josselin and Wallace, 10–11.

[14] Nye, 31, 90–91.

strengthening legislatures, supporting independent media, and promoting pluralistic political systems.

A range of think tanks and foundations also funded these efforts and played intermediary roles, such as the Soros Foundation, founded by Hungarian-born multimillionaire financier George Soros. These agencies and organizations opened and maintained a network of offices throughout the former Soviet bloc, linked with advanced communication technology often more sophisticated than generally available among the local population.

"Democracy promotion" became a central tool for Western governments and institutions to instrumentalize soft power. Although these programs had long existed during the Cold War, they were reenergized with the end of the Soviet Union and became a central tenet of Western policy and assistance. As democratization expert Thomas Carothers wrote in 2003, "quietly and steadily during the last 20 years, democracy promotion has become institutionalized in the U.S. foreign policy and foreign aid bureaucracies."[15]

After the terrorist attacks of September 11, 2001, the administration of U.S. president George W. Bush "made democracy promotion a central tenet of American foreign policy." During the Bush years, "the U.S. dramatically increased spending for democracy and human rights activities," relying not only on existing state entities but also creating "a host of new mechanisms to provide resources toward democracy promotion."[16] Likewise, the European Union made democracy programs explicitly part of its mandate, offering an emphasis on

[15] Thomas Carothers, *Critical Mission: Essays on Democracy Promotion* (New York: Brookings Institution Press, 2004), 72.

[16] Lindsay Lloyd, "European Approaches to Democracy Promotion," *International Journal*, Summer 2010: 549.

"reform" and "anti-corruption measures," and a "bottom-up" aspect that encompass "civil society programs."[17]

Exporting Western Norms. The meaning and rules of the "liberal international order" and their implications became key as the EU and U.S. sought to bind the new states "in transition" — especially Russia — into the Western rules- and regulatory-based order. The expansion of the Western order was implicitly and explicitly the mission of many Western-based nonstate actors, including democracy promotion initiatives and civil society programs. Use of these nonstate actors themselves extended the Western normative sphere. "Liberal pluralists take for granted the framework of international institutions and regimes … and welcome the gradual extension of this originally Western international society across the countries of the former third and second worlds," Josselin and Wallace wrote in 2001.[18]

For many, the extension of Western norms in the early post–Cold War years in an effort to create a more secure Europe was integral to what Manners called "normative power Europe." These norms — which Manners identifies as peace, liberty, democracy, rule of law, and respect for human rights — were seemingly uncontroversial core principles that for him were the "defining features of transition" away from communism.[19] The West often viewed itself as holding the keys to the door that everyone wanted to walk through. For example, in post-Soviet countries, the EU "sees itself as a superior embodiment of soft power and model of peace,

[17] As quoted in Lloyd, 558.

[18] Josselin and Wallace, 10–11.

[19] Ian Manners, "Normative Power Europe: A Contradiction in Terms," *JCMS: Journal of Common Market Studies* 40, no. 2 (2002): 242–243.

democracy, and prosperity in the region — and takes this power for granted," in the view of Wilson and Popescu, writing in 2009.[20]

Yet the embrace of "democracy" expansion and inclusion of the new nations in international institutions as seemingly self-evident goals became points of contestation between Russia and the West. Support for the "rule of law" was translated into acceptance of "the EU way of doing things": specific "rules, standards, and governance patterns" and EU-defined regulations that had to be accepted for a nation to access the European Union market, for example. This process could be perceived as a utility-maximizing strategy that ultimately served Western financial and security interests; the view of the European Union as a "normative empire" that extended its power not through military means but through the transferal of its practices and rules, which not only served "primarily security and economic interests" but also reinforced its normative identity as the ultimate arbiter, according to Del Sarto.[21] Sakwa noted the neo-imperialist designs of the EU, in that "the EU suppressed recognition of its own geopolitical ambitions, couching its advance in the language of regulation, good governance, and normative institutions."[22]

[20] Andrew Wilson and Nicu Popescu, "Russian and European Neighborhood Policies Compared," *Southeast European and Black Sea Studies*, 9, no. 3 (September 2009): 323.

[21] Rafaella A. Del Sarto, "Normative Empire Europe: The European Union, Its Borderlands, and the 'Arab Spring,'" *JCMS: Journal of Common Market Studies*, June 30, 2015.

[22] Richard Sakwa, "The Death of Europe? Continental Fates after Europe," *International Affairs*, 91: 3, 578.

Color revolution as soft power coup

After the color revolutions of the mid-2000s, especially the Orange Revolution in Ukraine in 2004, the Kremlin claimed that the true objective of democracy promotion efforts and foreign-funded civil society groups was state-sponsored subversion. In Ukraine, the loss by the Russian-leaning president Viktor Yanukovych in a seeming mass popular movement against his corrupt regime was unexpected, at best. The massive protests over voting irregularities, which disallowed a government seen as friendly to Russia to take power, was perceived by Russia among others as having been heavily influenced and even directed by U.S.-based civil society organizations, especially those connected to Soros's Open Society Foundation. By all accounts, the Orange Revolution was a visceral shock to the power establishment in Moscow. "For the Russian elite, the possibility of Ukraine's escape to the West through a change of political regime has become a shock nearly equal in pain to the break-up of the USSR," noted political analyst Lilia Shevtsova.[23]

Putin and others saw the color revolutions as nothing less than an aggressive advance into Russia's traditional sphere of influence, an incursion actively directed by Western powers via soft power. These "revolutions" came in the wake of the U.S. invasion of Iraq in 2003 and open discussion of "regime change" as a policy option.[24]

[23] Pavel K. Baev, *Russian Energy Policy and Military Power: Putin's Quest for Greatness* (London: Taylor and Francis, 2012) *n.* 24, 170.

[24] The color revolutions took place during a period of eastward expansion of the European Union and NATO. In 2004, 10 nations joined the EU, most from the former Soviet Union and Eastern bloc. In 1999, the Czech Republic, Poland, and Hungary had become members of NATO, and in 2004 Romania, Bulgaria, Slovakia, Slovenia, and the three Baltic nations became member states.

In 2012, Putin described soft power as "a set of tools and methods to achieve foreign policy goals without the use of arms but by exerting information and other levers of influence" used often by "big countries, international blocs, or corporations ... to develop and provoke extremist, separatist, and nationalistic attitudes, to manipulate the public, and to directly interfere in the domestic policy of sovereign countries."[25] In this view, soft power was less about changing behavior through forces of attraction but warfare by other means.[26]

Certain realists agreed with the Kremlin's argument. Some maintained that democracy promotion and diffusion of Western values were not benign but aggressive efforts to weaken Moscow, especially in Ukraine. As Mearscheimer notes, U.S. and EU funding for pro-Western organizations became a tool for "peeling Kiev away" from Russia's sphere of influence, along with NATO enlargement and EU eastward expansion. The West's "efforts to spread Western values and promote democracy in Ukraine and other post-Soviet states … often entails funding

[25] Vladimir V. Putin, as quoted in Vasile Rotaru, "Forced Attraction?: How Russia Is Instrumentalizing Its Soft Power in the 'Near Abroad,'" *Problems of Post-Communism*, 65, no. 1 (2018): 37–48.

[26] Rotaru states that the first time the phrase "soft power" was used officially in "high-level Russian political discourse" was by Putin in February 2012. "Forced Attraction?" 1. James Sherr notes that "what Russia practitioners call 'soft power' has little relationship to the power of attraction, and the Russian term … *myagkaya sila* translates as 'soft *force*' or, as we have termed it, 'soft coercion.' President Putin's definition of the term makes no reference to attraction." Sherr, "The New East-West Discord: Russian Objectives, Western Interests" (Clingandael Institute, December 2015): 64.

pro-Western individuals and organizations." The president of the nominally independent U.S. nonprofit National Endowment for Democracy described Ukraine as "the biggest prize."[27]

Sakwa also sees "good governance" programs as norms weaponized by the West in an effort to marginalize Russia and disinclude it from concepts of a continent-wide "Europe" so as to appease the U.S. "Good governance norms promulgated by the EU, while pre-eminently technocratic, have become politicized. … The absence of a continental vision means that when these norms encountered a resistant other, in this case Russia, the norms themselves became geopolitical, even if their intent was benign and transformative." The "claim by the EU and NATO that security can be advanced by promoting liberal democracy and integration into European institutions became a fundamental issue of contention when perceived to take the form of aspirations for 'regime change' through the practices of colour revolutions," Sakwa noted.[28]

During the 2000s especially, the soft power glove covered a hard power fist, as the U.S. made "regime change" part of it foreign policy strategy, with wars in Afghanistan and Iraq and threats on Iran. "The perception that the West was using democracy promotion as a cover to advance its strategic objectives, including regime change, aroused a host of defensive reactions" in Russia, Sakwa noted.[29] Democracy promotion became a double-edged sword. "In the minds of many people around the world, democracy promotion became a code word for military

[27] John J. Mearscheimer, "Why the Ukraine Crisis Is the West's Fault: The Liberal Delusions That Provoked Putin," *Foreign Affairs*, September/October 2014, 3–4.

[28] Sakwa, 564.

[29] Sakwa, 565.

intervention and U.S. hegemony," allowing autocrats justification of restrictions on external democracy assistance, wrote Carothers.[30]

The politically connected scholar Andrei Tsygankov notes that unnamed "foreign policy experts" in "Moscow" stated that "many in the Kremlin perceive the connection to Ukraine as the last pillar of Russia's stability and power that could not be undermined if Russia were to survive and preserve its sovereignty, independence, and authentic political culture."[31]

The Russian "Network State"

"Duality," "blurriness," "ambiguity," "paradox": these are the adjectives inevitably used by scholars and other observers to describe the political and economic structure in contemporary Russia. All acknowledge that familiar nomenclature fails to capture the nature of the current structure. Is Russia a hybrid state, a quasi-democracy, a rentier state, a patrimonial authoritarian state?[32] Lack of transparency leaves observers as well as citizens without a clear sense of the identities and motives of the informal actors, networks, structures, and processes that intersect to affect official decisions and decision-making processes, in what is informally known to all as *sistema*.

[30] Thomas Carothers, "Democracy Assistance and the Search for Security," in *New Challenges to Democratization,* Peter Burnell and Richard Youngs, eds. (London: Routledge, 2009), 64.

[31] Andrei Tsygankov. "Vladimir Putin's Last Stand: The Sources of Russia's Ukraine Policy," *Post-Soviet Affairs* 31, no. 4 (2015): 288.

[32] Vadim Kononenko, "Introduction," *Russia as a Network State: What Works in Russia When State Institutions Do Not?* (London: Palgrave Macmillan, 2011), 11.

Institutions and networks

The Network State. Trying to place Putin's Russia into defined theoretical frameworks has led some scholars to describe it as an authoritarian, neo-patrimonial, or patrimonial authoritarian state. They see a top-down process reflective of Putin's stated aim of creating a "vertical of power" and a strong state. Others describe Russia as a sort-of or qualified "democracy" with a range of attached adjectives.[33] The hard-to-define nature stems from the reality that Russia maintains institutions, such as legislatures and courts, yet power is not fully invested in them. A range of elite networks work around and through these institutions, intersecting with and working through the machinery of the state.

This duality — of a state with modern institutions yet power that is diffused through a range of informal networks — is considered a byproduct of its Soviet past. In the Soviet era, "bogus" institutions served as a façade for the Communist Party, where real power effectively lay. With the demise of the Soviet Union, new institutions were created to replace the old. However, the newly minted institutions were low functioning, at best. In those early chaotic years, informal networks that evolved from Soviet-era groups surged to fill the void.[34] The networks may have helped solve problems, resolve disputes, offer protection, or procure resources.

For Ledeneva, these informal networks compensate for underdeveloped institutions, serving a necessary role in a dysfunctional system. "Network-based governance is complex,

[33] Konenenko, 11.

[34] Alena V. Ledeneva, *Can Russia Modernise? Sistema, Power Networks and Informal Governance* (Cambridge: Cambridge University Press, 2013), x; Kononenko, 5.

diffuse, unpredictable, and seemingly unmanageable, but at the same time it glues society together, to distribute resources and to mobilise cadres, to contribute to both stability and change and to ensure its own reproduction."[35] Similarly, for Kononenko, "elite networks and networking extend the institutions and compensate for their inefficiency."[36]

For Ledeneva, power networks gain strength by their proximity to the "vertical of power." Elite networks penetrate the state to advance their own interests yet are able to formally remain separate and so unaccountable. "Power networks hide behind a 'collective (ir)responsibility.'"[37] Thus, the state structure is "kept alive" as a sort of "institutional carcass" to serve others' ends in a fog of diffused responsibility.[38]

The elite networks are an "integral element of the state" as network members have high-ranking government positions that are "located along the state/business nexus." Kononenko sees the most important decisions of the late years of Putin's first presidency (2005–2008) as made via a '"state-private partnership' — an intricate mix of state ownership and private management, proliferating in the most lucrative industries and branches of the economy, such as energy." This merging of public and private, of business and government interests, extends into matters of foreign policy, in which foreign policy serves as "rhetorical, diplomatic cover to further the interests of domestic power groups," including energy giants such as state-controlled Gazprom.[39]

[35] Ledeneva, x.

[36] Kononenko, 10.

[37] Ledeneva, 23.

[38] Kononenko, 5–8.

[39] Kononenko, 5–7.

Power within networks is thus diffused, and boundaries ill defined. "Networks that penetrate formal and informal boundaries ensure that both types of hierarchies have no fixed boundaries. For example, while the clan hierarchy tends to be vertical, controlled top-down and associated with a person in a high official position, networks can operate in a horizontal, de-centered mode and rely on very weak ties."[40]

"Sistema" and Its International Implications. For some, the informal networks working within and through the state — *sistema* — exist solely to subvert the state to serve their own ends, with the "carcass" maintained only to facilitate the creation of rent-seeking opportunities. Whereas Ledeneva sees *sistema* as adaptive with some positive features — in that it keeps the state improbably tethered together — others such as Karen Dawisha see only the "pathologies" of Russia's "decorative democracy," whose political and economic structures have been in essence captured by elites to create a "corporatist-kleptocratic regime."[41]

These features — of opacity, diffused and decentered decision making, and rent seeking — have foreign policy implications. For Dawisha, Russia has the "trappings" of a state with a formal diplomatic bureaucracy, but it also is controlled by elites whose purpose is to both represent and promote state interests abroad and enrich themselves. The logic of internal politics is marked by "flexibility of institutional rules and restraints and the inflexibility of patrimonial and clan-based loyalty to what insider Russian elites call 'the corporation.'" In this model, the "'corporation' operates to maximize the welfare of its members at the expense of public goods."

[40] Ledeneva, 22.

[41] Karen Dawisha, "Is Russia's Foreign Policy That of a Corporatist-Kleptocratic Regime?" *Post-Soviet Affairs*, 27:4 (2011): 331–365.

In the international sphere, "public goods" include "a network of legal obligations and alliances that promote Russia's state interest and sustain its reputation and authority as a sovereign entity" — in other words, living up to the obligations of a modern liberal state.[42] Because of the blurriness between state and private sector, the role and actions of major business entities were seen as barometers of Russia's ability to integrate and play by "the rules of the game."

Similar to Dawisha, Wallander sees Russia's *sistema* directly at odds with and a threat to the liberal Western order, with Putin's foreign policy "increasingly focused on creating transnational elite networks for access to rent-seeking opportunities in the globalized international economy." Wallander, who held senior national security policy positions during the administration of U.S. president Barack Obama, posits that Putin's regime is defined by "patron-client relations of power, dependency and rent seeking and distribution." However, in her view the possibilities for rent generation have been maximized within Russia's borders; thus, its "foreign policy" is an effort to resolve the dilemma of participating within the world order and benefiting from it without having to follow established liberal practices: "the logic of its domestic political-economic system requires isolation, but sustaining power requires the wealth generated by participation in globalization, which would undermine that very system." What she refers to as Russian "transimperialism" is marked by a "refusal to accept international rules of the game as defined by the liberal international order."[43]

[42] Dawisha, "Is Russia's Foreign Policy That of a Corporatist-Kleptocratic Regime?" 335–336.

[43] Celeste A. Wallander, "Russian Transimperialism and Its Implications," *Washington Quarterly*, 30:2, 2007: 117–118.

Putin's Rise and the "Renationalization" of Strategic Assets. After Putin ascended to the presidency in 2000, he worked to halt the nation's downward trajectory of the Yeltsin years, marked by deepening economic crisis; increasing lawlessness, violence, and chaos; and sense of lost power and prestige as well as accelerating decline.

Yeltsin, in his efforts of "reform," had decentralized much state power and, in a crash effort to build a market economy, privatized state assets. Yeltsin's administration had privatized state industries in the badly conceived and terribly executed "loans for shares" scheme; in this process, extraordinarily valuable state resources were distributed to employees as vouchers, which were then snapped up for almost nothing by those with access to capital. This and other maneuvers by those with access to state-owned resources created a new elite of powerful and extremely wealthy oligarchs, many of whom sold what they could and moved capital — in the billions of dollars — abroad.[44]

Upon assuming power, Putin sought to regain control — of both the presidency and the state — by reestablishing a "vertical of power." One of the key components of Putin's "verticalization" of power was the effective renationalization of strategic industries, most significantly in the energy sector. By the mid-2000s, the largest oil and gas firms had effectively been returned to state control.[45] Putin then sought to reassert Russia's role internationally in a newfound position of strength through the energy sector, largely built on rising energy prices.

[44] Mark Galeotti, *The Vory: Russia's Super Mafia* (New Haven: Yale University Press, 2018), 112–113.

[45] Margarita Balmaceda, *Energy Dependency, Politics and Corruption in the Former Soviet Union: Russia's Power, Oligarchs' Profits and Ukraine's Missing Energy Policy, 1995–2006* (London: Routledge, 2007), 6–7.

The energy sector

The Kremlin's use of the energy sector to advance state ends was a deliberate strategy. For example, Anatoly Chubais, pegged as a liberal reformer while an advisor to Yeltsin in the 1990s — and one of the overseers of the "loans for shares" scheme — suggested in September 2004 that Russia should become a "new liberal empire." Chubais, then the head of the state-controlled electricity monopoly, continued, "If this is so, I believe we must be frank and straightforward and assume this mission of leadership, not just as a slogan but as a Russian state policy. I believe this mission of leadership means that Russia is obliged to support in every way the expansion of its business outside Russia."[46]

Gazprom and Its International Role. Gazprom played a central role in Putin's energy-centered strategy. The gas giant, the former Soviet Ministry of the Gas Industry, had during the Yeltsin years become an independent entity following its own policies and interests by default, operating in a directionless void. Upon accession to power, Putin installed Dmitry Medvedev, then a first deputy of his presidential administration, as chairman; Medvedev had served with Putin in the government in St. Petersburg. By May 2001, Putin removed Gazprom's powerful CEO by surprising the attendees of a board meeting, personally informing them that the government-appointed members were to vote for Alexey Miller as CEO and suggested the others do so as well. Miller had also worked with Putin in St. Petersburg and was also young and with no experience in the hydrocarbon industry. Putin continued to place members of his Petersburg

[46] Roman Kupchinsky, "Analysis: Russia's New Imperialism," Radio Free Europe/Radio Liberty, November 26, 2004, https://www.rferl.org/a/1056081.html.

"clan" on the board, most while holding positions within his administration.[47] Gazprom was thus integral to Putin's "verticalization" of power — as well as the blurring of state and personal interests — and an example of an elite network serving an "integral element of the state" that is "located along the state/business nexus."

Russia/Gazprom imported large quantities of gas from the former Soviet republics of Central Asia. The Soviet-era pipeline routes carried oil and gas from the new nations into Russia, as opposed to ports that were closer or other states. Natural gas theoretically traveled across Russia for use in the Belarus, Moldova, Hungary, and one of its largest customers, Ukraine, for example. From Ukraine, much of the gas was ultimately delivered to Western Europe. Thus, control of the delivery of gas from the originating states to the ultimate customers created strategic leverage for the Kremlin.

One tactic to expanding this energy-driven empire was through the acquisition of critical infrastructure in Commonwealth of Independent States (CIS) countries by state-controlled energy companies. The acquisition of pipelines, refineries, and other pieces of the energy grid was most often accomplished by swapping out debt associated with fuel deliveries by cash-strapped nations, including Bulgaria, Hungary, Serbia, and Belarus. The "picture is of giant Russian corporations acting as component parts of a larger, single unit."[48] Control of energy infrastructure and delivery networks also afforded opportunities to generate cash: "Rent-seeking opportunities are thus facilitated through global energy networks kept under Russian state control

[47] Dawisha, *Putin's Kleptocracy: Who Owns Russia* (New York: Simon & Shuster, 2018): 281–282.

[48] Rafael Kandiyoti, *Pipelines: Flowing Oil and Crude Politics* (London: IB Tauris, 2012), 132.

and impervious to Western scrutiny," suggests Wallander.[49] These funds could themselves be used to advance Russian interests and buy favor.

The Energy Charter. The Russian state's view of energy pricing, delivery, access, and regulation was in direct conflict with the Western approach, as articulated through the Energy Charter Treaty, first signed in 1994. The U.S. and European Union wanted to bring former Soviet and Eastern European states into its regulatory space via the charter. "Extending the Rule of Law is seen as a mechanism for dealing with the issue of energy security and one that would lead to a single energy market," a model that Putin and Gazprom forthrightly opposed.[50] The Energy Charter aimed to "facilitate trade and cooperation between the Western European, former Soviet, and Eastern European energy sectors" and "had the basic thrust that energy trade should be governed by World Trade Organization rules and that investment, exploration, production, and transportation policy should be nondiscriminatory."[51]

The Energy Charter advocated a multilateral approach in an effort to create a "single regulatory space." Key components of the charter are open access to resources through a multilateral investment framework that aligns with the "obligations laid down in the principal frameworks for international investment." Russia and Gazprom favored bilateral agreements and

[49] Wallander, 118.

[50] Catherine Locatelli and Sylvain Rossiaud. "Russia's Gas and Oil Policy: The Emerging Organizational and Institutional Framework for Regulating Access to Hydrocarbon Resources," *IAEE Energy Forum*, First Quarter 2011: 24–25.

[51] Margarita M. Balmaceda, "Occasional Paper #291: Ukraine's Energy Policy and U.S. Strategic Interests in Eurasia." (Washington, DC: Woodrow Wilson International Center for Scholars, May 2004), 12.

opposed open access in its policies, which "reinforced Gazprom's monopoly over gas production and export with the purpose of preventing greater competition in the gas market in Europe."[52]

The Energy Charter is an example of Western efforts to use regulations to bring Ukraine and Russia specifically into the Western normative sphere. Some observers saw Russia's contrarian stance vis à vis the Charter and other Western-dictated energy rules as proof of its rogue status. For Wallander, Russia's "transimperialism" explains its "refusal to accept international rules of the game as defined by the liberal international economic order, including contracts and private investment in the energy sector."[53]

Others, such as energy analyst Jonathan Stern, viewed Russia's energy policies as dictated by mostly financial considerations, as Gazprom sought to "rationalize" its energy pricing and policies.[54] Further, Gazprom and other energy companies' status as nominally independent and their intersecting networks highlight that they were not merely state instruments to advance clearly articulated foreign policy goals. Corporate and other interests sometimes worked at cross purposes, and it was often difficult to ascertain where these various interests converged or diverged, Balmaceda notes, highlighting the "blurriness" of the system.[55]

[52] Locatelli and Rossiaud, 24–25.

[53] Wallander, 113.

[54] Jonathan Stern, "The Russian-Ukrainian Gas Crisis of January 2006," *Oxford Institute for Energy Studies*, 16, no. 1 (2006), 15–16.

[55] Margarita Balmaceda, *Energy Dependency, Politics and Corruption*, 7, 24.

Russian Soft Power

In this section, I will describe how Russian soft power is typically understood in the literature and also discuss other more obscured elements that can be viewed as essential features of Russian soft power.

The notion of "Russian soft power" may seem an unlikely or even paradoxical concept, as from its inception "soft power" has been used to counter illiberal powers, such as Russia. Yet in the wake of the color revolutions of the mid-2000s, Russia developed its own soft power arsenal. Many of its tools harken back to Soviet-era or even older methods. Some are quite similar in form and style of Western soft power strategies, yet others are quite specific to the Russian context. In fact, several current Russian soft power tools seem to have exploited its own perceived weaknesses and turned them to advance its agenda.

The Orange Revolution in Ukraine was a dramatic shock to the political elites in Russia. The mass movement (supported by Western powers) against the election of the Russian-friendly president Yanukovych, which the Kremlin viewed as an "NGO special operation," led to an immediate "strategic rethink of its *modus operandi*" and a resultant "new activism" with its own soft power tools, according to Wilson and Popescu. As Russian political observer Gleb Pavlovsky said of the Orange Revolution in late 2007:

> [T]his was a very useful catastrophe for Russia. We learnt a lot [...] It very quickly became clear that they [the West] would try to export this [type of soft power revolution] to us and that we should prepare for this, and very quickly

> strengthen our political system [. ...] In a year we had stopped the wave of Coloured Revolutions and turned it back.[56]

In 2005, Sergey Markov, a "political technologist" close to the Kremlin, urged the state to "create its own NGO networks abroad and provide financial assistance, know-how and education in political technologies and strategies in order to increase its influence," writes Sinikukka Saari.[57]

As Markov told Wilson and Popescu in late 2007, Russia opened a new "NGO front":

> Russia should use political technology internationally in Georgia and Ukraine — I don't think of these countries as independent — we should repeat what the United States is doing there. If we do ten times less than what U.S. is doing now, the result will be a pro-Russian government will be in power in Ukraine. Now we are doing one hundred less. The majority of the nation is in favour of Russia in Ukraine, so we just should help [set up] think-tanks, round tables, conferences, supporting media, exchanges, all these normal things.[58]

Formal soft power tools

Virtually all discussions of official Russian soft power efforts contain the following basic components. First, the Russian government created institutions that promote Russian language and culture, both domestically and abroad; this is especially important as Russian language use

[56] Wilson and Popescu, 319.

[57] Sinikukka Saari, "Russia's Post-Orange Revolution Strategies to Increase its Influence in Former Soviet Republics: Public Diplomacy *po russkii*," *Europe-Asia Studies* 66, no. 1 (2014): 50.

[58] Markov quoted in Wilson and Popescu, 320.

has declined among the states of the former Soviet Union. Less formally, popular culture products distributed by Russian language television, both often supported by the state, help disseminate not only the language but the notion of Russia as a cultural center, both domestically and in the near abroad. Second, pro-Russia media aimed at international audiences was modernized and expanded; the television network Russia Today (later RT) and Sputnik news agency are examples. Also, less obviously but importantly, Russian news agencies such as RIA Novosti and Inosmi were expanded; publications throughout the former Soviet Union often depend on them for their news feeds. Third, the Russian Orthodox Church, led by patriarch Kirill I, assertively led efforts to link people across the former Soviet Union — especially in Russia, Ukraine, Moldova, and Belarus — the *Ruskii mir* ("Russian world"). Fourth, the state advanced the cultivation of "compatriots" — those persons who live abroad who are linked to Russia, either ethnically, culturally, or linguistically — as both an issue (as persons whose rights must be protected) and as a source of support for lobbying and other efforts to promote Russian interests. To advance these issues, the Russian government created a number of NGOs that support the Russian government agenda, such as advancing Russian language, working against EU accession by former Soviet states, publicizing perceived human rights abuses in the former Soviet republics, and promoting more conservative values as well as the Russian Orthodox Church.[59]

Many of these methods are obviously similar to Western soft power tools — NGOs, institutes, cultural foundations, language programs, media outlets, and popular culture products — that seek to make Russia more attractive by widening its cultural, political, and linguistic appeal.

[59] Rotaru, 38. He describes Russian-state sponsored NGOs as "NGO-like structures."

By 2013, soft power as a Russian foreign policy tool was formally introduced in the "Concept of the Foreign Policy of the Russian Federation." The Concept reiterates the "risk of destructive and unlawful use of 'soft power' and human rights concepts to exert political pressure on sovereign states" but also describes it as "an indispensable component of modern international relations" — in other words, as both threat and opportunity, notes Rotaru.[60]

The effectiveness of Russia's more traditional soft power efforts are open to question, and its *Ruskii mir* project was widely deemed a failure. Yet the Kremlin used other, less widely acknowledged soft power tools. Specifically, the Russian government employed both its dominant religion and its conservative value system as well as its business model — neither widely successful and narrow in appeal — to advance its goals. Further, both serve agendas that are often specifically in contravention of the until-now dominant neoliberal economic model and Western cultural, legal, and economic norms.

Older traditions, newer methods

For Andrei Tsygankov, Russian use of soft power has an old history. He posits that the Russian empire depended on carrots as much as sticks while attempting to control a large landmass with difficult-to-defend borders, relying "not only on coercion but cooptation and co-existence with others." However, he notes that Russia's eastern Christianity had limited appeal beyond a narrow geography, its economic performance forever trailed the West's, and the Russian polity was often forced to apply hard power tactics "to defend its borders," thus limiting its attraction.[61]

[60] Rotaru, 37.

[61] Andrei P. Tsygankov, "Moscow's Soft Power Strategy," *Current History* 112 (October 2013).

Yet "political technologists" close to the Kremlin shaped these two aspects of seeming disadvantage — a narrowly appealing Christianity and a business and economic model forever less successful than the Western system — into tools of Russian soft power as distinct counterpoints to Western norms and hegemony. These features were based on different sets of values, offering a conservative Christianity and a less complex, less "foreign" business environment. These broadly encompass the culture, value, policies, and institutions named by Nye as the "primary currency" of soft power.

"Civilizational" Values and Culture. In 2008, Foreign Minister Sergei Lavrov was the first Russian official to argue that "competition is becoming truly global and acquiring a civilizational dimension; that is, the subject of competition now includes values and development models." By 2013, the Russian foreign policy Concept had incorporated the sentiment by describing the global system in terms of "rivalry of values and development models within the framework of the universal principles of democracy and the market economy."[62]

An important venue through which issues of culture, values, and ideas about "civilization" have been instrumentalized has been the Russian Orthodox Church. As Rotaru notes, the church was "the only institution that maintained its jurisdiction over the entire post-Soviet territory." The Church works closely with the government to serve as a binding tie for Eastern Orthodox Christians and a political force. Further, the Church's efforts often seem to directly serve political ends in Ukraine, Belarus, and Moldova.[63] In the process, Russian

[62] Sergei Lavrov and Foreign Policy Concept as quoted in Tsygankov, "Moscow's Soft Power Strategy."

[63] Rotaru, 41–42.

Orthodox bishops have become part of the ruling elite, note Alexander Bogmolov and Oleksandr Lytvenenko.[64]

To advance the cultural and values agenda, the Russian Orthodox Church aggressively promoted the *Ruskii mir* concept, which had become part of official state discourse by 2007. The "Russian world" is an "imagined community" based on a shared culture, language, and epic past among the post-Soviet nations, as described by Valentina Feklyunina.[65]

For Feklyunina, that Russian identity was based on a hierarchical relationship with the post-Soviet states with Russia at the center; a specifically narrated past; and a value system distinct from the West's, with a "particular pattern of state-society relationship" and a separate civilization. As she notes, the Russian interpretation posits that "for the 'Russian world' to stay alive and continue to uphold its values, all of its constituent parts had to draw closer to resist any attempts to leave the common space."[66]

Kirill widely promoted the "Russian world" framework; for example, he stated in 2009 that "the core of the Russian World today is Russia, Ukraine, and Belorussia."[67] Russia was always "guided" by Christian ideals, Tsygankov suggests, ideals that were replaced by Soviet ideology but later reformulated using older values and rhetoric. "By adopting the language of a

[64] Alexander Bogomolov and Oleksandr Lytvynenko, "A Ghost in the Mirror: Russian Soft Power in Ukraine," Briefing Paper (London: Chatham House, January 2012): 12.

[65] Valentina Feklyunina, "Soft Power and Identity: Russia, Ukraine, and the 'Russian World(s),'" *European Journal of International Relations* 22, no. 4 (2016): 773, 783.

[66] Feklyunina, 785.

[67] As quoted in Bogomolov and Lytvynenko, 12.

distinct civilization, the Kremlin is trying to articulate a system of internal values as the latent element of soft power," he writes.[68]

Thus, the narrow geographic appeal of the Russian Orthodox Church was used to create a specific insular identity that could forge a "cultural and spiritual unity"[69] distinctly at odds with the West and that could advance its agenda in the so-called Near Abroad. Further, those conservative values could serve as a defining force at odds with values — often elite driven — promoted by the West.[70] These "traditional," anti-Western values were nothing less than an "indictment of post-modernism, multi-culturalism, and liberal democracy itself," notes James Sherr,[71] a message that could resonate in Western and Central Europe and beyond.

For Tsygankov, those values involve not only "an authentic concept of spiritual freedom inspired by Eastern Christianity" but also "the idea of a strong, socially protective state capable of defending its own subjects from abuses at home and threats from abroad."[72] The notion of the "strong state" that intimately manages the market is theoretically antithetical to the free market–driven Western model. These values, which the "elites" as described by Manners who drove EU policy would perhaps see as doomed to extinction, could then become a rallying cry for those disaffected by the integrative process.

[68] Tsygankov, "Moscow's Soft Power Strategy."

[69] Bogomolov and Lytvynenko, 12.

[70] See Manners, 245–252.

[71] Sherr, "The New East-West Discord," 63.

[72] Tsygankov, "Vladimir Putin's Last Stand," 87.

Russian soft power in Russia's Near Abroad also "offers benefits to the average citizen, albeit of a different type than it offers to elites" that are in counterpoint to liberal Western values: not only visa-free travel and access to the Russian labor market, but also "the promise of authoritarian public goods that are still valued in local political culture, like stability, law-and-order and generous welfare," Wilson and Popescu note. "The Putin regime's demonization of the 'anarchic' 1990s resonated throughout the region, undermining many of the new states' foundation myths."[73]

Economics and "Bizness." Another less-discussed and specific aspect of Russian soft power is the active use of "network diplomacy," or the web of business relationships that binds elites and others within the post-Soviet space.[74] Because business and government elites are so tightly interwoven in Russia, the networks are effective at advancing Russian state interests. Russian "business abroad implies the expansion of Russia's business model abroad," Sherr suggests. "Business enhances Russia's 'foreign policy potential,' Russian foreign minister Sergei Lavrov wrote in 2004. " Further, 'special services' play a facilitating and enabling role in leading economic entities with foreign investments and interests," Sherr notes.[75]

Many of these business relationships are based on historical and economic reality. Soviet-era infrastructure and pre-existing business relationships as well as common language continued

[73] Wilson and Popescu, 321.

[74] Bogomolov and Lytvynenko, 6.

[75] Sherr, "East-West Discord": 64–65; Lavrov is cited from "Diplomacy and Business" *Mezhdunarodnaya Zhizn'* (*International Affairs*), April 6, 2004.

to tie what Soviet planners once called the "single economic complex" via low transaction costs, Tsygankov notes.[76]

"Doing business" à la Russe is comfortable for old-school business elites and others in post-Soviet countries whose "mental horizons are firmly situated in Russia," and who can be "apprehensive" of not only Western political and economic dominance but of normative Western business behaviors constricted by the regulatory state — an apprehension "rooted in the working culture and uncompetitive practices" of business.[77,78] In direct counterpoint to the Brussels-driven regulatory approach of the EU, in Russia, "economic relations are networked rather than rules-based," writes Sherr: "there are perfectly rational individuals who find Russia's network-centered business model more attractive and financially rewarding than the EU's elaborately codified, rules and right-based model."[79] "If Europeans see the EU as an empire of rules, from the outside it seems an empire of red tape," note Wilson and Popescu.[80] Further, many entrepreneurs also find Russia-facing business practices more comfortable because they offer more opportunities for transactions the West would label as corrupt, in a culture where "gift giving" is engrained.

[76] Tsygankov, "Moscow's Soft Power Strategy."

[77] Bogomolov and Lytvynenko, 13.

[78] Bogomolov and Lytvynenko, 6.

[79] James Sherr, *Hard Diplomacy and Soft Coercion: Russia's Influence Abroad* (London: Chatham House, 2013); Sherr, "East-West Discord": 63.

[80] Wilson and Popescu, 325.

The specificity of the current Russian model — in terms of its "civilizational" values and economic-business regime — allows a counterpoint to the contemporary Western liberal order and an example of how Russia has used its "out of the mainstream" role to effect. Further, the Russian model can actively undermine Western cultural, legal, and economic norms via the power of attraction.

Operationalization. Russian soft power is attractive but not necessarily appealing. "Russian power is not only hard and coercive. Russian soft power does not make any of its neighbours want to join the Russian Federation. Nor does it help sell Russia as a model for modernization. But soft power is not only about positive things such as democracy and integration. Soft power is about making others want what you want, even if that means building illiberal capitalism, not allowing the OSCE to monitor elections or sustaining corrupt cross-border networks."[81] Effective attacks on the Western order "better illustrate the 'power of attraction' of Russian critiques of the West than anything authentically attractive about Russia itself."[82]

Russian soft power works because it makes tangible benefits available to those who sign on. "Where the EU offers speeches" to its eastern neighbors, "Russia offers material interests and hard bargains," say Wilson and Popescu.[83] In their view, Russia offers "increased prosperity in exchange for geopolitical alliances through economic integration, differentiated gas prices and access to the Russian labour market."

[81] Wilson and Popescu, 319.

[82] Sherr, "East-West Discord," 64.

[83] Wilson and Popescu, 327.

Russia does so by redefining "democracy" and offering a "totally different," much less complicated set of "rules of the game" than the Western liberalism offered by the EU, for example. Russia has "challenged the presumption that the EU can define what is democratic and what is not." In its concept of "sovereign democracy, Russia "helps legitimate the idea of a 'national path' towards democracy and disguises local authoritarian features."[84] The Kremlin supports the process by exporting "its own particular brand of 'political technology' and the 'kickback economy.'"[85]

Saari links what he calls Russian "public diplomacy" efforts directly to methods used by the Communist Party of the Soviet Union, in offices simply renamed and repurposed. Thus, Russian-friendly NGOs are similar in style and substance to the former "friendship societies" of the Soviet era. Covert methods used during the Soviet period that have been newly refashioned include disinformation, use of agents of influence (someone who "subtly and artfully uses his or her position, influence, power, and credibility to promote the objectives of a foreign power in ways unattributable to that power") and front organizations ("an entity set up by and controlled by another organization … behind the scenes so that the actual chains of command are not apparent"). Another method is "active measures," aimed as "influencing the policies of another government, undermining confidence in its leaders and institutions, disrupting relations, and discrediting and weakening governmental and non-governmental opponents of the state." Saari

[84] Wilson and Popescu, 328.

[85] Wilson and Popescu, 319.

notes as does Nye that public diplomacy has grown in importance with the technology and communication revolution, at the expense of traditional diplomacy.[86]

By the mid-2000s, the EU and wider West were no longer the "only game in town" in the Near Abroad. "If Russia felt initially that it was outplayed by Western soft power, it has now taken up these methods, distorted them in its image, and turned them back against the West."[87]

Although the Western use of soft power was highly influential between 1990 and the Orange Revolution of 2004, Russian efforts to counteract this influence became consistently more effective. The Russian state created a mirror of Western soft power to achieve policy goals in neighboring states.

Thus, if as Del Sarto imagines the EU regulatory state advancing the EU's interests at its periphery, the current Russian model offers an alternative pushing back from the opposite direction: one that is more straightforward, easier to comprehend, less bureaucratic, and that creates less static in its neighbors' internal management.

[86] Saari, 53.

[87] Wilson and Popescu, 318–319.

The Soft Power War in Ukraine: The Case of RosUkrEnergo

This case study examines the shadowy energy business RosUkrEnergo, its alleged ties to organized crime, and its role as an agent of Russian foreign policy in Ukraine. The company serves as an example of Russian soft power in Ukraine. RosUkrEnergo was an intermediary company used to transfer gas from Russia to Ukraine and beyond. The following offers some of the most important political, historical, and economic context.

Criminal Networks or Violent Entrepreneurs?

Physical structures, civilizational community, and shared history are not the sole legacy of the Soviet era in Ukraine. The relationship between criminal organizations of the Soviet Union and the state was defined in the gulags and is specific to the post-Soviet states, and Ukraine plays an outsized role. In the Putin era, the established, efficient, highly organized, and profitable crime networks have effectively blended with the state structure and serve its ends.

The *vory*

Criminologist Mark Galeotti traces much of the current interplay between organized crime and the Russian state to the structures and compromises forged in the gulag system, the network of prison and labor camps that dramatically expanded under Josef Stalin. Millions of persons passed through the camps over a generation, including hardened criminals, political prisoners, and ordinary citizens. Over time, the vast nationwide prison network helped create a more homogenized professional criminal caste across the Soviet state, with specific codified

rules and rituals: the *vory*. One critical aspect of the *vor*'s code was a refusal to work for the state in any capacity, including camp labor assignments.[88]

By the end of World War II, the gulag system had ballooned, and undermanned camp administrators relied on collaborators to maintain control. Immediately upon Stalin's death in 1953, administrators reorganized the dysfunctional camp system and released hundreds of thousands of prisoners, with the collaborators among the first to gain freedom.

The remaking of the *vor*'s code — to never to work for the state — thus morphed into the collaborator's functional code — that cooperation with the state was acceptable, even desirable, if it included a direct benefit: "The way would be open for a new generation of *vory* to collaborate with dishonest Party functionaries when they felt it was in their interests." The *vory* now welcomed collaboration with the state if it involved tangible gain. The collaborationists' transactional view became the *vory*'s sustaining ethos through the Soviet era and beyond, creating a dynamic that Galeotti considers "Stalin's toxic legacy."[89]

[88] Galeotti, *Vory*, Chapter 3.

[89] Galeotti, *Vory*, 60. Overwhelmed, understaffed camp administrators came to rely on collaborators (*suki*, or bitches) to maintain minimal order. The uneasy standoff between *vory* and *suki* culminated in the so-called bitches war in camps across the country, with the support of camp administration. The war raged for years, mostly fought in vicious hand-to-hand combat, and resulted in thousands of deaths (Chapter 4). In the end, the *suki* won and so did their collaborationist ethos, which for Galeotti was a foundational event in the long-running and ever-syncretizing relationship between the criminal class and the state, and the bleeding of the values embedded in this dynamic to society at large. Galeotti's underlining of the *vory*'s collaborationist ethos (involving an explicit exchange of benefits with those in power and mutual protection) is critical, as *vory* are virtually always depicted as refusing to work with any authority.

Through the communist era, criminals forged an alliance with black marketers as well as Communist Party officials. Many saw the Communist Party itself a functionally criminal. The distinction of "legal" and "illegal" blurred. Over time, the "gangsters" became middlemen, supplying in-demand goods and services. In the *perestroika* years under president Mikhail Gorbachev, the loosening of economic rules created more opportunities; for example, the new state-created cooperatives became almost wholly controlled by organized crime, thus helping further fuse business and criminal interests.[90]

Criminal Networks in the New State. By the time the Soviet Union dissolved in 1991, the criminal networks had solidified their position: they were entrepreneurial, organized, efficient, connected to those in power, and with access to capital. As institutions fell away, what sociologist Vadim Volkov calls "violent entrepreneurs" were perfectly poised to fill the void. Criminal organizations often took on essential roles while state institutions were low or non-functioning. The state security services and the justice system especially were minimally functional, and criminal networks offered protection as well as mediation services (while creating the need for them, as well). Many members of the justice and security systems became enforcers themselves or joined private security groups. Meanwhile, state security services often provided information or protection to these groups for a fee.[91]

The criminal groups also provided a critically important service as state assets were dismantled and sold off through the 1990s: money management. The criminal organizations had the expertise to launder funds and move them to safe havens in the West, including borderland

[90] Galeotti, *Vory*, 102.

[91] Volkov, *Violent Entrepreneurs*, xii.

states with stable banking systems such as Austria and Hungary.[92] Moving money abroad was imperative for the newly wealthy and while the ruble was in decline; this was especially true for those connected with the state, whose fortunes could shift from one day to the next.

The criminal caste grew newly predominant at a time when "the definition of crime was subject to constant revisions" as the criminal code was under review, and "the concept of deviant behavior withered away along with stable norms shattered by the speed of social change."[93]

What actually defined the "state" grew indistinct. "Under the conditions in Russia in the mid-1990s, where the boundaries between public and private violence became blurred, when the de facto capacity to enforce and thereby define justice gained priority over written laws, when protection and taxation were increasingly privatized, the very existence of the 'state' as a unified entity and of the public domain itself was called into question"[94] "Boundaries between business, politics, and crime was at best hazy, at most meaningless" as "the tools and attitudes of organized crime came to permeate the system as a whole."[95]

As for the market "reforms" of the Yeltsin years, the criminal networks were integral in the process from the start, not only profiting but helping steer it. A case in point is the "loans for shares" program in the early 1990s. Criminal organizations collected vouchers of the newly privatized companies and aggregated them, and then sold the bundles to would-be oligarchs. "Russian organized crime was from the first not just a part of the emerging system but a

[92] Galeotti, *Vory*, 111.

[93] Volkov, xii.

[94] Volkov, xii.

[95] Galeotti, *Vory*, 113.

stakeholder able to shape its evolution"[96] as members could "take advantage of the crash privatization, legal anomie, and state incapacity that characterized the Yeltsin years."[97]

Putin and "vertical criminal integration"

After his ascension to power in 2000, Putin sought to rein in the vast and expanding criminal networks (and associated street violence, which had raged unabated), just as he had with the oligarchs. Putin reportedly offered a *modus vivendi*: he would not interfere with their criminal activities as long as the Kremlin could use them when needed and they did not challenge the state's own power. Lower-order violence, which had exploded in the 1990s, was no longer tolerated.[98] In essence, the more sophisticated "gangster businessmen" grew more enmeshed with the state after Putin came to power, as members of state security became more connected with the nonstate networks, and the lines further blurred between upperworld and underworld.

"The result was that higher-order organised crime became increasingly regularised, corporately minded and integrated with elements of the state."[99] The state in effect renationalized the more sophisticated criminal organizations, in a "vertical criminal integration."[100]

[96] Galeotti, *Vory*, 113.

[97] Galeotti, "Crimintern," 2.

[98] Galeotti: "Crimintern," 2.

[99] Galeotti, *Vory*, 119.

[100] Galeotti: "Crimintern," 2.

Putin found use for the criminal networks beyond Russian borders as a de facto "auxiliary wing of Russian intelligence services."[101] They could collect intelligence, conduct cybercrime operations, generate "black cash" (operational funds for "active measures" abroad), operate "front" companies, and serve as agents of influence, as well as a force multiplier. For Galeotti, Putin is "using organized crime as an instrument of statecraft abroad" in his struggle with the West.[102]

Criminal Networks in the Network State. In a reflection of the Russian state itself, so-called Russian-based organized crime is a series of interconnected networks whose members are fluid in alliances shifting, its structure flat and post-modern: it is comprised of "not so much clearly defined groups with their own names, strict hierarchies, and cultural identities — like the Sicilian Cosa Nostra — but by networks of criminal groups and individuals, connected, sometimes tenuously and temporarily, through mutual interests and shared underworld enterprises," with networks that are "fluid, interpenetrating, and obscure" that help render their functioning and decision making opaque.[103] For Galeotti, these criminal networks function much

[101] Galeotti, "Crimintern," 7.

[102] Galeotti, "Crimintern," 2.

[103] Galeotti, "Crimintern," 4. The term "Russia-based organized crime" (RBOC) is Galeotti's; for him, this nomenclature reflects that RBOC has been "instrumentalised by the Russian security apparatus": "the term is defined by the connection of criminal to Russia and its state apparatus above and beyond anything else. RBOC's crucial feature is that its members, while operating abroad, have a strong stake in Russia, regardless of their official nationality, residence, or ethnicity," thus including members from the former Soviet republics. Their enduring ties to Russia are key, as this gives the Kremlin leverage. "Crimintern," 5.

like any other professional network, providing access to opportunities and capital as well as reliable information about services and trusted contacts.[104]

Thus, what the West calls "organized crime" serves a state role in Russia at a time when official institutions function more as facades of state power. The question is whether Russian organized crime functions as a mirror image to Western soft power tools, simply diffused with and embodying an illiberal value system. As Galeotti notes, by the 1990s, the criminal ethos had evolved into the value system of the Russian state and society at large: "the *vory* and their values had moved to the heart of the state, in the culmination of a process begun in the first half of the twentieth century."[105]

In sum, Russian-based criminal organizations are reflective of the nature of the contemporary Russian state and grew in tandem with it. They comprise some of the many networks that work around and through state institutions in a series of shifting partnerships and alliances and that benefit from the general fog of diffused responsibility offered by *sistema*.

Organized Crime as a Soft Power Tool

The expansive growth of organized crime, and specifically organized crime of the former Soviet Union, can be seen in parallel to the exponential growth of Western-based NGOs from the

These ties create a network linking former Soviet republics that can act on behalf of the Kremlin when necessary, a shimmering virtual shadow of the Soviet Union. This network shares the characteristics with NGOs that Nye viewed as making them effective wielders of soft power, as discussed earlier in this paper: they create virtual communities that span borders and effectively mobilize networks to affect opinion.

[104] Galeotti, *Vory*, 127–128.

[105] Galeotti, *Vory*, 209.

1990s and benefitting by the same forces. The ever-accelerating ability to transfer money, images, and information around the world as well new opportunities for cross border travel and trade created vast new markets, all leading to the growth of truly transnational criminal organizations.[106]

In 2001, Galeotti remarked on the move by states from emphasizing hard power to soft and the use of criminal enterprises to expand state power, noting the "shift away from interstate conflict being expressed by direct war and towards the sublimation of such rivalries into indirect competition. … In the quest for deniable agents for covert competition and destabilization, organized crime — mercenary, steeped in its own tradecraft, avowedly conspiratorial — offers key advantages to states and their intelligence apparatuses."[107] Galeotti's analysis would seemingly presage Putin's later stated views on an expanded notion of soft power.

Russia-based criminal organizations model the main features of traditionally defined soft power, including power through attraction — in this case via access to financial opportunities, success, power, and protection — but minus the traditional liberal value system. The organizations also accurately reflect the illiberal values of a system that they helped create.

Russian-based organized crime serves as a shadow of the former Soviet Union and Eastern bloc, a binding tie similar to that of the Russian Orthodox Church. Rotaru notes that the Russian Orthodox Church was "the only institution that maintained its jurisdiction over the entire post-Soviet territory." However, it is more true to say that the Russian Orthodox Church is the

[106] Galeotti, "Underworld and Upperworld: Transnational Organized Crime and Global Society," in *Non-State Actors in World Politics*, edited by Josselin and Wallace, 203–205.

[107] Galeotti, "Underworld and Upperworld: 216.

only visible "upperworld" institution that "maintained its jurisdiction" across the former Soviet Union. Both the Russian Orthodox Church and Russian-based organized crime serve similar functions for the state by delivering alternate value systems and norms to those of the West, and both serve as forces of attraction and tools of soft power.

Solntsevo

Perhaps the most powerful of the post-Soviet criminal "clans" to emerge in the 1990s was Solntsevo. Originally based in the suburbs of Moscow, Solntsevo expanded during the Gorbachev years into financial operations, serving in a semi-official role as mediator and contract enforcement as well as money management. The group was especially present in Crimea and southeastern Ukraine.[108] Key members expanded operations internationally to take on vast state-linked infrastructure projects; for example, the Solntsevo "chief" was involved in the construction of a natural gas pipeline between Turkmenistan and Ukraine via Russia while living in Switzerland in the mid-1990s.[109]

Mogilevich. By the late 1990s, "mobster banker"[110] Semion Mogilevich had become the nominal, ultimate head of Solntsevo and one of the most powerful men in the former Soviet

[108] Galeotti, *Vory*, 148.

[109] Volkov, 123. Sergei Mikhailov was arrested and jailed in Switzerland in 1996, just he was bidding on a large infrastructure project in Moscow. Pending trial, one person connected to the case was shot dead; Mikhailov was acquitted. In 2016 Mikhailov was one of the first persons to take advantage of Russia's new "right to forget" law. He always claimed to be "just a businessman" and "enjoys close ties with the Russian Orthodox Church": a figure who melds upperworld and underworld value systems. Galeotti, *Vory*, 79; Farangis Najibulla, "Alleged Russian Mobster Uses 'Right-To-Forget' Law To Break With His Past," Radio Free Europe/Radio Liberty, June 1, 2016.

[110] Galeotti, "Crimintern," 2.

Union, controlling a vast multinational organized crime network. Mogilevich was known for highly complicated, multilayered financial products that could be used to launder money and move it out of the country. He employed an army of PhDs put out of work by the collapse of the Soviet Union: programmers, economists, and mathematicians, as well as former KGB personnel.

Based in Budapest by the late 1990s, Mogilevich used the stable baking systems of the borderland states to transfer money and more between East and West. Mogilevich's operations included brothels in Europe, Israel, and Russia, human trafficking, gambling and racketeering operations, extortion of high-profile businessmen, and complex financial instruments.

By the time Mogilevich returned to Moscow around 2001, Solntsevo was found in 20 countries, a truly transnational organization, with a "major presence" in the U.S., Hungary, Austria, and Israel.[111] Galeotti suggests that for the Kremlin, Mogilevich's operations "generate and move money around for the purpose of attaining intelligence" and "provide agents of influence for Moscow," as front companies that manage and hide investments that can be used as cover for operatives, and to "generate political and financial influence."[112]

[111] Galeotti, "Underworld and Upperworld," 207.

[112] Galeotti, "Crimintern," 7. Galeotti notes in that 2017 paper that with the tipping of the Hungarian government toward Moscow, there is "growing concern" among intelligence analysts that "a new wave of legitimate investment in Hungary will be mirrored by renewed criminal ties and funds" from Russia-based organized crime; Solntsevo was long based in Budapest, for example. In 2019, a small Moscow bank whose director was an apparent Russian intelligence agent relocated from Moscow to Budapest, and the Hungarian parliament soon granted the bank effective immunity from financial or criminal investigation. This bank may represent a blending of financial, intelligence, and criminal operations that express effective Russian soft power as it offers money, opportunities, and

Ukraine

In the mid-2000s, Ukraine was an area of ongoing contestation between Russia, for which Ukraine was a strategic bulwark, and the U.S., NATO, and European Union, which saw Ukraine as part of an expanding periphery where Western norms and military alliances could strengthen the Western-led order and perhaps permanently weaken the Russian state.

Ukraine is one of the largest post-Soviet states both geographically and in terms of population. During the Soviet era, Ukraine was not only the heart of much of Soviet heavy industry but also its breadbasket; the socialist republic was also home to nuclear missile sites prepared for war with the West. After 1991, the independent country of Ukraine, with its long border shared with Russia, was consistently considered by Russia as part of the wider Russian civilizational space.

Political Gridlock and Economic Decline. Despite tremendous advantages — an educated workforce as well as agricultural and resource wealth — Ukraine trailed behind its neighbors after "independence." The continuing legacies of a deeply corrupt state; unreformed agricultural, economic, and legal sectors; the dominance of tremendously inefficient state-owned companies; and very limited foreign direct investment created an environment in which Ukrainian citizens saw a continuing annual drop in their standard of living after 1989. In a highly riven political environment, the government of Ukraine never made a serious effort to undertake

protection. Matt Apuzzo and Benjamin Novak, "Hungary Rolls Out Red Carpet for Obscure Russian Bank, Stoking Spy Fears," *The New York Times,* March 18, 2019.

economic reforms, and so as the economies of neighbors Poland and Hungary grew, gross national product in Ukraine declined, and by 2005, was lower than in 1989.[113]

By the mid-2000s, the country's exports remained largely centered on CIS countries, with mostly the same clients it had during the Soviet period, and the country's 25 largest enterprises remained mostly the same as they had been in the early 1990s.[114]

Energy Sector. From independence, the energy sector in Ukraine was steeped in corruption, driving much of the political agenda — and chaos. For example, various powerful political and criminal interests had vied for control of the natural gas sector from the early 1990s. Then-president Leonid Kuchma of Ukraine acknowledged as much when he "stated on television in 2000 that the 'key sector' fuel and energy was 'the most criminalised, according to the opinion of all experts. It is also too politicized.'"[115]

Cheap fuel from Russia and limited foreign investment meant that, even by the mid-2000s, large steel mills and processing factories in Ukraine continued to rely on the same

[113] International Finance Corporation, "Ukraine: Opportunities and Challenges for Private Sector Development" (Washington, DC: The World Bank, 2014), 17–18.

[114] International Finance Corporation, 25, 28–29.

[115] Global Witness, "It's a Gas: Funny Business in the Turkmen-Ukraine Gas Trade" (Washington, DC: Global Witness Publishing, 2006), 22. "Global Witness is a British-based non-governmental organisation which investigates the role of natural resources in funding conflict and corruption around the world"; 2. The in-depth report by a European NGO that advocates transparency into a corrupt criminal-linked, Russian state–backed gas deal in Ukraine is an example of competing forms of soft power.

technologies and wasteful processes used in the Soviet period.[116] Heavy industry was concentrated in the country's south and east, close to the Russian border.

The energy sector's distorted incentives created vast inefficiencies. By the mid-2000s, Ukraine's energy use was almost twice as high as the world average, and consumption nearly four times higher than in neighboring Poland.[117]

Unsurprisingly, those who controlled these "rust belt" industries reliant on cheap fuel were tied to and controlled political power structures. An example is Rinat Akhmetov, perhaps Ukraine's richest oligarch, who controlled much of the extraction processes in the south and east and who subsidized the rise and career of the Russia-leaning future president Viktor Yanukovych and his political party, Party of Regions.[118]

For these reasons, Western governments advocated for the ratification of the WTO-oriented Energy Charter. "As a transit-oriented country largely dependent on transit revenue for the satisfaction of its own energy needs, Ukraine stands to benefit greatly from the full application of the Energy Charter. … The charter seeks to protect transit from political disputes, a main problem in the Ukrainian–Russian relationship," noted Balmaceda, writing for a major Washington-based think tank.[119]

[116] International Finance Corporation, 17.

[117] International Finance Corporation, 29.

[118] U.S. Senate, "Report for the Select Committee on Intelligence, United States Senate, on Russian Active Measures Campaigns and Interference in the 2016 U.S. Election, Volume 5: Counterintelligence Threats and Vulnerabilities" (U.S. Senate, Washington, DC: 2020), 36.

[119] Balmaceda, "Ukraine's Energy Policy" 12.

Soviet legacies

When Ukraine gained its independence in 1991, its physical infrastructure was one of the many ties that continued to link and integrate it with the former Soviet states, especially Russia. Steel mills, coal mines, and iron ore extraction had formed the core of industry in the socialist republic of Ukraine, tied to pipelines that delivered gas from Central Asia.

Infrastructure. Soviet-era pipelines that traversed Russia delivered natural gas to Ukraine to generate electricity, mostly with gas from the former Soviet republics that became Turkmenistan, Uzbekistan, and Kazakhstan. By 2006, 50 percent of the gas Ukraine imported theoretically originated in Turkmenistan, carried on Russian government–controlled Gazprom pipelines. Turkmenistan had been Ukraine's main gas export partner from the early 1990s.[120]

The same pipeline infrastructure made Ukraine the most important transit point for gas deliveries to points beyond, including Germany, Poland, and Italy, where the gas was sold at world market prices. By the mid-2000s, over 80 percent of the gas that Russia exported to Western Europe traveled through Ukraine.[121]

Subsidized Fuels. Another legacy of Ukraine's Soviet past was subsidized fuels, upon which its heavy industries depended. The costs of natural gas were kept low during the Soviet era, and after 1991 fuel prices remained in essence subsidized; Russia delivered gas to CIS nations at below-market rates. Ukraine's extractive and processing industries were notoriously inefficient, as the low-cost fuel created no incentive to limit energy use. In 1994, those subsidies ended; however, Russia permitted the cash-strapped former Soviet bloc nations to defer payment,

[120] Global Witness, 21.

[121] Global Witness, 21, citing statistics from the U.S. Energy Information Administration.

allowing them to accrue debt. Complicated, nontransparent, sometimes bizarre barter payments were also used for payment.[122]

Rents. The price differential between natural gas delivered to Ukraine and the world market price created manifold opportunities for profit via arbitrage by those with access to gas supplies. By 2000, the state gas company, Naftogas Ukrainy, was an enormous source of rents, not only for those at its levers but also for politicians who used it as a key generator of income that could be used as a slush fund to buy favor and influence.

The use of barter-based exchanges, debt, and the drug of cheap gas allowed the Ukrainian political structure to continue to defer painful economic and political decisions to wean the economy away from outdated manufacturing and processing processes. The dependence on cheap gas by political and business elites had created a system centered around what Balmaceda calls the "rents of energy dependency."[123] That energy dependency favored close and sustained ties with Russia, facilitated by rent-generating intermediary companies with longstanding ties to organized crime: a clear example of Russia exercising soft power via nonstate actors to promote and sustain illiberal values to advance its agenda.

[122] Global Witness, 5. The report cites the example of an early intermediary company that exchanged gas with Turkmenistan for 12 million pairs of galoshes. The company's chief executive, Igor Bakai, later served as head of Naftogas Ukrainy during the presidency of his close ally Kuchma. Bakai fled to Russia after the Orange Revolution.

[123] Balmaceda, *Energy Dependency, Politics and Corruption.*

Intermediary companies

The use of intermediary companies to transfer gas from Russia to Ukraine was a mechanism deployed since the early 1990s to generate and siphon away income from the gas transactions between the two countries. These arrangements were part of a "well-established pattern [by Russia] of settling the gas disputes with Ukraine through 'friendly' deals involving nontransparent companies and undisclosed beneficiaries."[124] Barter deals, which allowed for arbitrage between CIS pricing and world market prices, were embedded in these contracts, creating lucrative rent-generating mechanisms, one of many.[125] Early intermediaries were Itera and EuralTransGaz.

Itera. In the mid-1990s, Gazprom had created Itera, a gas trading company subsidiary, to serve as an intermediary with Turkmenistan. During the Yeltsin years, when state control of Gazprom was weak and in effect the personal domaine of upper management, Gazprom directors stripped selected assets from Gazprom and placed them in Itera and then ensconced family members in management. By 1994, Itera had entered the Ukrainian market, bringing in cheap gas from Turkmenistan through Gazprom pipelines — although Gazprom could easily have bought the gas directly from Turkmenistan. (It was during this period that Solntsevo-connected Mikhailov constructed gas pipelines in Turkmenistan.) By 1999, most Russian gas sold to

[124] Baev, 124.

[125] Global Witness. The report argues that the barter provisions appear to have been created simply to enhance rents, as they are "inherently vulnerable to mispricing, tax evasion, and corruption."

Ukraine was going through Itera; the mechanism generated massive profits by underpaying Gazprom and overcharging Ukraine for cheap gas.[126]

After Putin reasserted state control of Gazprom, in June 2001, the new Putin-installed leadership began to rein in the side deals of previous management. Gazprom replaced Itera with a new intermediary, the Hungarian-registered EuralTransGaz, in late 2002.

EuralTransGas. EuralTransGas (ETG) was registered in Budapest on December 4, 2002, with a reported $12,000 in start-up capital. The brand-new ETG and massive Gazprom signed a contract the next day to transport gas from Turkmenistan to Ukraine over Gazprom pipelines. ETG owned no transportation vehicles or storage facilities. Its own ownership was obscure, shrouded by a byzantine series of holding companies.ETG's managing director was a Soviet-era Hungarian cultural ministry bureaucrat with no apparent experience in the energy business.

Soon thereafter, the U.S. ambassador to Ukraine publicly raised concerns of links between ETG to Mogilevich, describing the deal as one that "would once again make Ukraine fully dependent on Gazprom for its natural resources" by 2007.[127]

Although the ETG contract was set to run through at least 2006, in July 2004, a new deal was signed. The new deal named another brand-new and untested intermediary with nontransparent ownership to deliver Turkmen gas to Ukraine and beyond: RosUkrEnergo.[128]

[126] Balmaceda, *Energy Dependency, Politics and Corruption,* 56, 112; Baev, 24; Global Witness, 7.

[127] Carlos Pasquale, "Ukraine: The Road to Energy Security," Speech for Sixth International Conference "Energy Security of Europe in the XXI Century," May 28, 2003.

[128] Stern, "The Russian-Ukrainian Gas Crisis of January 2006": 4.

RosUkrEnergo

RosUkrEnergo (RUE) was registered in Zug, Switzerland on July 22, 2004. Four days later, President Kuchma of Ukraine and President Putin met in Yalta "with businessmen from the two countries," as described by Gazprom, to oversee the signing of an agreement between Gazprom, Naftogaz Ukrainy, and RUE to deliver gas from Turkmenistan to Ukraine.

The structure of the RUE intermediary agreement was different: half of the "new" intermediary company was now directly controlled by Russian assets with the remaining half owned by putative Ukrainian interests. Gazprom owned half through an Austrian company owned by Gazprombank. An Austrian entity called CentraGas Holding AG, a subsidiary of Raiffeisen Investment, owned the remaining 50 percent. (Raiffeisen Investment is a subsidiary of the Austrian bank Raiffeisen Zentralbank.) Raiffeisen managed the account for unnamed others. In other words, half the intermediary was owned by Russian state–controlled Gazprom, and the "Ukrainian" half was controlled by an unknown entity with unnamed directors managed by an Austrian investment firm, in a deal signed by the presidents of Ukraine and Russia.

A Raiffeisen executive stated that RUE was ultimately an instrument of Gazprom, which bought the gas from Turkmenistan and transported it to the Russian-Ukrainian border, which RosUkrEnergo then purchased for resale to Ukraine, Poland, Slovakia, and Hungary.[129]

[129] Global Witness, 50. As discussed in the introduction to this paper, the Hungarian government arranged in 2007 for an agreement that benefitted RosUkrEnergo and certain Hungarian banks, directly following a one-on-one meeting between the Hungarian prime minister and Putin, in Russia. The arrangement — of opaque and "non-Western" business agreements, facilitated by nonstate actors that include companies controlled by Kremlin-linked criminal entities — is an example of effective Russian soft power, in that it provided attractive and profitable

The use by Gazprom and Ukraine of RUE struck directly at the question of whether Putin's Russia could function within "the liberal international order." To critics, RUE was simply a mechanism whose "sole purpose is to generate and siphon rents," an example of the "refusal to accept international rules of the game as defined by the liberal economic order, including contracts and private investment in the energy sector" and an excellent example of the mechanism that relies on "transnational patron-client relations and the control of commercial ventures for generating and distributing wealth."[130]

RUE and ETG. Although unknown when the agreement was announced and years after, RUE had in fact maintained ETG's management. Only the structure of the agreement changed, as Gazprom now had an explicit ownership stake in the intermediary company.[131] Russian state–controlled Gazprom was now a direct partner with an Russian-based organized crime front business, in a deal signed by the countries' two presidents.[132]

Owing to Gazprom's ownership stake in RUE, the shift to RosUkrEnergo "was an adjustment, and tightening, of Gazprom control over the transit scheme, but not a significant change of strategy." Further, the new agreement "reflected Russia's determination to sever direct

business opportunities to serve the Kremlin's goals of shifting EU and NATO member Hungary away from the West and aligning it with the Kremlin's allies in Ukraine.

[130] Wallander, 111, 113, 118.

[131] Simon Pirani, "Ukraine's Gas Sector" (Oxford Institute of Energy Studies, June 2007), 39–40.

[132] Putin had denied knowing the ultimate ownership of RUE, as had Kuchma. Global Witness, 51.

Turkmen–Ukrainian relations, and to compel Ashgabat and Kiev to negotiate only through Moscow."[133]

RosUkrEnergo, Gazprom, and Solntsevo. Although rumors about RUE's criminal ties floated immediately, it was not until several years later did the official owner of the "Ukrainian" entity reveal himself: ultra-low-profile Ukrainian businessman Dmitry Firtash. Soon before, Firtash had privately acknowledged the firm's ties to Solntsevo's criminal "chairman" Mogilevich to the U.S. ambassador in Kiev, saying that he had been virtually "forced" to engage with Mogilevich, but denying a close connection.[134] How the low-wattage Firtash had catapulted to the center of one of the most lucrative as well as politically and strategically sensitive agreements between these major parties was unclear.[135]

The RUE agreement had tightened Russian state control over gas supplies to Ukraine as well as Western and Central Europe, and redirected the gas-trading relationship between Turkmenistan and Ukraine toward Moscow, all of which gave the Kremlin greater leverage. The "Ukrainian" half of RUE was controlled by organized crime that served as the Kremlin's agent. The agreement was widely seen as generating rents to buy and maintain favorable political relationships between Russia and Ukraine, especially in support of Yanukovych and his Party of Regions. Through the RUE deal, the Kremlin used opaque nonstate a to advance its strategic aims in Ukraine, all to serve Russian foreign policy goals using "attractive" illiberal values indirectly, offering the fog of diffused responsibility.

[133] Pirani, 33.

[134] From American Embassy, Budapest, "Firtash Makes the Case," December 10, 2008.

[135] Global Witness, 40, 51.

Orange Revolution and Gas Wars

During the Ukrainian presidential election in late 2004, Viktor Yanukovych, who had the support of both incumbent president Kuchma and industrialists such as Rinat Akhmetov as well as Putin, ran against the opposition candidate Viktor Yushchenko and others. Yushchenko, who had been mysteriously poisoned several months before the election, advocated generally more "Western" policies, including pro-NATO, pro-EU positions. After the second round of balloting, Yanukovych was declared the winner in an election widely viewed as rigged. After mass protests, the Supreme Court nullified the results, and a third round of voting went forward. As a result of these events, known as the Orange Revolution, Yushchenko won the election in the third round.

Russia Raises Prices. In the wake of the Orange Revolution, questions from the new government and the public about the RUE agreement grew. In turn, Russia sought to raise gas prices and halt the effective subsidies to former Soviet states and allies. Many viewed the price hikes not only an effort at much-needed rationalization of the gas pricing structure but also to punish Ukraine. The rationale was that cheap gas "only 'creates situations that lead to orange revolutions after which nothing changes for the people while the leaders, at least some of them, receive — directly or in a hidden form — salary from the Americans,'" as an anonymous Kremlin source told an interviewer.[136]

During the period of negotiations that followed, Ukrainian prime minister Yulia Tymoshenko openly attacked the RUE agreement. The security services, headed by a Tymoshenko ally, initiated an investigation into RUE and its criminal ties, and Tymoshenko

[136] Pirani, 9.

publicly called the RUE deal a "wart on the body of the Naftogaz company." Yet by September, Yushchenko had dismissed Tymoshenko, the security service head resigned, and the investigation disappeared.[137] Yet the gas negotiations continued to stall over gas price rises.

"Guaranteeing International Energy Security." On December 22, 2005, one year after the Orange Revolution, Putin articulated a confident and expansionist vision in a speech before the Russian Security Council. Putin emphasized the importance of energy in defining an elevated role for Russia in the global order and its use as leverage. "Our country has certain competitive and natural advantages as well as the technical opportunities to occupy a more significant position in the energy market. We should use these advantages in the interests of the whole international community, but also keeping in mind our own national interests."[138] Days later, Putin approved the decision to cut off gas to Ukraine.[139]

Russia Turns the Gas Off — and On. On January 1, 2006, in the midst of contract negotiations, Gazprom stopped gas supplies to Ukraine. Although the cutoff lasted only a handful of days, it sent shockwaves throughout Europe. Days later, a two-page, five-year contract was signed between the parties, leaving numerous issues unresolved, at least on paper. The agreement stipulated that Ukraine would use Gazprom and RUE to buy gas from Turkmenistan. Further, a new joint venture was announced between RUE and Naftogaz Ukrainy that would effectively control the domestic gas market in Ukraine at the expense of Naftogaz

[137] Global Witness, 56.

[138] Putin, "Opening Address at the Security Council Session on Russia's Role in Guaranteeing International Energy Security," December 22, 2005, http://en.kremlin.ru/events/president/transcripts/23356.

[139] Baev, 124; Pirani, 24.

Ukrainy, thus placing another layer in between buyer and seller and siphoning even more money away from Naftogaz into the RUE mechanism.[140] In sum, the new "orange" government had embraced the Kremlin-controlled RUE structure.

In March 2006 elections, Yanukovych's Party of Regions received the most votes. In August, Yanukovych became prime minister in the Yushchenko administration; relations with Russia improved and tensions eased. Ukrainian government efforts to move closer to NATO and the EU disappeared. Gas price rises were moderated. "The eastern Ukrainian industrial lobby, whose influence had been diminished after the Orange revolution, appeared now to be more powerful than ever," Pirani notes.[141] RUE's Firtash, the Solntsevo front, later admitted privately to the U.S. ambassador that he had been working to forge an alliance between Yushchenko and the Party of Regions.[142] A few years later, Firtash arch-enemy Tymoshenko was jailed.

The Effect of RosUkrEnergo

RosUkrEnergo was a mechanism to generate rents for Russia-aligned parties and others in Ukraine to expand and solidify support for Russian-leaning policies. RUE was jointly controlled by a Kremlin-tied criminal organization as well as Russian state–controlled Gazprom. RUE's role in Ukraine as a nonstate actor allowed the Kremlin to exert influence in a nontransparent fashion to advance its interests: using RUE monies to support the Russia-aligned Yanukovych government, split the opposition, and attack forces seen as a threat to the RUE

[140] Pirani, 34–35; Stern, 9–10; Pirani et al., 9; Global Witness, 59.

[141] Pirani, 10.

[142] From American Embassy, Budapest, "Ukraine: Firtash Makes the Case to the USG."

mechanism. The attractive features this form of soft power offered were greater access to wealth, power, and protection.

Conclusion

As demonstrated, criminal organizations are used by the Russian state as agents of soft power. However, most observers avoid viewing them as such. One possible cause may be that soft power is consistently perceived as inextricably linked to Western liberal values and norms. However, Russia-based organized crime serves an illiberal state via illicit activities, as defined by Western norms and practices, with a value set that is reflective of Russian government and elites and at odds with the liberal order.

Viewing these criminal organizations and the states whose values they embody as a force of attraction can perhaps allow a shift among analysts to better address the issues raised by those states' expanding power. Instead of simply seeing these organizations through the lens of law enforcement or national security challenges, policy makers could view these groups as attractive because they serve as a counterpoint to the worldview from which Nye's concept of "soft power" originally sprung, and offer wealth, power, and protection in their own right. By viewing these illiberal values as attractive, other states can better create policies to counteract them.

Bibliography

Apuzzo, Matt, and Benjamin Novak. "Hungary Rolls Out Red Carpet for Obscure Russian Bank, Stoking Spy Fears." The New York Times, March 18, 2019.

Baev, Pavel K. *Russian Energy Policy and Military Power: Putin's Quest for Greatness*. London: Routledge, 2012.

Balmaceda, Margarita M. "Occasional Paper #291: Ukraine's Energy Policy and U.S. Strategic Interests in Eurasia." Washington, DC: Woodrow Wilson International Center for Scholars, May 2004.

Balmaceda, Margarita M. *Energy Dependency, Politics and Corruption in the Former Soviet Union: Russia's Power, Oligarchs' Profits and Ukraine's Missing Energy Policy, 1995–2006*. London: Routledge, 2007.

Bogomolov, Alexander and Oleksander Lytvynenko. "A Ghost in the Mirror: Russian Soft Power in Ukraine." Briefing Paper. London: Chatham House, January 2012.

Carothers, Thomas. "Democracy Assistance and the Search for Security." In *New Challenges to Democratization*, edited by Peter Burnell and Richard Youngs, 59–72. London: Routledge, 2009.

Carothers, Thomas. *Critical Mission: Essays on Democracy Promotion*. New York: Brookings Institution Press, 2010.

Dawisha, Karen. "Is Russia's Foreign Policy That of a Corporatist-Kleptocratic Regime?" *Post-Soviet Affairs* 27, no. 4 (2011): 331–365.

Dawisha, Karen. *Putin's Kleptocracy: Who Owns Russia.* New York: Simon & Schuster, 2018.

Del Sarto, Raffaella A. "Normative Empire Europe: The European Union, Its Borderlands, and the 'Arab Spring.'" *JCMS: Journal of Common Market Studies* 54, no. 2 (2016): 215–232.

Feklyunina, Valentina. "Soft Power and Identity: Russia, Ukraine and the 'Russian World(s).'" *European Journal of International Relations* 22, no. 4 (2016): 773–796.

From American Embassy, Budapest to U.S. Secretary of State, Washington DC, "Hungarian Foreign Policy Drifting to the East," Reference ID 07BUDAPEST1350_a, August 17, 2007. Accessed July 1, 2020. Available at: https://wikileaks.org/plusd/cables/07BUDAPEST1350_a.html.

From American Embassy, Budapest to U.S. Secretary of State, Washington DC, "Triangulation under Fire: A Step Back toward the East," Reference ID 07BUDAPEST1879_a, November 23, 2007. Accessed July 1, 2020. Available at: https://wikileaks.org/plusd/cables/07BUDAPEST1879_a.html

From American Embassy, Budapest to U.S. Secretary of State, Washington, DC, "Ukraine: Firtash Makes the Case to the USG," Reference ID 08KYIV2414_a, December 10, 2008. Available at: https://wikileaks.org/plusd/cables/08KYIV2414_a.html

Galeotti, Mark. "Underworld and Upperworld: Transnational Organized Crime and Global Society." In *Non-State Actors in World Politics*, 203–217. Edited by Daphné Josselin and William Wallace. London: Palgrave Macmillan, 2001.

Galeotti, Mark. "Crimintern: How the Kremlin Uses Russia's Criminal Networks in Europe." London: European Council on Foreign Relations, 2017.

Galeotti, Mark. *The Vory: Russia's Super Mafia*. New Haven: Yale University Press, 2018.

Global Witness. “It’s a Gas: Funny Business in the Turkmen-Ukraine Gas Trade.” Washington, DC: Global Witness Publishing, 2006.
International Finance Corporation. “Ukraine: Opportunities and Challenges for Private Sector Development.” Washington, DC: The World Bank, 2014.
Josselin, Daphne, and William Wallace. “Non-State Actors in World Politics: A Framework.” In *Non-State Actors in World Politics*, 1–20. London: Palgrave Macmillan, 2001.
Kandiyoti, Rafael. *Pipelines: Flowing Oil and Crude Politics.* London: IB Tauris, 2008.
Keating, Vincent Charles and Katarzyna Kaczmarska. “Conservative Soft Power: Liberal Soft Power Bias and the ‘Hidden’ Attraction of Russia.” *Journal of International Relations and Development*, 2019, 22: 1–27.
Kononenko, Vadim, “Introduction.” In *Russia as a Network State: What Works in Russia When State Institutions Do Not?* Edited by Vadim Kononenko and Arkady Moshes. Basingstroke, UK: Palgrave McMillan, 2011.
Kupchinsky, Roman. “Analysis: Russia’s New Imperialism.” November 26, 2004, Radio Free Europe/Radio Liberty. Available at https://www.rferl.org/a/1056081.html. Accessed July 1, 2020.
Ledeneva, Alena V. *Can Russia Modernise? Sistema, Power Networks and Informal Governance*. Cambridge: Cambridge University Press, 2013.
Lloyd, Lindsay. “European Approaches to Democracy Promotion.” *International Journal* 65, no. 3 (2010): 547–559.
Locatelli, Catherine, and Sylvain Rossiaud. “Russia’s Gas and Oil Policy: The Emerging Organizational and Institutional Framework for Regulating Access to Hydrocarbon Resources.” *International Association for Energy Economics Energy Forum.* First Quarter, 2011: 23–26.
Manners, Ian. “Normative Power Europe: A Contradiction in Terms?” *JCMS: Journal of Common Market Studies* 40, no. 2 (2002): 235–258.
Mearsheimer, John J. “Why the Ukraine Crisis Is the West’s Fault: The Liberal Delusions that Provoked Putin.” *Foreign Affairs* 93 (2014): 77.
Najibulla, Farangis. “Alleged Russian Mobster Uses ‘Right-To-Forget’ Law To Break With His Past.” June 1, 2016, Radio Free Europe/Radio Liberty. Available at https://www.rferl.org/a/alleged-russian-mobster-right-to-forget-law-break-with-past/27772535.html. Accessed July 1, 2020.
Nye Jr., Joseph S. *Soft Power: The Means to Success in World Politics*. New York: Public Affairs, 2004.
Pasquale, Carlos. “Ukraine: The Road to Energy Security.” Speech. Sixth International Conference “Energy Security of Europe in the XXI Century,” by U.S. Ambassador to Ukraine Carlos Pasquale. Kyiv, Ukraine. May 28, 2003.
Pirani, Simon. “Ukraine’s Gas Sector.” Oxford Institute of Energy Studies, June 2007.
Pirani, Simon, Jonathan Stern, and Katja Yafimava. “The Russo-Ukrainian Gas Dispute of January 2009: A Comprehensive Assessment.” Oxford Institute of Energy Studies, February 2009.
Putin, Vladimir V. “Opening Address at the Security Council Session on Russia’s Role in Guaranteeing International Energy Security.” Speech. December 22, 2005. http://en.kremlin.ru/events/president/transcripts/23356

Rotaru, Vasile. “Forced Attraction? How Russia Is Instrumentalizing Its Soft Power Sources in the ‘Near Abroad.’” *Problems of Post-Communism* 65, no. 1 (2018): 37–48.
Saari, Sinikukka. “Russia’s Post-Orange Revolution Strategies to Increase Its Influence in Former Soviet Republics: Public Diplomacy *po russkii*.” *Europe-Asia Studies* 66, no. 1 (2014): 50–66.
Sakwa, Richard. “The Death of Europe? Continental Fates after Ukraine.” *International Affairs* 91, no. 3 (2015): 553–579.
Sherr, James. *Hard Diplomacy and Soft Coercion: Russia’s Influence Abroad*. New York: Brookings Institution Press, 2013.
Sherr, James. *The New East-West Discord: Russian Objectives, Western Interests*. Clingandael Institute, 2015.
Stern, Jonathan. “The Russian-Ukrainian Gas Crisis of January 2006.” *Oxford Institute for Energy Studies* 16, no. 1 (2006).
Tsygankov, Andrei P. “Moscow’s Soft Power Strategy.” *Current History* 112, no. 756 (2013): 259–264.
Tsygankov, Andrei. “Vladimir Putin’s Last Stand: The Sources of Russia’s Ukraine Policy.” *Post-Soviet Affairs* 31, no. 4 (2015): 279–303.
Volkov, Vadim. *Violent Entrepreneurs: The Use of Force in the Making of Russian Capitalism*. Ithaca, NY: Cornell University Press, 2016.
Wallander, Celeste A. “Russian Transimperialism and Its Implications.” *Washington Quarterly* 30, no. 2 (2007): 107–122.
Wilson, Andrew, and Nicu Popescu. “Russian and European Neighbourhood Policies Compared.” *Southeast European and Black Sea Studies* 9, no. 3 (2009): 317–331.