



Dmitri Medvedev's Modernization Thaw: Objectives, Actions, and Policy Tests

By Leon Aron

Almost two and a half years into Dmitri Medvedev's presidency, Russia is an authoritarian country, where democratic opposition is harassed and barred from politics; where elections are manipulated and their results falsified; where riot police and troops brutally attack peaceful demonstrators; where all national television and most print media are censored or self-censored; where rapacious bureaucrats from top to bottom extort businesses; where citizens are terrorized by police, while courts are owned by the state or higher bidders; and where corrupt local authorities silence, maim, and kill journalists with impunity. With a steep budget deficit and the prospect of sluggish growth at best and stagnation at worst, "modernization" has become the new catchword and the improvement of Russia's investment climate a clear priority. Signs of a more accommodating foreign policy have followed, along with a less repressive political style at home. Some observers, mostly abroad, see these steps as a prologue to regime change, while others, mostly among Russia's democratic opposition members and independent analysts, view these changes as tactical maneuvers intended to attract desperately needed foreign investment. With Russia's international behavior ultimately dependent on the domestic political regime and its priorities, correctly gauging the extent and direction of Russian political evolution is important for shaping U.S. policy toward Russia and for defending and extending U.S. interests around the world. To that end, this Outlook elucidates the key elements of Medvedev's modernization campaign, listing the areas where it is badly needed but has not been applied, and suggests tests for its implementation.

A top Moscow financial manager and entrepreneur aptly called the Medvedev campaign "a deficit-driven modernization."¹ Indeed, with oil revenues constituting approximately 45 percent of the Russian state budget, Russia can balance it only if oil prices reach \$90 per barrel.² The budget deficit is projected, optimistically, to be around 5 percent of GDP in 2010. With economic growth modest at best, the government hopes to keep the deficit down to 3–4 percent with the help of injections from the \$450 billion Stabilization Fund, left over from the oil boom. Nobody knows what will happen once this money runs out.

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Key points in this Outlook:

- Russia's economy is struggling, with a large budget deficit, near-stagnating GDP, and declining foreign investment.
- President Dmitri Medvedev has implemented more open trade policies and foreign policy that is friendlier to the West.
- To break with Putinism and embrace modernization, Medvedev must start pulling out of Georgia, stop persecuting Russian businessmen, and strengthen democratic institutions like elections and freedom of assembly.

After declining by nearly 8 percent last year,³ Russia's GDP is predicted to grow by 1–2 percent at most for a number of years—or it could stagnate entirely.⁴ Even if the World Bank's optimistic GDP growth forecasts of 4.5 percent this year and 4.8 percent in 2011 hold true, the Russian economy will still be incapable of generating the trillions of rubles needed to rebuild its crumbling infrastructure, salvage the collapsing state-pension system at a time of unprecedented population aging, and develop new gas and oil fields to replace the rapidly depleting current ones—to name just some of the biggest and most urgent challenges that now beset Russia after a decade of economic and political Putinism: the Kremlin's unchallenged control over the economy and politics, its drive to dominate the post-Soviet geopolitical space, and its hostility toward the West, especially the United States.

Meanwhile, foreign direct investment (FDI) in Russia continues to diminish, declining by nearly 18 percent to \$2.6 billion in the first quarter of 2010 compared to the same period in 2009.⁵ Compared to the first quarter of 2008, FDI is down by 53 percent.⁶ (By contrast, in the first quarter of 2010, FDI in China grew to \$30.8 billion, up 11 percent compared to 2009.⁷)

The paltriness of foreign investment reflects not only the precarious state of the Russian economy, but also a profound deficit of trust, especially in the energy sector—an area in which Russia's need for investment and technology is particularly urgent. It would take an uncommonly brave CEO of an oil or gas multinational company to go before his board to defend a multibillion-dollar investment in Russia after the brazenly rigged back-taxes claims and “bankruptcy” proceedings that in 2003–2004 destroyed Russia's largest and most Westernized private company, Yukos, and left hundreds of foreign investors with huge losses. Nor will the international business community likely soon forget the 2007 shake-down of the Royal Dutch Shell–led Sakhalin Energy Investment Company, in which the Russian government forced the world's largest liquefied-natural-gas producer to “renegotiate” its production-sharing agreement after investing \$13 billion in the project over fifteen years,⁸ and then to cede half of its shares to Gazprom, a state corporation, for well below market value.⁹

Dismal investment-climate ratings, worsening under Medvedev, make Russia's quest for FDI harder still. Out of 133 countries surveyed last year, the World Economic Forum rated Russia 121st in the protection of property rights (behind not only Indonesia, which was ranked 81st, but also Kazakhstan, in 103rd place), 116th in the

independence of courts, 124th in the burden of government regulation, 127th in the protection of minority shareholders' interests, 122nd in freedom of capital flows, and 118th in road quality.¹⁰

Corruption, too, has grown during Medvedev's presidency, becoming *the* main obstacle to development. According to the Transparency International 2009 report, Russia is near the bottom of the Corruption Perceptions Index, ranking 146th out of 180 countries, below Nepal and on par with Cameroon, Ecuador, Kenya, and Sierra Leone.¹¹ A leading risk-management advisory firm, Maplecroft, named Russia the twentieth riskiest place to do business out of 172 countries in its survey.¹²

Modernization to the Rescue

To counterbalance this dreary record, Medvedev has initiated more accommodating trade and foreign policies aimed at regaining a modicum of trust from Western governments and investors.

Foreign Trade and Investment. While it is difficult to separate the effects of the global economic crisis from those of Medvedev's policies, Russia has shown a willingness to participate in global trade and attract foreign investors in the past two years.

- The Kremlin abandoned former president Vladimir Putin's insistence that Russia join the World Trade Organization only as part of a “customs union” with Belarus and Kazakhstan—that is, effectively, never. By forging a common economic space with these authoritarian regimes and protecting it with the customs union, Russia had sent a clear signal of its political and economic preferences. In leaving this policy behind and apparently being ready to become a World Trade Organization member after sixteen years of negotiations, Moscow finally seems to want to cast off the vestiges of autarchy and submit to rules and regulations governing global trade.
- Russian state-owned company RusTech agreed to purchase fifty 737 passenger jumbo jets from Boeing for \$4 billion.¹³ The deal signals Moscow's willingness to abandon protectionism in a key segment of the domestic economy, overcome the Soviet legacy of autarchy and nationalist dreams of home-grown technological “superiority,” and invest significantly in the global economy.

- The government reduced from 208 to 41 the number of so-called majority state-owned strategic enterprises in areas ranging from energy, aerospace, and defense to fishing and publishing. These enterprises include Transneft, Russian Railways, Gazprom, Norilsk Nickel, and Aeroflot. Foreign investors must obtain permission from a commission chaired by the prime minister to buy over 25 percent of such companies.
- The government reduced from 230 to 159 the number of so-called unitary or wholly state-owned enterprises, which are completely off limits to private investors.
- In an effort to attract long-term direct investment, the Kremlin eliminated the capital-gains tax on it.

Foreign Policy. Starting with the first Obama-Medvedev summit in April 2009 in London, the tone of Russian foreign policy began to change from relentless attacks on the West—which allegedly sought to damage Russia’s political, economic, and national security interests in myriad ways—to a much friendlier rhetoric. Although this alteration has not resulted in policy reversals across the board—exemplified by Medvedev’s visit to the vehemently anti-U.S. Venezuela in November 2008 and Russian foreign minister Sergey Lavrov’s meeting with the leaders of the terrorist organization Hamas in Damascus in May 2009—there have been some significant changes.

- Moscow announced a freeze of the sale of five batteries of S-300 anti-aircraft missiles to Iran after Russia’s vote for United Nations Security Council Resolution 1929, which imposed the strictest sanctions on Iran to date, although they were diluted by Russia and China in the pre-vote bargaining. (Russia, nevertheless, proceeded to ship low-grade uranium to Iran for Iran’s first nuclear power plant in Bushehr.)
- Medvedev critiqued Iran in a July 12 address to the Russian diplomatic corps, saying, “It is obvious that Iran is getting close to acquiring nuclear capability that can be used, in theory, to create nuclear weapons. . . . We should not forget that the Iranian party is not behaving the best possible way. We have consistently encouraged Tehran to be open and cooperative in its relations with the IAEA [International Atomic Energy Agency] and to clarify all outstanding issues, which would truly be in the interest of Iran itself.”¹⁴ The

most pointed public criticism of Iran by a Russian president to date, the speech provoked a furious reaction in Tehran.¹⁵

- In the same speech, Medvedev announced a “modernization alliance” with Western democracies, such as the European Union and the United States. This marks a sharp departure from Putinism, with its disparagement of “the fading European civilization”¹⁶ and association with nondemocratic, authoritarian states such as China.¹⁷
- Russia is continuing (though not without bureaucratic hurdles and delays) to allow military cargo, including lethal supplies, to be shipped over Russia to the U.S.-led international forces in Afghanistan, an operation begun in June 2009.¹⁸
- Moscow has initiated a thaw in its relations with Poland after nearly a decade of Cold War–like rhetoric, including Putin participating in the 2000 commemoration of the sixtieth anniversary of the Soviet execution of twenty-two thousand Polish military officers.
- For the first time since Russia became a member of the Parliamentary Assembly of the Council of Europe (PACE) in 1996, the Russian delegation in PACE voted this past June to approve a report and resolution condemning human-rights abuses in Chechnya and naming Putin’s handpicked president of Chechnya, Ramzan Kadyrov, as a culprit. The vote may signal a softening of Moscow’s highly repressive policy in Chechnya and, perhaps, Kadyrov’s eventual removal.
- After nearly four years of opposition, both houses of the Federal Assembly ratified Protocol 14 of the European Convention for the Protection of Human Rights. The protocol reduces the number of judges in the European Court of Human Rights (established to monitor human rights by member states) needed to hand down major decisions and thus to expedite the court’s notoriously slow work. (More than one-quarter of the court’s pending cases originated in the Russian Federation, by far the greatest number from a single country.)¹⁹

Although it is too early to say whether these trade and foreign policy steps have boosted foreign investment, they likely have resulted in Russia gaining more

trust from Western governments and investors, who will be eager to see if the policy continues and expands.

Gaining Trust at Home

Whatever gains have been made abroad, it is the trust of Russian society and, especially, the Russian business community that Medvedev needs most for modernization to succeed. But it is going to be a tough sell. From top to bottom, Russian entrepreneurs have been terrorized by lawlessness, bureaucratic blackmail, and shake-downs. An estimated 80 percent of the investment in the Russian economy is made by the government.²⁰

Around one-fourth of the nine hundred thousand inmates in Russian jails today are entrepreneurs, accountants, legal advisers, and midlevel managers. The chairwoman of Business Solidarity, an organization that defends the rights of entrepreneurs, decried the “criminal-legal repression,” calling it “a state within a state.”²¹ Having herself spent eight months in prison during the “investigation” of bogus fraud charges, she equates the situation with “a war on business people,” in which entrepreneurs can be charged with “any crime” and thrown in jail “to extort money.”²² The chairman of the Supreme Court of the Russian Federation, Vyacheslav Lebedev, summarized the current state of affairs as “a situation in which a person is arrested, his property is taken away, his business is destroyed [or] appropriated by others—and then the case does not make it to trial.”²³

In one typical incident, approximately fifty tax police officers armed with machine guns burst into the office of a Moscow entrepreneur who built a successful startup firm that provides services for cell-phone networks. Arrested on standard charges of “illegal bank activities and money laundering” (the charges of tax evasion and fraud are the other two most popular forms of blackmail), he was offered a “deal” after a few weeks in jail: pay a huge bribe and the charges would be dropped. When he refused, the “investigators” threatened his wife with arrest and with sending the couple’s child to an orphanage. She paid \$400,000 in “bail,” but the husband was not released, and \$500,000 more was demanded. Following a rare sting operation by the Federal Security Service (FSB), the man was eventually freed on bail, but the charges have not been dropped and he faces up to thirty-two years in jail.²⁴

The Kremlin has begun to address this catastrophic situation. On April 7, 2010, Medvedev signed a law that mandates bail and bans the pretrial detention of those

accused of “economic crimes.” If implemented, this law will strike at one of the economic pillars of Putinism. The threat of such detention, which can last for years, is the key means of shaking down business owners. By intimidating the media and muting opposition, Putin created ideal conditions for such “rent collection” carried out by what a leading independent Russian analyst called “an insatiable pack that is the foundation of the regime: police and prosecutors, taxmen and customs officials, and sanitary and fire-safety inspectors.”²⁵ Removing this source of revenue would greatly weaken many functionaries’ loyalty to the regime.

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In addition, the Kremlin recently permitted former deputy prime minister Viktor Khristenko and former minister of economic development German Gref to testify at the “trial” of former Yukos CEO Mikhail Khodorkovsky and the former director of Yukos’s parent company, Group Menatep, Platon Lebedev. (Khodorkovsky and Lebedev are accused of embezzling 350 million tons of oil from their own company.) Khristenko is now minister of industry and trade and Gref is chairman of Russia’s largest majority state-owned bank, Sberbank. It was the first time the Kremlin permitted officials at so high a level to testify at the trial. As expected, both witnesses denied any knowledge of the crimes allegedly committed by the defendants.²⁶ Scheduled to testify next is Sergei Bogdanchikov, president of the state company Rosneft, which bought the choicest pieces of Yukos after the latter was bankrupted and sold to pay alleged tax arrears.

Key Policy Areas Bypassed

While widely credited for forging what prominent Russian independent analyst Georgy Bovt called “a somewhat softer ‘style’ of government,”²⁷ Medvedev has thus far failed to address some critical foreign and domestic issues:

Occupation of Georgia. Medvedev’s modernization in foreign policy has neglected perhaps the most serious concern about Moscow’s behavior: the occupation of

Georgian soil. In direct violation of Article 5 of the August 2008 Medvedev-Sarkozy agreement, Russian troops are still stationed on internationally recognized Georgian territory. In addition, Russia continues to beef up its military presence in the breakaway Georgian provinces of Abkhazia and South Ossetia, including the construction of a military base in the port of Gudauta in Abkhazia that will host up to three thousand Russian troops. Moscow has also stationed T-62 tanks, armored vehicles, military aircraft, and S-300 air defense systems, along with up to 1,700 servicemen, in South Ossetia's capital of Tskhinvali. Medvedev further underscored Moscow's support for the separatist entities by traveling there this August to celebrate the second anniversary of Russia's recognition of their "independence"—even as Russia was engulfed in forest fires and Moscow was suffocating from heat and smoke.

The Kremlin can pass a real test of change in Russian policy only if it

- Normalizes diplomatic, trade, and cultural relations with Georgia.
- Reduces tension between Moscow's clients in Abkhazia and South Ossetia, on the one hand, and Georgia, on the other.
- Cancels all currently scheduled deployments of Russian troops in Abkhazia and South Ossetia and begins drawing down the estimated 8,000–9,500 troops already there.
- Initiates talks between Moscow and Tbilisi on reducing tensions in the Black Sea, where Georgian interdiction of vessels headed to Abkhazia and Russia's commitment to protect them may escalate into an armed conflict.

Blocked Access to Elections. There has been no change in the regime's policy of preventing independent opposition parties from registering to participate in local and national elections. Moreover, opposition leaders are not allowed to add their names to the electoral slates of existing parties, unless they break with their own parties or movements. Top opposition leader Vladimir Ryzhkov, whose own Republican Party has been refused registration, wrote, "On Medvedev's watch, Russia has reinforced its controls over the mainstream media, manipulated and falsified election results, and granted even broader power

to the secret service and police agencies to harass members of the opposition."²⁸

To pass the democratization test, the Kremlin should

- Allow the registration of opposition parties and movements, including the "Other Russia," the Republican Party of Russia, and "DemVybory," for the 2011 Duma elections.
- Cease the harassment of opposition activists and the confiscation of campaign literature during election campaigns.
- Legalize the private funding of opposition parties and movements by ending the harassment and persecution of entrepreneurs who contribute to political opposition.

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Constrained Political Choice. Russian voters' ability to elect local executives continues to dwindle. After the 2004 cancelation of gubernatorial elections, city and town mayors were the only elected executive offices left in Russia (not counting, of course, the firmly controlled presidential "elections"). Over the past two years, the Kremlin has used United Russia, the "party of power," to pack provincial and city parliaments and councils, and today United Russia is spearheading the cancelation of direct elections in more localities, including such major cities as Nizhny Novgorod, Chelyabinsk, Ul'yanovsk, and Penza. Next in line, among others, are Yekaterinburg, Perm, and Volgograd.²⁹ In the name of democratic accountability and popular control, the elections of local executives, from regional governors to town mayors, must be reinstated.

Harassment of Opposition. The Duma passed a law this July effectively legalizing the old KGB practice of "warning" citizens whom the police deem to be "on the verge of committing a crime."³⁰ The vague definitions of the alleged transgressions, as well as the FSB's right to

impose “administrative fines” and penalize violators by imprisoning them for up to fifteen days, are almost certain to make the legislation yet another tool with which to harass the opposition, just as the KGB used the law’s 1972 version against dissidents. To combat this trend, Medvedev should impose a presidential veto over the July 16 law, as suggested in the appeal to Medvedev by a key human-rights group, Memorial.³¹

Repression of Public Protest. Declaring many demonstrations “unsanctioned,” city authorities in Moscow continue the systematic and brutal suppression of public protests. The mayor’s office is particularly insistent on denying applications for prodemocracy opposition rallies in Triumphal’naya Square in the center of Moscow. Attempted demonstrations are met with beating and arrests.³² On May 31, 2010, riot police attacked a peaceful demonstration in Triumphal’naya Square, arresting 150 people. Two dozen demonstrators claimed to have been beaten by the police.³³ (The rally was part of the ongoing Strategy 31 national campaign in defense of the freedom of assembly proclaimed in Article 31 of the Russian Constitution.)³⁴ Following the attack, Duma-elected human-rights ombudsman Vladimir Lukin, who witnessed the police assault, protested in a letter to Medvedev. Lukin pointed out that it was unconstitutional for authorities to approve or forbid peaceful demonstrations, so long as the organizers notified them.³⁵

Yet on June 28, 2010, twenty truckloads full of riot police and five full of troops were again deployed against no more than two hundred peaceful demonstrators in front of the Moscow mayor’s office. The demonstrators faced customary brutality: fifty people were arrested and thrown into police detention buses, some having been dragged on the asphalt.³⁶ The Strategy 31 protest in Triumphal’naya Square on July 31 resulted in the arrest of eighty of the four hundred demonstrators, including former first deputy prime minister Boris Nemtsov.³⁷

The situation may become worse. A bill currently making its way through the Duma would further constrain people’s right to protest publicly by prohibiting advertising the time and place of rallies until they are approved by the authorities, thus legalizing the authorities’ unconstitutional right to allow or disallow public protests. If passed, the bill would also ban anyone with a criminal record from organizing a rally—effectively banning most opposition activists and leaders, who have served at least a few days in jail for participating in “illegal” demonstrations, not to mention lengthier incarcerations for alleged

crimes.³⁸ In addition to encouraging the defeat of this bill, Medvedev should support a favorable court ruling on the lawsuits filed by the protests’ organizers against Moscow City authorities, following the bans of the December 2009 and January 2010 rallies. The ruling for the plaintiffs would signal that the bans were unconstitutional.

A true, lasting modernization in Russia is impossible without democratization and political and economic decentralization.

Implementation of the “Economic Crimes” Law. There is a worrying lag in the implementation of the April 2010 law mandating bail and banning pretrial detention for those accused of “economic crimes.” Lebedev, chairman of the Supreme Court, has reported that lower courts have been “slow” to adjudicate in accordance with the new law.³⁹ According to Business Solidarity, only “a few” prisoners have been released, while “most have seen no change.”⁴⁰ In a typical case, an entrepreneur from the major industrial city of Yekaterinburg marked his tenth month in jail in July 2010, awaiting trial on charges of fraud related to a “decade-old” property deal.⁴¹ Commenting on many complaints about the lower courts’ unwillingness to apply the law, Lebedev alluded to the “possibility of pressure [being exerted on judges] from certain individuals” and promised to “take adequate measures” to ensure the implementation of the law.⁴² To help him in this effort, Medvedev should support the immediate release on bail from pretrial detention of all those accused of “economic crimes” and the certification by such groups as Business Solidarity and the Union of Russian Industrialists and Entrepreneurs that the courts are consistently implementing the new law.

Prosecution of Sergei Magnitsky’s Murderers. Following an outcry at home and abroad, Medvedev ordered an investigation into the judicial murder of Sergei Magnitsky, a former lawyer for a defunct investment firm, the Russian Hermitage Fund.⁴³ Magnitsky dared to look into the elaborate \$230 million defrauding of the Russian treasury, most likely by top officials in the tax police. He died in pretrial detention when prison authorities deliberately withheld medical assistance. Although suspects have been named by various Russian and foreign nongovernmental organizations, the govern-

ment has not taken any action against the perpetrators of Magnitsky's murder apart from the dismissal of lower-level officials (many of whom have since found new jobs in law enforcement). The Kremlin should proceed with indictments and trials of the masterminds of the Hermitage fraud and Magnitsky's murder.

The Khodorkovsky-Lebedev "Trial." Despite the obviously—indeed, grotesquely—bogus nature of the charges against the defendants, the second trial drags on for Khodorkovsky and Lebedev, who have already spent nearly seven years in jail. Its sessions are filled mostly with the prosecution reading, without comment or explanation of relevancy, every page of hundreds of business contracts. This "trial" tarnishes Russia's image daily and makes a mockery of Medvedev's calls for the respect of laws. The Kremlin should withdraw the state's suit against Khodorkovsky and Lebedev and support their unconditional release.

If Medvedev indeed intends to break with Putinism in foreign and domestic policies—that is, abandon hostility toward the West, discard the goal of lording over post-Soviet territories, and, most importantly, undertake radical democratization—sooner or later the reforms must reach these currently bypassed policy areas. What happens (or does not happen) within the next year in the run-up to the presidential elections in 2012 is, in effect, a test by which both domestic and foreign audiences will judge the political viability of Medvedev's modernization—its staying power and its strategic depth.

From Modernization Thaw to Perestroika?

"There is no longer any doubt: such a deadening unity of power as existed in 2005–2006 is no more," said Viktor Shenderovich, a leading opposition commentator and humorist, in early July. "That 'Ice Age' is gone, of course. Perhaps this is not yet a 'thaw,' but the mud is beginning to flow. And within the framework of this feeble little 'thaw,' some good things are happening. Let's hope."⁴⁴

For Medvedev's modernization to succeed, far more than an improved investment climate is needed. As the last thirty years have demonstrated again and again, a true, lasting modernization in Russia is impossible without democratization and political and economic decentralization. This seems increasingly clear to a sizable and growing segment of Russian business and political elites. The problem, of course, is that democratization would

weaken and eventually destroy the political and economic arrangements of Putinism, from which much of the current elite has profited handsomely. As Russia's most authoritative business daily, *Vedomosti*, points out, economic growth in Russia is inseparable from institutional reforms, key among them the fight against corruption, the defense of property rights, court reforms, and the encouragement of economic and political competition. Yet, the paper continues, the "ruling class" is also aware of the dangers: if strengthened, the same institutions would increasingly resist the bureaucratic elite's incumbency and its continued "rent collection."⁴⁵

Assuming he is sincere, Medvedev will have to overcome this resistance. Judging by the currents in the Russian blogosphere, he is far from without allies either in the elite or—as the recent wave of protests has demonstrated—among the young, urban, and educated middle class.⁴⁶ First, however, he would need to demonstrate his sincerity in deeds, not just rhetoric, by enacting some of the urgent policy changes enumerated above. While hardly revolutionary, these actions would go a long way toward broadening and energizing the support for reforms, without which any lasting modernization is doomed.

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Notes

1. From an off-the-record presentation at a meeting of the U.S.-Russia Working Group at AEI, May 20, 2010.

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3. Ibid.

4. Off-the-record remarks by a top Russian financial manager at the U.S.-Russia Working Group at AEI. A similar scenario was favored in a poll by two-thirds of the leading international experts and entrepreneurs at the St. Petersburg Economic Forum in June 2010 ("Nailya Asker-zade, Rossiya zhdet stagnatsii" [Stagnation Is Awaiting Russia], *Vedomosti*, June 18, 2010).

5. State Statistics Committee, "Inostrannye investitsii v Rossiiskuiu Federatsiiu" [Foreign Investment in the Russian Federation], available in Russian through www.gks.ru (accessed July 25, 2010). As of this writing, the second-quarter results have not yet been released.

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14. Dmitri Medvedev, "Speech at Meeting with Russian Ambassadors and Permanent Representatives in International Organisations," news release, July 12, 2010, available at <http://eng.kremlin.ru/transcripts/610> (accessed August 27, 2010).

15. For the Iranian reaction, see "Ahmadinejad Says Medvedev Has Joined 'U.S. Plot' against Iran," *Radio Free Europe/Radio Liberty*, July 24, 2010, available at www.rferl.org/content/Ahmadinejad_Says_Medvedev_Has_Joined_US_Plot_Against_Iran/2108405.html (accessed September 1, 2010).

16. See, for example, Alexander Gol'ts, "Slova bez del" [Words without Action], *Ezhednevnyi zhurnal*, July 14, 2010, available in Russian at <http://www.ej.ru/?a=note&id=10245> (accessed July 14, 2010).

17. The policy of forging "modernizing alliances" with the West was first broached in a Foreign Ministry position paper

leaked to *Russian Newsweek* and posted on the Internet in May 2010. ("Programma effektivnogo ispol'zovaniia na sistemnoi osnove vneshnepoliticheskikh faktorov v tseliakh dolgosrochnogo razvitiia Rossiiskoi Federatsii" [A Program for Effective Use on a Systemic Basis of International Political Factors for the Long-Term Development of the Russian Federation], *Russian Newsweek*, May 11, 2010, available in Russian at www.rnewsweek.ru/country/34184 [accessed September 2, 2010].)

18. For details on the policy's initiation, see Leon Aron, "Dmitri Medvedev's Glasnost: The Pudding and the Proof," *AEI Russian Outlook* (Winter 2010), available at www.aei.org/outlook/100939.

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32. The authorities offer “alternative sites,” which protesters reject for symbolic reasons: “The symbolism of Triumfal’naya Square is not lost on anyone in Russia. Half a century ago, in 1960, young Muscovites began gathering here every weekend to read out poetry banned by the communist government. What started as a literary tradition soon turned political” (Vladimir Kara-Murza, “Putin’s Desperate Crackdown,” *Wall Street Journal*, August 5, 2010).

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35. Elina Bilevskaya, “Lukin prizyvaet prezidenta k gibkosti” [Lukin Is Calling on the President to Be Flexible], *Nezavisimaya gazeta*, June 25, 2010.

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41. *Ibid.*

42. *Ibid.*

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45. Sergei Guriev and Oleg Tsyvinskiy, “Ratio economica: Vot on kakoy, zastoy” [Ratio Economica: This Is What the Stagnation Is Really Like], *Vedomosti*, June 22, 2010. See also Ivan Pavlov, “Polnomochiyam FSB veto ne grozit” [The Powers of the FSB Are Not Threatened by a Veto], *Nezavisimaya gazeta*, July 12, 2010.

46. See Leon Aron, “Russia’s New Protesters.”