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PUTIN'S DARK ECOSYSTEM

GRAFT, GANGSTERS, AND ACTIVE MEASURES

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Cover page: President of Russia Vladimir Putin in Sochi in 2006. Credit: kremlin.ru.

Putin's Dark Ecosystem

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The Issue

All political warfare is not created equal. Vladimir Putin's political shenanigans work better in some places than others. Russian active measures seem to be more successful in Latvia than in Estonia or in Lithuania. Kremlin disinformation campaigns appear to gain more traction in Hungary and Slovakia than in the Czech Republic and Poland. But why is this the case? What accounts for the relative success of the Putin regime's political warfare in some places and not in others?

Introduction

All political warfare is not created equal. Vladimir Putin's political shenanigans work better in some places than others.

Russian active measures seem to be more successful in Latvia than in Estonia or in Lithuania. Kremlin disinformation campaigns appear to gain more traction in Hungary and Slovakia than in the Czech Republic and Poland. But why is this the case? What accounts for the relative success of the Putin regime's political warfare in some places and not in others?

Russian malign influence does not operate in a vacuum. Moscow's efforts to meddle in elections, peddle disinformation, sow discord and confusion, and poison political discourse tend to flourish within a broader context and environment – one that facilitates and enables the disruption of normal democratic governance. Putin's brand of political warfare tends to thrive in a dark ecosystem amidst networks of influence that support such activity.

And two critical parts of Putin's dark ecosystem are corruption and organized crime.

One way to think about this is applying James Q. Wilson and George Kelling's "Broken Windows" criminology theory, which posits that disorder and incivility in neighborhoods create an atmosphere where serious crime can flourish, to international politics.[1] In this sense, countries more prone to graft and gangsterism are also more likely to have weak institutions and succumb to malign political influence.

But beyond the atmospherics that corruption and organized crime generate, the Putin regime has also explicitly weaponized these things in order to achieve political objectives.

Russia's influence campaigns tend to rely on a tangled web of opaque front corporations, murky energy deals, and complex money-laundering schemes to ensnare foreign elites and form ready-made Kremlin lobbies. In a 2012 report for Chatham House, James Greene explained how Putin has weaponized graft,

> " *Putin's brand of political warfare* **tends to thrive in a dark ecosystem** amidst networks of influence **that support such activity.** "

using "the corrupt transnational schemes that flowed seamlessly from Russia into the rest of the former Soviet space – and oozed beyond it" in order to "extend his shadow influence beyond Russia's borders and develop a natural, 'captured' constituency."[2]

Corruption is not just corruption. It is the new Communism. And the Kremlin's black cash is not just dirty money. It is the new Red Menace.[3]

And corruption's handmaiden in Putin's dark ecosystem is organized crime. Putin's Kremlin uses organized crime to carry out the tasks it wants to keep its fingerprints off, be it arms smuggling, assassinations, raising funds for black ops and influence operations, or stirring

up trouble in the former Soviet space or the West.[4]

Spanish prosecutor Jose Grinda, who made his name combating Russian mobsters, briefed U.S. officials in Madrid in 2010, saying the Kremlin used "organized crime groups to do whatever the government of Russia cannot acceptably do as a government."[5] Likewise, Mark Galeotti, author of the book *The Vory: Russia's Super Mafia*, has noted, Russia is less a mafia state than a state with a nationalized mafia. "Russian-based organized crime groups in Europe have been used for

> ## "The Baltic states
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a variety of purposes, including as sources of 'black cash,' to launch cyber-attacks, to wield political influence, to traffic people and goods, and even to carry out targeted assassinations on behalf of the Kremlin," Galeotti noted in a recent report for the European Council on Foreign Relations.[6]

The Baltic Front

There is a lack of consensus among Kremlin-watchers and security experts about the relative success of Russian active measures – and even about how to measure success.

If success means enabling the victory of pro-Kremlin candidates and the adoption of pro-Kremlin policies, then the Putin regime's record is mixed at best. But if success is measured in Moscow's ability to sow discord, doubt, and confusion with the aim of disrupting the democratic process and undermining institutions, then Russia's record looks considerably stronger.

The Baltic states are widely considered to be among the most resilient in resisting the Kremlin's malign influence campaigns.

But among them, at least on the surface, there appears to be a strong interrelationship between corruption and organized crime on one hand and the relative success of Russian measures on the other.

Let us consider Estonia and Latvia. On the surface, they have a lot in common. The Baltic neighbors share a similar history of interwar independence and Soviet occupation. Both have successfully navigated themselves into the European Union and NATO. Each has an ethnic-Russian minority that makes up about a quarter of the population.[7,8]

But one way they differ sharply is the level of corruption. On Transparency International's *Corruption Perceptions Index*, which assigns countries a score from zero to 100—with zero being highly corrupt and 100 very clean—Estonia scored a 71, making it the least corrupt former Communist country. Overall, the tiny
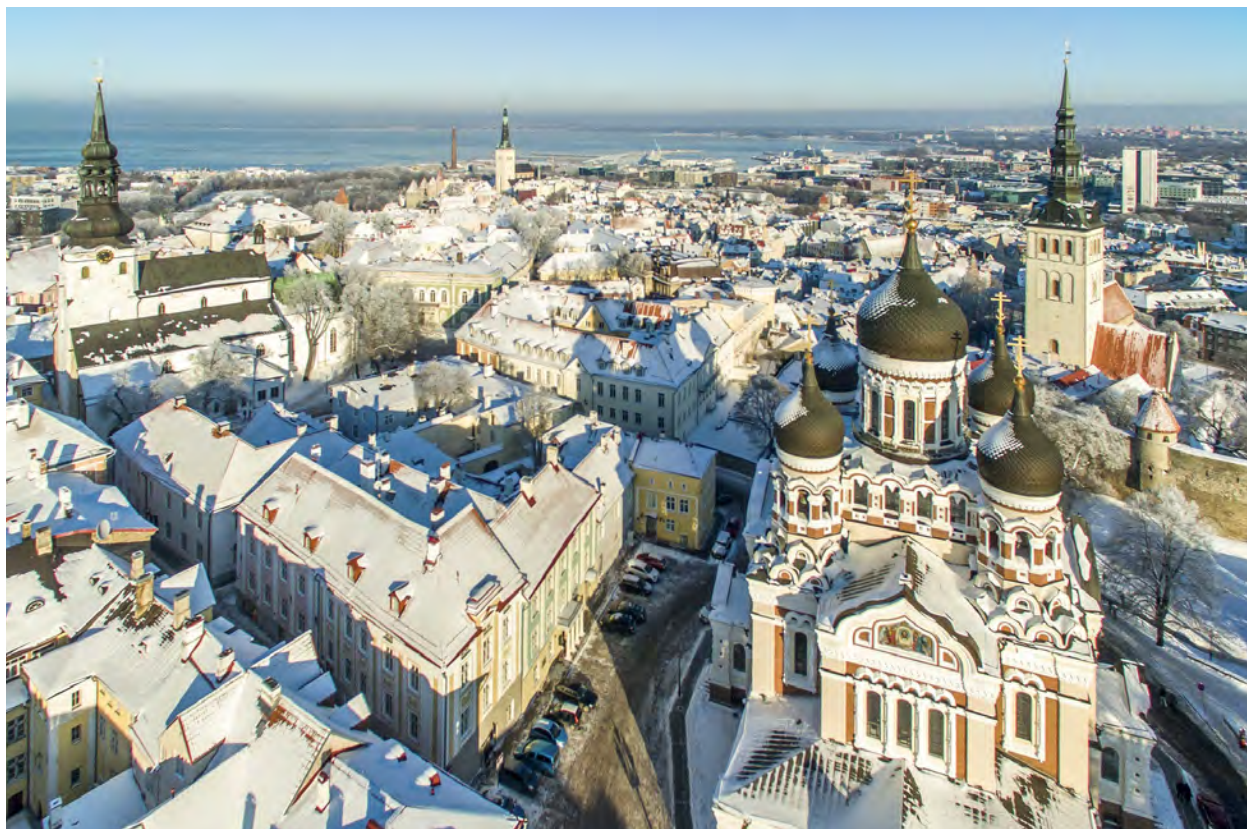
Tallinn, Estonia. Credit: PuhkusEestis / Pixabay.

Baltic state ranked it 21st in the world in terms of clean governance, slightly behind Japan and slightly ahead of France.[9] Latvia, in contrast, earned a score of 58, ranking it 40th in the world.

To be sure, Latvia has made great strides in fighting corruption, particularly in the area of money laundering, and its corruption perception score on the Transparency index has been steadily improving. But compared to its northern neighbor, corruption remains a problem – and a security risk.

And corruption is not the only way the two Baltic states differ. The World Economic Forum's annual *Global Competitiveness Index* scores countries from one to seven on the cost imposed on business from organized crime – with one indicating high costs and seven

meaning negligible costs.[10] Estonia scored a 6.2, making it the tenth least organized crime infested country in the world – on par with Luxemburg. Latvia ranked 33rd in the world with a score of 5.5.

Taken together, the relative prevalence of corruption and organized crime may explain why Latvia's general elections in October 2018 are causing more concern than Estonia's in March 2019.

According to recent research by the Tallinn-based International Centre for Defence and Security, the Warsaw-based EAST Research Center, and the Riga-based Security Center for East European Policy Studies, "Estonia [has] developed noticeably higher quality of systemic responses to disinformation campaigns than the other Baltic States." Conversely, according

to the study, "Latvia does relatively worse than the other two neighbors in withstanding the information threats."[11]

The Visegrád Gap

A similar dynamic is visible among the Visegrád states, one that is starkly illustrated by comparing the Czech Republic and Slovakia. Not only were they both once part of the Warsaw Pact, they were once part of the same country.

But there is a noticeable gap between them when it comes to corruption and organized crime. According to the 2017 Transparency International *Corruption Perceptions Index*, the Czech Republic ranked 42nd in the world in terms of clean governance with a score of 57. The Slovaks, in contrast, ranked 54th with a score of 50.

The gap is starker with organized crime. According to the World Economic Forum's *Global Competitiveness Index*, the Czechs ranked the 16th least crime infested country in the world – three places higher than neighboring Austria. Slovakia, in contrast, ranked 64th in the world, roughly on par with Tajikistan, Armenia, and Kazakhstan.

And not surprisingly, the Slovaks appear much more receptive to Moscow's narratives than the Czechs. According to GLOBSEC's 2018 *Trends Report*, 65 percent of Czechs have a positive attitude toward NATO compared to 37 percent of Slovaks. Some 41 percent of Slovaks agree with Putin compared to 32 percent of Czechs.[12]

Organized crime and corruption also appear to be powerful explanatory variables when looking at the Visegrád Four as a whole. The Prague-based European Values think tank

produced a study in May 2017 ranking the ability of the European Union's 28 member states to detect and respond to Russian malign influence operations.[13] The study assigned scores from zero to fifteen to assess each country's perception of the threat, countermeasures, and counter intelligence activities. It then broke the EU-28 down into

> **"Organized crime and corruption** *also appear to be strong explanatory variables* when looking at the ***Visegrád Four as a whole*. "**

six groups from the weakest to the strongest: Kremlin-collaborators, the ignorant, the hesitant, the mildly concerned, the cognizant, and the full-scale defenders. Poland and the Czech Republic fell into the second-strongest category, the cognizant, with scores of 12 and 11 respectively. Slovakia and Hungary were in the second weakest category, the ignorant, with scores of three and two respectively.

On both Transparency International's corruption index and the World Economic Forum's organized crime rankings, the Czech Republic and Poland score better than Slovakia and Hungary.

Russian President Vladimir Putin with Hungarian Minister of Foreign Affairs and Trade Peter Szijjarto in 2017. Credit: kremlin.ru.

Toward an Index of Vulnerability

This report does not claim to be comprehensive or conclusive – but it does suggest that more research in needed into the dark ecosystem that makes Russian malign influence possible. What it also suggests is that combatting Russian malign influence needs to move beyond the current reactive whack-a-mole approach.

This battle is about more than countering disinformation, protecting electoral infrastructure, or regulating social media. It requires a holistic approach that contains the entire gestalt of Putin's political war on the West. And a prerequisite for such an approach is understanding the ecosystem that makes the Kremlin's malign influence campaigns work.

Corruption and organized crime are not the only elements in Putin's dark ecosystem. Levels of Russian direct foreign investment that is above board as well as dependence on Russian energy are also important. For the Kremlin, business—whether legitimate or in the shadows—is never just business, but a tool of influence. The degree of political polarization likewise provides an atmosphere that Kremlin-sponsored disinformation campaigns and efforts at malign influence can exploit.

But what is clear from a quick look at the data is that corruption and organized crime need to be key variables on any index measuring vulnerability to Russian active measures campaigns. They are not just matters of good governance and law and order anymore. They are issues of national security – and should be treated as such.

Charts

Baltic States - Corruption

	World Rank	Score
Estonia	21	71
Lithuania	38	59
Latvia	40	58

Source: Transparency International (Corruption Perceptions Index 2017).

Baltic States - Organized Crime

	World Rank	Score
Estonia	10	6.2
Lithuania	33	5.5
Latvia	34	5.5

Source: World Economic Forum (Global Competitiveness Index 2017-18).

Visegrád States - Corruption

	World Rank	Score
Poland	36	60
Czech Rep.	42	57
Slovakia	54	50
Hungary	66	45

Source: Transparency International (Corruption Perceptions Index 2017).

Visegrád States - Organized Crime

	World Rank	Score
Czech Rep.	16	5.9
Poland	54	5.1
Hungary	56	5.1
Slovakia	65	5.0

Source: World Economic Forum (Global Competitiveness Index 2017-18).

Endnotes

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