

GARRY KASPAROV – “Investors Must Not Sell Out Russian Liberties”  
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With global energy prices sky high, international investors are rubbing their hands together in anticipation of the forthcoming London initial public offering of Rosneft, the Russian energy giant. They might well keep their hands together for some dedicated prayer. A higher power will be required to prevent this supposedly heavenly deal resulting in a catastrophe.

A majority of the state-controlled company's assets are the result of the outright theft of Yuganskneftegas, expropriated from Yukos, Mikhail Khodorkovsky's company. Russia's former richest man was imprisoned on confected tax charges, but in truth he was taken out of the picture – and his company looted – for defying Mr Putin.

Any new Russian government based on the rule of law will be quick to get to the bottom of the shady operations around Rosneft and Yukos. Any investors looking to make a profit on Rosneft or similar companies will be facing serious trouble down the road. They would be buying into a massive financial cover-up that cannot be covered up forever.

Even if Mr Putin's team manages to stay in control, the direct involvement of top Russian officials in state companies is creating dangerous levels of corruption. Should things go sour for foreign investors their only recourse will be the Russian courts, controlled top to bottom by the same members of the Putinocracy who arranged the deals in the first place. Well, there is one other option, but bribing bureaucrats is, of course, out of the question for legitimate businesses...

If the financial dangers are not convincing enough, the moral risks are overwhelming. Russia is now chairing the Council of Europe and some would pretend that this is a normal state of affairs. With one hand, Mr Putin's Kremlin has signed the requisite international treaties and conventions.

With the other, it is systematically dismantling the remaining constitutional protections while ignoring those that still exist. Russians are being tried for their political beliefs and alliances, something unheard of 10 years ago.

When will the west learn that for autocrats like Mr Putin diplomacy is always a one-way street? He will exploit every concession and smile for every group photograph, all the while doing exactly as he pleases when the cameras depart. That is what we have to look forward to if the forthcoming Group of Eight meeting in St Petersburg is held under Mr Putin's conditions. After this display of international approval and apparent validation of his democratic credentials, Mr Putin will use the momentum to spur on his assault on the Russian constitution, extending the breadth and duration of his supremacy. The Group of

Seven stood for the seven great industrial democracies. Russia is no longer a democracy and, with its increasing dependency on high energy prices, barely qualifies as industrial.

Virtually every day in Russia brings new legislation that makes a mockery of the democratic process. Mr Putin's United Russia party has just proposed a law that would make any "libelous criticism of state officials" a form of "extremism" and the person responsible would, at a minimum, be banned from running for public office. "Extremism" and "terrorism" are divided by only a comma in a law passed earlier this year. Naturally, the meaning of these terms will be interpreted by the same officials. In Russia today, even the vocabulary works for the Kremlin to check the unauthorised activities of civil society.

Terry Davis, secretary-general of the Council of Europe in Strasbourg, has written of a "quiet revolution" in Russian human rights. Mr Davis and others who support Mr Putin place themselves in opposition to Amnesty International and Human Rights Watch. The European Court of Human Rights receives more individual complaints from Russia than any other nation. Mr Davis would hold that the increase in complaints is a sign of progress instead of a reflection of Russia's descent into a full-blown dictatorship. Such an attitude does a great deal of damage to the credibility of these organisations and wilfully sacrifices their moral authority. The same can be said about the World Trade Organization, which is currently considering Russia's admission. Any benefits from all this bartering on trade and human rights have been for our authoritarian rulers, not for the Russian people.

The most tragic part of this spectacle is that western politicians and investors become deeply compromised as they soon have too much at stake not to protect their Russian investments at home. They become obliged to use their influence in their native countries to lend ever more support, making themselves complicit not only in dubious financial deals but in Russia's worsening civil liberties disaster.

The European Union has expressed disappointment that no energy pact resulted from the May summit in Sochi. What did they expect when they are still willing to invest billions in crooked deals like Rosneft? Talk, unlike oil, is cheap. Western leaders can express regret, concern, even "grave concern" all they like, but this is not a language that the Kremlin understands. It comes down to the leaders of the free world defining goals for their relationship with Russia. Do they want a reliable partner that will become a member of the democratic European family, or are they just swapping favours with a repressive regime in order to get a good price on gas?

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