Statement before the
Senate Foreign Relations Committee
Subcommittee on Europe and Regional Security Cooperation

“PUTIN’S INVASION OF UKRAINE AND THE PROPAGANDA THAT THREATENS EUROPE”

A Testimony by:

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Mr. Chairman, and members of the Sub-Committee, thank you for this opportunity to testify today on a subject of great importance concerning Russian influence in Europe. This is a subject area where there is little holistic understanding of the Kremlin’s tools and methodology in either Europe or the United States. Without understanding how this influence works and the various tools that are deployed, we cannot identify appropriate responses to counter and ultimately combat this increasingly effective form of manipulation.

Strategic communications, directed toward both the Russian people and the international community, is an essential part of Russia’s full spectrum tool kit designed to shape the 21st century battlespace. There are conventional and non-convention components to this strategy with the conventional or military applications being the most straightforward. Today, Russian submarines are closely examining the locations of European undersea fiber optic cables to disrupt all internet and communication lines, military command and control, essential commerce, the functioning of critical infrastructure, and prevent government communication to its population. This summer, a Russian vessel continuously harassed a Swedish research vessel which was laying a new fiber optic cable that connects Sweden to Lithuania, ultimately preventing the Swedish vessel from laying the cable. Ukrainian military forces have repeatedly underscored the effectiveness of Russian military forces in jamming their radar and military communications in combat as well as UAVs operated by the OSCE to monitor the Minsk ceasefire agreements.1 Clearly, U.S. and NATO forces need to exercise these various scenarios to better prepare for their eventuality.

The focus of this hearing, however, is to gain a better understanding of the Kremlin’s use of non-conventional means to shape and influence public opinion and political outcomes in democratic societies. But, make no mistake, these non-conventional means equally shape the future battlespace.

The origins of the Kremlin’s policy were developed shortly following the collapse of the Soviet Union and can be found in Russia’s Compatriot Policy. This policy established links to the

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estimated 40 million ethnic Russians and Russian speakers living beyond the newly formed borders of the Russian Federation. The definition of a Russian compatriot has been refined over time but generally a compatriot demonstrates a connection to Russian culture, history, values, and language. More recently, the policy has evolved to justify the protection of ethnic Russians living in the post-Soviet space which means that Russia will intervene in a foreign country’s internal affairs on behalf of “their” ethnic Russian populations. In 2013, President Putin approved Russia’s Foreign Policy Concept which provided for a “comprehensive toolkit for achieving foreign policy objectives building on civil society potential, information, cultural and other methods and technologies …” to protect ethnic Russians abroad. On March 18, 2014, this policy was the justification for Russia’s illegal annexation of Crimea when President Putin stated “Millions of Russians and Russian-speaking people live in Ukraine and will continue to do so. Russia will always defend their interests…”

It is estimated that the Kremlin spends approximately $100 million annually to fund organizations such as Russkii Mir, or Russian World Foundation, which support the implementation of its compatriot policy. Russkii Mir provides funds to film makers, civil society organizations and political entities that promote the Russian language, Russian policies in general as well as affirm Russia’s historical narrative of the period during and after the Second World War, presenting the Soviet Union as a liberator. It is important to note that although this policy has been in place since the mid-1990s, the policy has been accelerated since the advent of the ‘color revolutions’ beginning in the 2003-2004 period, administratively streamlined in the Kremlin, and significantly funded. In 2005, the Russian Presidential Administration created a specific Department for Inter-Regional and Cultural Relations with Foreign Countries which was designed to renew influence in the post-Soviet space and prevent color revolutions.

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In 2011, the CSIS Europe Program conducted a comprehensive assessment of the effectiveness of Russia’s compatriot policy in Estonia. I ask that a copy of this report be submitted for the record (http://csis.org/files/publication/110826_Conley_RussianSoftPower_Web.pdf). Although the compatriot policy is deployed differently in each country depending on the composition of the population and historical relationship with Moscow, there are common traits. In Latvia, for example, the Russkii Mir Foundation reports that there are approximately 100 Russian compatriot organizations. Increasingly, these compatriot organizations support political parties and individual politicians sympathetic to the Kremlin whose goal is to create an internal political forces within the country to increase Russia’s political influence while simultaneously eroding confidence in the democratic state. In Latvia, these organization promote the message that Riga discriminates against its 26% ethnic Russian population by suppressing use of the Russian language and citizenship as well as endorsing neo-fascist political tendencies. In 2012, these political forces, aided by Russian-owned media outlets, were able to advance a referendum to constitutionally mandate that Russian become the second official language in Latvia (which is currently not allowed by the Latvian Constitution). The referendum was unsuccessful – the Russian language is freely used in Latvia – yet it demonstrated that these well-funded groups, utilizing democratic processes (that are ironically unavailable in an authoritarian Russia) are very capable of internally pursuing the Kremlin’s policy agenda, sowing societal divisions and de-legitimizing democratic governments.

These divisive political messages are successfully amplified and magnified through Russian media outlets. Russian news outlets copy their Western media counterparts assiduously, while inserting their own biased commentary into their programming. While they play popular music and cover human interest stories, they also report frequently on rampant corruption and decadence in the West, play on the fears of extremism and non-traditional society, and air “news” stories of fascists taking over in Ukraine and European leaders subservient to their U.S. masters.

But Russian-based networks are not the only channels broadcasting such programming; many of Europe’s “independent” news outlets have been purchased by local oligarchs who are in collusion with the Kremlin. Once again, looking to Latvia as an example, the three most popular television

stations – which operate commercially -- are either indirectly or directly controlled by the Russian government. Bank Rossiya (which has already been sanctioned by the United States, with $572 million frozen in U.S. accounts)\textsuperscript{7} owns half the shares in one station while the other the channels are owned by a single holding company, Baltic Media Alliance (BMA), which has 11 subsidiaries in the Baltic States alone. BMA operates the most popular Russian telecommunications channel in the Baltic States and rebroadcasts popular Russian television shows. One channel is owned by two Russian oligarchs.\textsuperscript{8} Two other Russian television channels are registered in the United Kingdom, hold a UK broadcast license, and fall under British regulatory scrutiny. These television stations were used extensively to encourage signatures for the Russian language referendum in Latvia which prompted the UK regulator to state that the channels had violated British regulations.

Other European countries, such as Bulgaria, also have a very high percentage of Russian owned media outlets which are used effectively to counter government policies, such as anti-corruption or judicial reform as well as policies which support the U.S. or the European Union. In 2012, for instance, VTB Capital - the investment arm of Russia’s second largest bank - led a consortium with Bulgaria’s Corporate Commercial Bank (KTB) to purchase the largest telecommunications company in Bulgaria, BTC. VTB is 60 percent owned by the Russian government and owns 9 percent of KTB (which also happened to be one of the banks implicated in Bulgaria’s summer 2014 banking crisis). Since making these strategic acquisitions, Russia has been accused of using Bulgarian media outlets to advance its national interests. A €20 million media campaign backed widespread anti-shale protests throughout the country, and was handled by several media companies with Russian connections – presumably to keep Bulgaria dependent on Russian oil and gas. These acquisitions have also coincided with a decline in Bulgaria’s media independence ranking as tracked by international watch dogs and monitors, including the World Bank and Freedom House.

While Russia’s compatriot policy is designed for (and is most efficacious in) former Soviet and Warsaw Pact countries, Western European countries as well as the U.S. are not immune from its


\textsuperscript{8} Springe I., Benfelde S., Miks Salu M, (2012): The Unknown Oligarch, Re: Baltica, \url{http://www.rebaltica.lv/en/investigations/money_from_russia/a/686/the_unkown_oligarch.html}
influence, particularly political party financing in Europe and its pervasive media. In June 2015, a new faction was created in the European Parliament called the “Europe of Nations and Freedoms (ENF)” party. Although newly formed, the ENF consists of 39 members from eight European countries and is unabashedly pro-Kremlin in its positions. As of August 2015, ENF members had voted 93 percent of the time in favor of the Kremlin’s positions, and they have opposed the EU’s Association Agreement with Ukraine, backed Russia’s annexation of Crimea, and refused to condemn the murder of Russian opposition leader, Boris Nemtsov. This new grouping is led by the leader of France’s far-right Front Nationale, Marine Le Pen, who received a €9 million loan from the Moscow-based First Czech-Russian Bank last November.

These pro-Russian EU politicians have been bolstered by Russia’s effective and broad-reaching media campaign which has used television, radio, and internet sites as mediums to convey its messages across Europe. The main perpetrator of these tactics is the increasingly sophisticated Russian news outlet, RT (formerly Russia Today). RT purports to reach over 700 million people and has an annual budget comparable in size to the BBC’s World News Service. The United Kingdom’s media regulator, Ofcom, has recently sanctioned RT for biased coverage of events in Ukraine.

Other effective channels of Russian influence are the Russian Orthodox Church and the use (or, more accurately, misuse) of history propaganda. The compatriot policy also defends and disseminates Russian traditional values, particularly those clash of values between a traditional society and secular democracy, through the voice of the church. Perhaps most insidious is the use of the Soviet historical narrative which portrays the USSR as a liberating power during the Second World War and vanquisher of the Nazis; but not as an occupying power that the West never recognized - a frequent theme on Russian television. Thus, Russian television channels regularly show film documentaries that exhort Russia’s liberation and heroic role which continues to reinforce this narrative among ethnic Russian populations. The Russian security services provide

substantial funds for the production of such patriotic films. However, native populations in many European countries see the role of the Soviet Union during and after the Second World War quite differently and therefore view these recitations as a diminishment of their own history of independence.

This is the challenge we face and let me be clear, the challenge is daunting. Russia’s network of influence has been active for over two decades; it is well funded; and has largely succeeded in creating dense and opaque networks in many NATO countries. These intertwined networks work together to subvert government action, influence policy action, finance political parties and significantly control domestic and international media space. We must educate European and Americans citizens about the Kremlin’s true objectives rather than simply hope, as we do today, that they will not be persuaded.

Recognizing the challenge and educating about the nature of the threat is the first step; now the United States and Europe must take effective counter-measures.

I do not believe financing a major U.S.-backed information dissemination campaign toward Russia will be effective. The Kremlin has efficiently closed all access to any independent journalism or media by implementing extraordinary measures to suppress alternative narratives to its prevailing views at the time. In this environment, a State Department fact sheet, no matter how correct, will do very little. However, social networks in Russia do continue to exist that can circumvent these measures to receive independent information through social media. I would urge RFE/RL to explore how to reach and expand these loose social networks but realistically, this will only target a small, urban population and not effect change in Russia.

The United States and Europe must also significantly enhance measures of transparency and diversify the media outlets functioning in our own countries. Countries should insist on greater transparency requirements to identify the true ownership of media holding companies. If one country or its affiliated commercial enterprises acquire an excessively large holding in any one company, efforts should be made to diversify outlets. Television and radio remain the most powerful sources of information in some of the most vulnerable NATO countries. Regulatory
mechanisms should be strengthened to control overly-biased coverage, and firm penalties - such as the suspension of broadcasting licenses - should be considered as a deterrent.

Most importantly, the U.S. should also initiate a major anti-corruption/anti-kleptocracy initiative, in cooperation with the European Union, to root out malignant Russian economic influence in Europe. America’s greatest soft power instruments are its global fight against corruption and ability to prevent the use or misuse of the U.S. financial system to further corrupt practices. This is the Kremlin’s greatest vulnerability and the U.S. has the reach and ability to affect change.

Sadly, when European governments begin to take decisions to suspend media outlets, the Kremlin will cry foul that “free speech” and “media freedoms” have been trampled. If a European government initiates anti-corruption activities, seeks energy independence, or implements banking and judicial reform, media outlets and previously unknown NGOs actively and vociferously work against any reform efforts to enhance transparency. It is perhaps the greatest irony that the Kremlin proactively uses our democratic institutions, civil society and laws to undermine our democracy and erode confidence in our societies. In other words, we can speak exhaustively about Russia’s media methods and influence but this is really about how we – the United States and Europe — can strengthen the rule of law and transparency and improve the health in our democracies to fight against this influence. It is our vigilance and our transparency that is needed the most.