IMAGINE THAT A NEW PARLIAMENTARY POLITICAL FACTION IS SUDDENLY FORMED IN THE EUROPEAN PARLIAMENT CONSISTING OF 38 MEMBERS FROM OVER EIGHT EUROPEAN COUNTRIES.¹ This faction’s members have voted 93 percent of the time in favor of the Kremlin’s positions and oppose the EU-Ukraine Association Agreement, support Russia’s annexation of Crimea, and refuse to condemn the murder of Russian opposition leader, Boris Nemtsov.

This isn’t imagination; this is the Europe of Nations and Freedom (ENF) faction in the European Parliament, which was formed in June 2015 and is led by far-right French leader of Front Nationale, Marine Le Pen. Ms. Le Pen received a €9 million loan from the Moscow-based First Czech-Russian Bank last November.²

Now, imagine a Europe that has become increasingly dominated by Russian television, radio, and Internet sites. Local oligarchs, in collusion with the Kremlin, have purchased many of the continent’s independent news outlets. Russian news outlets copy their Western media counterparts assiduously. They play popular music, provide human interest stories, report frequently on rampant corruption and decadence in the West, and play on the fears of extremism and nontraditional society, while sprinkling in “news” stories of fascists taking over in Ukraine and European leaders subservient to their U.S. masters.

This isn’t fiction, either. This is the reality that has been created by increasingly sophisticated Russian news outlet, RT (formerly Russia Today). RT claims to reach over 700 million people³ and has an annual budget comparable in size to the BBC’s World News Service.⁴ The United Kingdom’s media regulator, Ofcom, has recently sanctioned RT for biased coverage of events in Ukraine.⁵

Finally, imagine a NATO country that is 95 percent dependent on Russian gas imports.⁶ Russia directly owns three of this country’s largest companies and a Russian investment arm recently purchased this country’s largest telecommunications company. Further imagine that this country pays nearly twice as much for its gas than other European countries.⁷ Despite this incredible dependency and high cost, this country has not built gas interconnectors to other European countries, constructed domestic energy storage facilities, or taken any meaningful steps to reduce its dependency on Russian energy. This country is Bulgaria today.

Welcome to Putin’s Europe. How can the United States and Europe counter this reality?

The two most important actions that can be effectively deployed by the West against Russian influence in Europe would be both to recognize the depth of the problem and immediately enhance transparency of Western interactions with Russian companies and organizations. It is absolutely vital that the United States and Europe recognize the extent of the challenge.

Although it was the policy of both the United States and Europe to help integrate Russia into Western structures, what Europe and the United States have failed to understand is that the Kremlin was using Western laws and institutions to extend its political and economic reach while simultaneously eroding European public support for democratically elected leaders and institutions. As much as President Putin has railed against a Western-organized “fifth column” in Russia, the Kremlin has been quite adept at creating one in Europe.

A classic example would be Russian investment patterns in Bulgaria. It might be surprising to know that the Netherlands, not Russia, is the largest foreign investor in Bulgaria (approximately 20 percent). No one would be particularly concerned about a concentration of Dutch investment, yet the Dutch are only the leading foreign investor because the Russian state-owned oil company, LukOil, has incorporated their holding company in the Netherlands. European countries must demand greater transparency of complex holding company structures that attempt to masque the Russian origin of investment. What LukOil has done is perfectly legal but it underscores the lack of recognition of the size and scale of the challenge.

There is also an urgent need for greater transparency and disclosure of the identities of government-sponsored backers of European political parties and how they are financed. It isn’t simply the €9 million loan to Le Pen’s Front Nationale that is of concern. The Kremlin is actively courting a variety of European xenophobic and far-right groups. Moscow has hosted Marine Le Pen as well as the leaders of Hungary’s
far-right, anti-Semitic Jobbik party and Bulgaria’s far-right, nationalist party Ataka. This support is paying dividends. According to the Hungarian-based Political Capital Institute, far-right political parties in 15 EU states have publicly supported the Kremlin’s policies and positions. It is highly ironic that as Mr. Putin decries the rise of fascist tendencies in Europe, he is stoking and financially supporting them and thus encouraging their popularity. It also appears that as Mr. Putin has perfected the art of “managed democracy” in Russia—where Russian authorities “arrange both the elections and the results”—the Kremlin is now attempting to “manage” several other European democracies.

It is also vital to recognize that all nongovernmental organizations (NGOs) in Europe, particularly those that are created seemingly overnight, are not created equal. Again and ironically, while Vladimir Putin has declared that Western-funded civil society organizations in Russia are “undesirables,” Russian-created and -funded NGOs actively working in Europe are highly desirable as the Kremlin uses them to influence European public opinion and policy. The majority of Russian NGO funds—estimated to be approximately $100 million—support the implementation of Russia’s compatriot-abroad policies and are funneled through the Russkiy Mir (Russian World) foundation and other

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Yet perhaps the most difficult challenge is the West’s ability to counter Russian propaganda. Despite our fond Cold War memories of the role played by Voice of America and Radio Free Europe in the former Warsaw Pact countries, the United States and Europe will never be able to “out-propagandize” Russia’s sophisticated operations. Yet, there are ways to mitigate Russian media dominance. First, Europe should ensure that its media outlets are diversified and again, transparency will play a key role. For example, the Estonian Internet site baltiju.eu is operated by Altmedia, a firm that is funded by Media Capital Holding BV, registered in the Netherlands but owned by Russia state news agency, Rossiya Segodnya, according to the Estonian security service. Second, the West must use those existing Russian social networks that remain open to channel factual news reports with the hope that this information will reach a certain portion of the Russian population.

Without substantial focus on this growing challenge, the transatlantic community’s credibility and unity are at stake; for why would Russia need to cross a NATO border when the Kremlin can control a NATO country from the inside? □

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10 Ibid.