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The Dubious Martyrdom of St. Mikhail

By Eric Kraus

It is difficult not to feel sympathy for a man confined in Russia's grim prison system, yet the recent letter by Mikhail Khodorkovsky, published in The Moscow Times, was neither a plea for leniency nor an acknowledgement of errors past. Instead, Khodorkovsky's letter constitutes a broad-brush condemnation of the political direction of Russia, by implication justifying the disastrous abuses of and by the Russian state during the late Yeltsin years, when Khodorkovsky and his ilk held absolute power. Memories can be short – a reply is called for.

Khodorkovsky rails against the rapacious bureaucracy, predicting that the angry mob will soon be buying for the promised bread and circuses. Well, perhaps, but would it not be odd were a nation which quietly suffered the indignities of 1998 – left hungry, cold and utterly destitute following the collapse of the pyramid erected by the oligarchs – to rise up in protest now? To use Khodorkovsky's own analogy, the Russian people in fact now enjoy both bread and circus. During the Yeltsin regime they lacked not for circuses – loans-for-shares was a personal favourite – but the bread was cruelly missing. The bureaucracy may well be rapacious, but unlike when the oligarchs drained everything into their Swiss accounts, apparently the state budget benefits, too. Wages and pensions are now paid, in cash, in full and on time.

Similarly, a second re-division of Soviet property would indeed be a desperately dangerous undertaking, yet does this constitute a moral justification for the criminal carve-ups of the 1990s? Does it justify the original purchase of Yukos for some \$250 million dollars – never actually paid – in a blatantly rigged auction? The bloody take over of Apatite? Does some notion of abstract justice require that Menatep now be allowed to sell half its plunder to Exxon for some \$30 billion, i.e. a 200-fold profit? Though pragmatism mandates that certain misdeeds be amnestied, new rules apply: Taxes will be paid; the Duma is not for rent; and money no longer buys absolute power.

A serious injustice has indeed been done. Not to the robber barons who treated Russia as their personal property but rather, to the Yukos minority shareholders caught in a fierce political battle they were ill equipped to understand. It is they who have a very legitimate grievance, the blame for which lies equally with Menatep management and with the Russian state.

Certainly, it would have behoved the Putin administration to find a less destructive means of prying Yukos from Menatep's grip, but equally – from the beginning – Menatep strategy has been one of scorched earth. Hundreds of millions of dollars were lavished on a fiercely anti-Russian PR campaign, corrupting eminent academics and foundations in Moscow and abroad. Yukos' skilful spin management and press-agentry – aided by the Russian government's almost comical inability to communicate effectively – have succeeded in trashing Russia's international reputation. That said, at least from the standpoint of the Yukos minorities, the benefits of this belicose campaign are not intuitively obvious. Had it not been for the supreme arrogance of Menatep – had instead they sought to relinquish their stake and sued for peace – the unfortunate shareholders would have doubtlessly been spared.

Mikhail, you correctly affirm that Russian history is characterized by an irrational worship of the state and by the personalization of power. Yes, such power is potentially dangerous, yet with Russia still recovering from major surgery – the break-up of the USSR, the bankruptcy of the Communist system, her collapse as a global super-power – is there not a pressing need for the common man to have something to believe in? Is it somehow contrary to the natural order of

things that “Ivan Ivanovich” should have a President he admires? Do you still imagine yourself the rightful successor to the throne?

Mikhail, the oligarchic model has been tried already. It was not a resounding success. Perhaps it was unavoidable, yet the road led past ruin, default and penury – the plunder of Russia and the impoverishment of the Russians. Where was your concern for justice and the sanctity of property rights when Menatep bank defaulted, when ownership of the Yukos daughter companies was openly stolen, when cash flows were diverted offshore and multi-billion dollar assets redistributed amongst a handful of cronies? Why your virtuous indignation only now? Is it not a question of whose ox is being gored?

Let us not be disingenuous, Mikhail. The game is nearly over. This was no more about a tax bill than it was about your tossing a few quid to the comically ineffectual Yavlinsky. It was about power. It was about who rules Russia – the oligarchs or the Kremlin; about the taxation of oil revenues; about the control of Transneft and Gazprom; about the basic definition of Russia’s oil policy – the sole useful tool remaining in Russia’s diplomatic armamentarium.

Though hubris is not defined in the criminal code, its consequences can be devastating. Impotent observers of a totally unequal battle – we have wondered: how could anyone of such obvious intelligence have overplayed their hand so catastrophically? We added up the forces on the chessboard, assuming you could too: Menatep had good lawyers, bags of money, influential Western friends, top PR firms...and Vladimir Putin? Well, Putin had a Nuclear Arsenal – and, if pushed, was ready to employ it! There was precedent: Berezovsky and Gusinsky. Where was your upside?

Did you imagine that the Russian people would storm the Kremlin walls for you? Or was it your American friends – the Carnegie boys, the neocons at Hoover, at Heritage, at the aptly-named New American Century – whose openly avowed neo-imperialism blinded them to the Russian political realities? Mikhail – you are Russian, you should have known that, a child of the cold war, Vladimir Putin would no more countenance American interference in Russian domestic affairs than would Washington allow the Kremlin to oversee the Federal Reserve. Did you really believe that, come judgement day, such dubious saints as these could intercede for you?

Mikhail, your conception of patriotism is quite singular. Yes, others before you have fought the state tooth and claw, yet they at least refrained from couching their self-interest in terms of patriotism. Your courage is as striking as it is futile; by continuing to attack the government you knowingly court the longest possible prison sentence. Can you conceive of life only as a choice between supreme power and annihilation?

Certainly, you have wrecked considerable havoc. Yet where has this advanced your purported goal – the creation of an Open Society in Russia? Quite the contrary, you have savaged your own cause – what victories you won have pushed Russia to look inward, alienating her from newfound friends in the West. The American neocons could not protect you, but certainly, they were well placed to drive a wedge between the two countries – this has simply served to push Russia towards Asian alliances. Likewise, your robust challenge to the Russian State has served primarily to strengthen the conservative segment of the Siloviki faction. Attaining your desired martyrdom, surely you have done no favors for Russia.

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