

Russia's Isolation Wastes Precious Resources

By [Georgy Bovt](#)

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It has become very fashionable these days to speak about ensuring Russia's "sovereignty," about Russia as a "country apart" and about the outside world as a serious threat to Russia's future. In response to that supposed threat, Russian members of parliament have passed a raft of laws intended to isolate Russia in a wide variety of areas.

The fight against "all things foreign" is picking up speed, from a new law requiring Russians with dual citizenship to inform the authorities and possibly face greater infringements of their rights down the road, to a law drastically limiting foreign ownership in even such seemingly harmless media outlets as the Disney Channel and the National Geographic magazine.

It comes as no surprise then that the authorities have also set their sights on the Internet. The same people who claimed a couple of years ago that Russia would never follow China's example are today leading the attack. Legislators with little understanding of how the Internet and the modern information society function are the very ones initiating these

reactionary laws. They sign their names to bills without understanding how those laws would work in practice. In their orgy of legislative creativity, they follow one simple maxim: "Adopt it now and fix it later — if necessary."

The more the authorities introduce filters, firewalls, prohibitions and restrictions, the more they will have to create structures for enforcing compliance, doing the actual "filtering," searching out and punishing offenders, identifying new "vulnerabilities" and inventing new limitations. An entire new branch of the government will emerge overseeing all areas of daily life. Restrictions on industry will require the establishment of still another supervisory agency.

Worse, to fund its creation and maintenance, the authorities will pull resources away from everything from health care and education to investment and infrastructure projects, and will actually work against the interests of the larger national economy. That, in turn, will lower Russia's competitiveness and efficiency and increase its technological backwardness.

What's more, it will drive not only capital out of the IT, mass media and telecommunications fields, but also the best minds — people who will find a better use for their talents in other countries. The greater the restrictions placed on any particular area, the lower its capitalization and the fewer the number of people who will want to work in that field.

We went through all of this with the Soviet Union, when a closed system only multiplied its inefficiencies and eventually caused it to collapse. One U.S. researcher dug through the Soviet archives in the Hoover Center and found that, of the 32,000 decrees concerning purely economic issues that the Soviet government issued, only 4,000 were published between 1930 and 1941. All the others were classified, and 5,000 of those were labeled "top secret" and made available to only a very narrow circle of senior officials.

Former Soviet leader Mikhail Gorbachev recalled that all statistics relating to the defense sector were even off limits to members of the Politburo. Only former Defense Minister Dmitry Ustinov, the Central Committee's general secretary, the chairman of the Council of Ministers and the chief of the General Staff had full access to such information.

What kind of efficient decision-making or objective assessment of the results of those decisions could possibly occur in such a system? To my knowledge, nobody has ever calculated how much of the Soviet Union's gross domestic product was devoted to sustaining the regime's paranoid secrecy and closed society.

How much of the country's time, money and talent was invested in maintaining every manner of special department and agency for controlling the population — right down to sealing typewriters over the holidays and blocking every type of information coming from abroad?

It is even more difficult to calculate the indirect losses resulting from Soviet technology falling so far behind Western advances and the fact that, once the Iron Curtain fell, Soviet "experts" in economics and management who had spent a lifetime fenced into the "Soviet Information Reserve" found themselves totally unaware of how the modern world functions and wholly unprepared for helping Russia achieve modernization and reform.

With the even more crucial role that the rapid transmission of information plays in the

modern world, repeating that type of isolation would prove even more disastrous.

China spent \$800 million on its Golden Shield project, the so-called "Great Chinese Firewall." It also spends large sums on maintaining that barrier, employing no fewer than 50,000 people to filter out unwanted information.

Russia's state-owned Rostelecom has spent \$20 million to date creating the Sputnik Internet search engine — an ideological and technological bust, in my opinion. What could be more absurd and unproductive than for a government, of all possible investors, to pour money into creating a search engine?

How much more will Russia's government spend creating such "toys?" First, it must come up with filters and blacklists by supplying specialists with the necessary salaries, hardware and software. Then it must block VPN channels by bypassing their filters. After that, someone along the lines of the CEO of SpaceX, Elon Musk, will launch his own manned shuttle to the International Space Station, foregoing use of the 50-year-old Soyuz rockets and follow through on his promise to award a prize to anyone who can come up with a way to deliver Internet traffic directly to every computer.

Then Russia will have to find a way to "jam" Internet signals beamed from space. Of course, Russia will ultimately lose this technology race.

Russia is the only country in the world today waging such a rapid attack against the Internet and freedom of information in general. In a legislative blitzkrieg, members of parliament last week passed a law limiting foreign ownership in media companies to just 20 percent — as if Russia were on the verge of war and national security demanded such radical measures.

Such regressive actions and reactionary behavior is totally unprecedented. Every other country — including China — that once had such laws on their books has since moved, although gradually, toward liberalizing those restrictions.

Unfortunately, Russian politicians' fixation on this new isolationism makes it increasingly difficult for them to make informed and intelligent decisions. And every step they take along this path will come with an increasingly painful price tag.

Georgy Bovt is a political analyst.

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