

Russia's Data Storage Laws Among 'Most Destructive Policies of 2016'

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Yevgeny Kurskov / TASS

A leading technology thinktank has branded Russia's controversial data-storage laws as one of the most destructive protectionist policies of 2016.

[The Information Technology and Innovation Foundation \(ITIF\)](#)

based in the U.S. slammed

the Kremlin's controversial Yarovaya laws in their top 10 list of "Worst Innovation Mercantilist Policies of 2016," published on Thursday.

"The law aims to help Russian authorities fight terrorism, but its impact will be felt economy-wide (and society-wide), especially by Russia's digital economy," the group said in a report published on Wednesday.

The new law, authored by ultra-conservative United Russia lawmaker Irina Yarovaya, will require mobile operators to store customers' messages, including photos and videos, for six

months.

The decision has sparked outrage from Russia's top mobile phone providers, which claim that building the necessary storage capacity will cost 2.2 trillion rubles (\$33.8 billion) and lead to increased tariffs and reduced tax revenues.

Yarovaya has responded to the claims, calling them a "baseless" excuse to raise prices. Communication companies will be expected to comply with the law from July 1, 2018.

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The Kremlin's import substitution policy — banning government agencies from buying foreign — was also heavily criticized.

The ITIF warned that "innovation mercantilism" was a "destructive tactic," which would harm Russian innovation in the long-term.

"[These policies] damage the entire global innovation system, leading to less overall innovation and productivity growth," the report said. "Mercantilist policies lead [countries] to neglect the greater opportunity to spur growth by raising the productivity of all sectors, not just high tech."

New laws in China, Indonesia, Germany, and Vietnam also made the list for their "detrimental effects globally," the ITIF said.

Kremlin policy has been repeatedly criticized by the group, with Russia appearing on the list for the past four years.

Russia introduced a series of new anti-terrorism laws — dubbed the "Yarovaya packet" — in July, 2016. The legislation includes restrictions on religious activity and missionary work, an increase in the number of crimes with which children between 14 and 17 can be prosecuted, and criminalizes a failure to report terrorist activities to the authorities.

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