

# Conflict Update # 206

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## Conflict Assessment

**Russian losses** – 62,500 (+440) soldiers killed, 2,486 (+14) enemy tanks, 5,133 (+22) armored combat vehicles, 1,477 (+18) artillery systems, 348 (+3) MLRS systems, 180 (+3) air defense systems, 266 (+0) warplanes, 235 (+1) helicopters, 1,086 (+7) UAVs of the operational-tactical level, 247 (+1) cruise missiles, 15 (+0) warships/cutters, 3,890 (+15) trucks and tankers, 4 Iskander Missile Launchers (+0), 76 fuel bowsers (+0) and 136 (+0) units of specialized equipment.

## Key Takeaways

**Ukrainian Armed Forces destroyed two S-300 SAM launchers** - The Armed Forces of Ukraine inflicted losses on the Russian troops in the south of Ukraine. In particular, they destroyed two S-300 surface-to-air missile launchers, three Iranian drones, and killed over a hundred Russian soldiers.

Three Shahed-136 kamikaze drones that earlier attacked Odesa and Mykolaiv oblasts, as well as Orlan-10 drone, were shot down near the village of Chervone in Beryslav vicinity.

Another nine units of Russian military equipment, including a tank, an armored vehicle and artillery weapons, were heavily damaged. These strikes are not included in the number above.

**Ukrainian Armed Forces destroy 3 Russian ammunition dumps in Kherson Oblast** - The Armed Forces of Ukraine earlier today destroyed three Russian ammunition dumps in the Kherson and Beryslav, in Kherson Oblast.

Also, seven pieces of Russian equipment have been damaged, including a tank, two powerful self-propelled Pion guns and other armored vehicles.

**FSB: over 100 attacks by Ukraine on Russia's border-straddling areas over past week** - Russia's FSB says the intensity of Ukraine's shelling of border-straddling areas has "significantly increased" over the past week, TASS cites the agency.

"Since the beginning of October, the number of attacks on the border-straddling areas of Russia in the regions of Bryansk, Kursk and Belgorod has significantly increased. Over the past week, more than 100 shelling of 32 settlements in the Bryansk, Kursk and Belgorod regions were recorded using multiple launch rocket systems, cannon artillery, mortars and unmanned aerial vehicles," FSB's statement reads.

A military airfield in Russia's Kaluga region suffered an explosion on Friday, 7 October. A drone, allegedly from Ukraine's territory, caused the explosion, the local governor says.

**Ukraine could defeat Russia by New Year's Eve, a former top US general said** - A senior former US general has lauded the successes of the Ukrainian military and has said that Russia could be defeated by the end of the year.

Ben Hodges, who served as commanding general of the United States Army Europe until 2018, told The Times that Russian lines are collapsing.

"Based on all the things we are seeing it has the feeling of a collapse, at least in the Donbas area, and I do believe the Russians will be pushed beyond the February 23 line by the end of the year," with the "line" being the position the Russians were in pre-invasion.

A senior British government source echoed this assessment, according to The Times, and said Putin's forces would be forced out of the Donbas and back across Russia's border by the end of the year.

Hodge described the Russian military as "an army that's been defeated."

The former commander who led the US military in Iraq and Afghanistan said that the Ukrainian military might be able to recapture Crimea if they are able to retake Kherson but re-occupying the peninsula will take far longer than a few months.

As experts debate when the outcome of the war, with some telling The Times that a Ukrainian victory before 2023 is "impossible," it is nonetheless clear that the Russian military project is not going to plan, with almost none of Putin's objectives achieved over eight months into his invasion.

**Putin effectively told the world his army is 'losing' in Ukraine by calling up hundreds of thousands of reservists and threatening to use nuclear force** - Putin announced a partial military mobilization in a televised address, calling up 300,000 reservists to boost Russia's struggling war effort in Ukraine. In the process, the Russian leader effectively signaled to the world that Russia is getting beaten and is in desperate need of more troops, according to former US diplomats and Russia experts.

"Putin speech reflects the fact that Russia is losing its war in Ukraine," Michael McFaul, a former US ambassador to Russia, wrote on social media, pointing out that Putin wouldn't have taken the steps he has "if Russia were winning."

Putin's announcement was notable in two respects, Ivo Daalder, a former US ambassador to NATO and president of the Chicago Council on Global Affairs, told Insider.

"First, he's acknowledging that the 'special military operation' isn't going well. Any mobilization — partial or whole— seven months into a war means you're losing, not winning," Daalder said. "Second, the narrowing of war aims to the Donbas only also underscores that Russian forces have failed in its original objective."

**Russian divers to inspect Crimea bridge as governor warns of 'desire to seek revenge'** - Russian divers are to examine the extent of the damage caused by a powerful blast on Russia's road-and-rail bridge to Crimea, a hated symbol of Russian occupation and key logistics link for Russian troops in southern Ukraine. As saying the divers would start work 6am today, with a more detailed survey above the waterline expected to be complete by the end of the day.

"The situation is manageable – it's unpleasant, but not fatal," the Kremlin-installed governor of Crimea, Sergei Aksyonov, said. "Of course, emotions have been triggered and there is a healthy desire to seek revenge."

In Crimea, limited road traffic resumed about 10 hours after Saturday's explosion, and Russia's transport ministry cleared rail traffic to restart.

The bridge is a major artery for the Russian forces that control most of southern Ukraine's Kherson region and for the Russian naval port of



Sevastopol, whose governor told locals: "Keep calm, don't panic."

### **Russian Railways suspends ticket sales from and to Crimea; upcoming trains and buses cancelled** -

Russia's state-owned railway company Russian Railways has suspended the sale of tickets on trains to and from Crimea, Russian state news agency TASS reports, citing the company.

**Ukraine hints that it sabotaged Kerch Bridge** - Ukrainian officials have hinted that Ukraine may have sabotaged a crucial bridge linking Russia and the annexed territory of Crimea.

A fuel tank explosion on Kerch road-and-rail bridge took place at around 6 a.m. on Saturday while a train was crossing it, causing it to collapse, according to Russian officials.

Putin responded by ordering the government to create a state commission to examine the cause of the Kerch Bridge collapse, TASS news agency reported per Reuters.

The source of the explosion is currently unclear, but a Crimean official was quick to blame Ukraine.

"Ukrainian vandals somehow managed to get their bloody paws on the Crimean bridge," said Vladimir Konstantinov, chairman of the State Council of Crimea, in a Telegram post.

**Putin accuses Ukraine of Crimean Bridge explosion** - Putin has called the Crimean Bridge explosion "a terror attack against Russia's essential infrastructure" and accused Ukraine's secretive agencies of preparing the attack, Interfax reports.

"There is no doubt that it was a terror attack against Russia's essential civilian infrastructure. Ukraine's secretive agencies are behind this attack," he said.

Alexander Bastrykin, the head of Russia's Investigative Committee, also added that "Ukrainian nationals, as well as citizens of Russia and other countries, were involved." A criminal procedure on the case of terrorism has been initiated, and the suspects have been identified.

**Ukrainian Air Force downs enemy aircraft, kamikaze drone in southern Ukraine** - At 11.00 a.m. in Mykolaiv Oblast today, air defense forces shot down a Russian aircraft (probably a Su-25, the type is being verified). This strike is not included in the Russian losses section above.

**Wagner boss Yevgeny Prigozhi and Chechen leader Ramzan Kadyrov 'have openly declared war' on Russia's defence minister Sergei Shoigu after Russia's catastrophic series of defeats in Ukraine** - Two of Putin's top army lieutenants have 'openly declared war' on Defence Minister and staunch Putin loyalist Sergei Shoigu after a series of embarrassing defeats for the Kremlin in Ukraine.

Chechen boss Kadyrov and founder of the Wagner 'private army' or militia Prigozhin have turned on the minister amid heavy defeats and losses over the last two weeks, The Guardian reports.

It comes after Russia illegally annexed four Ukrainian regions including Donetsk and Luhansk in an announcement to which he gathered all of the country's top leaders and told the world the regions would 'remain with Russia forever.'

But just 24 hours later, there was clear evidence Ukraine was making major gains in the regions, recapturing land that Putin had just claimed as part of Russia.

This week gains in the south and east of Ukraine continued and triggered the two army leaders to openly 'declare war' on the Defence Minister, who is an easy target to blame for Russia's poor military results.

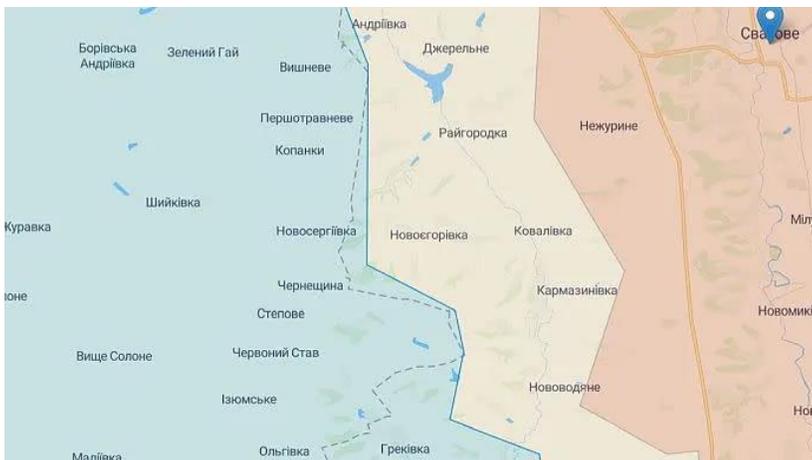
The Kremlin is turning to increasingly desperate measures in order to save face and try and halt the Ukrainian advance, including recruiting prisoners straight out of jail and now, open infighting.

The feud between Prigozhin and Shoigu is said to stretch back long before the start of the seven-month war in Ukraine and is said to have started after Prigozhin formed the Wagner unit during the Russian annexation of Crimea in 2014.

**Names of 7 settlements liberated in Luhansk Oblast made public** - Sergii Haidai, the Head of the Luhansk Oblast Military Administration, has named 7 settlements that were recently liberated by the Armed Forces of Ukraine in Luhansk Oblast.

"At the moment, seven following settlements are fully controlled by Ukraine:

- The village of Novoliubivka of the Krasnorichensk village hromada [an administrative unit designating a town, village or several villages and their adjacent territories – ed.] in the Svatove district;
- The village of Nevske of the Krasnorichensk village hromada in the Svatove district;
- The village of Hrekivka of the Krasnorichensk village hromada in the Svatove district;
- The village of Novoiehorivka of the Kolomyichykha village hromada in the Svatove district;
- The village of Nadiia of the Kolomyichykha village hromada in the Svatove district;
- The village of Andriivka of the Kolomyichykha village hromada in the Svatove district;
- The village of Stelmakhivka of the Kolomyichykha village hromada in the Svatove district".



**Details:** Haidai reported that the village of Hrekivka had been the first settlement to be liberated by the Armed Forces of Ukraine in Luhansk Oblast.

"Despite the resonance in the Internet community, we did not report on liberating this settlement from the occupiers right away. At that time, stabilizing measures were still ongoing, like in other villages where our troops entered", Haidai explained.

**Background:** On 7 October, President Volodymyr Zelenskyy reported that this week, the Armed Forces of Ukraine liberated 776 square kilometres of the territory, or 29 settlements, six of them in Luhansk Oblast.

On 6 October, Haidai reported that Ukrainian forces had liberated the village of Hrekivka in Luhansk Oblast.

**Of import:** These towns and districts are all located within Luhansk Oblast, one of the four oblasts "annexed" by Putin.

**Ukrainian Armed Forces liberated 29 settlements in eastern Ukraine this week** - The Armed Forces of Ukraine have liberated 776 square kilometres and 29 towns and villages in eastern Ukraine, including six in Luhansk Oblast, over the course of this week.

**Situation extremely hard on the Bakhmut front – Zelenskyy** - President Zelenskyy has stated that tough fighting is currently underway on the Bakhmut front in Donetsk Oblast; Ukrainian defenders are holding their positions.

**Quote:** "This day, the movement of our military, the Security Service of Ukraine, the National Guard and all those who take part in active operations – in the east and the south of our country – continued.

We are holding positions in Donbas, in particular around Bakhmut, where it is now very, very hard, very tough fighting.

**Hospitals in occupied Kherson Oblast are overflowing with wounded Russians General Staff report** - Hospitals in the occupied territory of Kherson Oblast cannot cope with the flood of wounded Russian soldiers.

**Source:** General Staff of the Armed Forces of Ukraine on Facebook, information as of 18:00 on 8 October

**Quote:** "The enemy continues to suffer losses. Local hospitals in the temporarily occupied areas of Kherson Oblast cannot cope with the flood of wounded occupiers.

Up to thirty wounded invaders have been confirmed to have arrived at the children's clinical hospital in the city of Lysychansk, Luhansk Oblast. Additional medical staff have been sent to this facility."

**Details:** The General Staff reports that Russian forces are trying to hold the temporarily captured territories, are concentrating their efforts on attempts to disrupt the counteroffensive actions of the Armed Forces of Ukraine on certain fronts, and at the same time, are periodically conducting offensive actions on the Bakhmut and Avdiivka fronts.

## Putin

**Putin faces more grim choices after blast hits prized Crimea bridge** - An explosion that severely damaged parts of the road and rail bridge between annexed Crimea and the Russian mainland early Saturday seems designed to play into Putin's current talent for making bad decisions.

It brings forward by a number of weeks the strategic choices about Russia's occupation of southern Ukraine. This entire presence was already poorly supplied, managed and in retreat. And it shows that the key railway route into Crimea and onwards to the frontlines in Kherson is highly vulnerable to future attacks.

While Kyiv has not claimed responsibility for the Kerch Strait bridge blast, it has previously taken credit for a series of strikes on targets in Russian-occupied Crimea over the summer.

Russian officials said a limited amount of car traffic had resumed on undamaged sections of the bridge's roadways by Saturday evening and that train services were resuming on the bridge's railways. But trucks were being asked to take ferries across the strait, state media reported.

Rickety ferry crossings in bad weather or highly dangerous air cargo flights may now be needed to bolster military shipments into Crimea and towards the frontlines, which will place more pressure on a single railway track further east coming through Melitopol along the Azov Sea coast.

It exposes the staggering 20th century weakness of Russia's armed forces and occupation: They need railways to get around.

Ukraine has been targeting this system with slow, patient accuracy. First Iziurm, which led to the collapse around Kharkiv. Then Lyman, which is leading to the erosion of Russia's control of Donetsk and Luhansk. And now the Kerch Bridge, which had become so vital to everything that Russia is trying to hold on to in the south. (**Comment** – not forgetting Kreminna and Svatove in Luhansk, among many others, both strategic hinge points in Russian supply lines).

Compounding the problem for Putin is the fact that Russia's rail hub further inside Donetsk was also hit on Saturday; a look at Ilovaisk on a map shows the railway arteries running through it. A cargo train detonated there this morning, likely having some impact on Russia's ability to feed the railway lines inside Donetsk and Luhansk that Ukraine has already put under great pressure.

Ukraine has had patient timing on hitting these pressure points. They have not struck until they have seen a moment of weakness – until the Russians are experiencing serious issues already – ensuring that the damage inflicted lasts while time-consuming repairs are underway. (While Russia claims that railway traffic was set to be restored by Saturday night, the bridge’s vulnerability to attack at the least will lessen traffic).

**Putin’s top officials now believe the Ukraine war is lost** - The war in Ukraine is going badly for Russian President Putin. And now he may face a new threat thanks to this conflict: reports that Putin’s top officials think the war is lost.

Putin’s Kremlin elite are increasingly opposed to the war in Ukraine, according to a series of interviews by The Guardian.

In late February 2022, the Russian military said they’d be able to take control of Kyiv in just a matter of days. But 227 days later, the Russian forces have endured a series of disastrous defeats in Ukraine.

Ukrainian forces recently pushed back the Russian military from thousands of square miles of territory in eastern Ukraine, prompting the Kremlin to launch a chaotic mobilization of reservists and civilians.

As a result, Putin’s top officials now believe the war in Ukraine is lost.

One well-connected Russian state journalist told the Guardian that “intense dread” has taken hold of much of the political elite, saying, “The higher you go, the more desperation you feel. There is general understanding now that the war can’t be won.”

Another journalist, Yevgenia Albats, a Russian investigative reporter and editor of the New Times who was recently forced out of Russia, also spoke to The Guardian and said her sources within the Russian administration suggest that estimated that at least 70% of top officials are opposed to the war.

The Washington Post also reported serious qualms among Putin’s aides and advisors. “Since the start of the occupation, we have witnessed growing alarm from a number of Putin’s inner circle,” an unnamed Western intelligence official told The Post.

“Our assessments suggest they are particularly exercised by recent Russian losses, misguided direction, and extensive military shortcomings,” it said.

“This whole system is built around a vozhd, a leader”

However, despite this widespread opposition to Putin and his shortcoming military mission, Albats has said that Putin is likely to see any formal threats against his power.

“For there to be a schism,” an organizational split, “people need to stop being afraid,” she said.

Political scientist Dmitry Oreshkin said, “This whole system is built around a vozhd, a leader. If you get rid of Putin, you have to be able to deliver quick results, but everyone knows that is not possible right now.”

But in Putin’s regime, factions and infighting are increasing. For example, Yevgeny Prigozhin — the founder of the Wagner Group, considered Putin’s unofficial de-facto private army — and the Chechen leader Ramzan Kadyrov had declared war against the defense minister, Putin loyalist Sergei Shoigu, after a series of defeats in Ukraine, according to the Guardian.

“Putin is a very destructive personality. He will play the different factions off each other and see what the best outcome will be. Putin just wants to see what is best for him and the war in Ukraine,” a former defense ministry official told the Guardian.

**Winter is coming and Putin faces his "Hitler moment"** - The Ukrainian summer is almost over. As the Nazis found out in 1941, the cold seasons bring misery and defeat.

It's nice today in Kyiv: Temperatures around 75°F with intermittent showers throughout the day. Kharkiv will be about the same, 80 degrees with occasional rain and patches of sunshine. It's going to stay pretty warm all week in Ukraine, as a matter of fact. By the weekend, it will be close to 90 and sunny in both cities.

Perfect weather for a war. The summer heat will dry up the muddy fields where sunflowers and corn and wheat grow in profusion in Eastern Europe's breadbasket. Down in the port city of Odesa, the first cargo ship carrying grain from the harvest in Ukraine has departed and is making its way unmolested through the Black Sea, because Russia and Ukraine recently reached an agreement to let grain shipments through the Russian blockade.

That's the good news. The bad news is that Russia's war against Ukraine proceeds apace, with no signs of letting up. That is especially bad news for Putin, because the weather that's so nice today is going to get progressively worse as the heat of summer on the steppes cools in the fall, when the last of this year's crop will be harvested and the flatlands of central and eastern Ukraine will return to their fallow state.

You want to know what they call the time after the last harvest over there? The quagmire season, the months of cloud cover and cooling temperatures and rain and mud — fields of mud, oceans of the stuff in places where crops held the water and then the sun helped dry out the soil.

It's going to be like it was when Russia first invaded Ukraine in late winter and early spring — the other quagmire season, the one before the crops are planted and start to grow. Remember what the Russians had to deal with back then? Those aerial photos of long convoys of trucks and tankers and armored vehicles that were confined to the roads north of Kyiv because the minute they ventured off the pavement they would be axle-deep in the soupy mud of the same steppes that helped grind the Nazis to a halt in 1941 after Field Marshal von Rundstedt's army had taken Kyiv and Kharkiv and turned north for Moscow.

Hitler launched Operation Barbarossa in June of 1941. By the end of July, his northern army group under Field Marshal Wilhelm Ritter von Leeb was only 60 miles from Leningrad, its objective. By September, von Rundstedt had taken Kyiv, and by October, Kharkiv too had fallen to the Nazi advance.

To the north, the attack on Leningrad stalled and Hitler ordered that the city be cut off from the rest of Russia. A siege began that would last more than 800 days.

The attack on Moscow by Hitler's main force stalled, too. As November neared, the dirt roads around the Soviet capital had turned into what historians would describe as "rivers of mud." Nothing moved in the approaches to Moscow, and nothing moved to the south in Ukraine, either.

Hitler's resupply lines were stretched thin to begin with. Now the quagmire season was slowing them even more, and the German army was looking into the teeth of the snow and ice and freezing temperatures of November and December.

As the Nazi attack stalled across its 1,800-mile front, the Soviet army was able to regroup and encircle individual German units and begin to achieve some tactical successes. With resupply lines maxed out and the bitter cold setting in, the Germans were forced to retreat from their advance positions around Moscow. The Nazi air force, the Luftwaffe, was struggling against the weather, too.

Is there a lesson here for Putin? You right there is. Hitler announced that his war against the Soviet Union was one of "annihilation," the utter destruction of everything that got in their way. The Soviet army was weaker. Its air force was gone after initial attacks had knocked out thousands of planes on the ground.

But the Soviets were fighting on their ground, and they had the advantage of a population that was on their side against the Nazi invasion. As weak as it was, the Soviet army could use resources provided by local citizens and knowledge of local backroads and hiding places to harass and confound the Nazi army.

If any of that sounds familiar, it's because it is. A much weaker Ukrainian army was able to hold off the massive Russian attack on Kyiv and even reverse it. The Russians have yet to take Kharkiv, and they have been fought to a standstill in town after town across the eastern front. The towns Russian forces have taken, like Severodonetsk, have cost them dearly in men, equipment and supplies, and appears to be executing its own war of annihilation on Ukrainian cities and their civilian populations, but the strategy shows no signs of weakening Ukrainian resolve.

British intelligence reported last week that Russia fired at least 20 missiles into Ukraine from positions it holds inside Belarus. On Monday, the New York Times reported that Russian forces are using the Zaporizhzhia nuclear power station across the Dnipro River from the Ukrainian-held city of Nikopol in the country's south as a firing position to shell Ukrainian forces with rockets and artillery. The Ukrainian military is reluctant to shoot back using new high-tech counter-fire artillery and rocket systems to target the Russian guns for fear of hitting the reactor and releasing a radioactive cloud into the surrounding region.

Reuters reported recently that U.S. defense intelligence officials believe that Russia is losing "hundreds of casualties a day" in Ukraine and severely depleting its numbers of lieutenants and captains, the junior officers who command front-line infantry and armored units in the war.

Russia's chain of command is "struggling," a senior defense official told Reuters. Dara Massicot, a senior policy researcher on Russia at the Rand Corporation, reported on Monday that the damage being suffered by the Russian military "cannot be overstated." In a series of tweets, she said: "It goes beyond the numbers of men killed and equipment destroyed. This will also be a story of a military generation that is damaged or gone, and who remains."

Painting a grim picture of the state of Russia's military, Massicot continued: "Then, add in the mass casualty events that the Russian military has not coped with since WW2, being sent in unprepared for the Kremlin's war of choice, the lies, the war crimes, atrocities, the list goes on and on. The numbers of Russian casualties are severe enough — but the damage that will ricochet around inside those service branches after this war is over, will be worse."

These are not good signs for Putin. Armies that are doing well strategically do not need to hide behind nuclear reactors or fire into enemy territory from redoubts across an international border. Now he will confront all the same ancient barriers that confounded Hitler: mud, snow, ice, vehicles with frozen engines that won't start and frozen artillery that won't shoot and frozen soldiers who are missing commanders who have been killed and don't want to fight.

Hitler had Operation Barbarossa. Putin has his "special military operation" in Ukraine. No matter what you call your war, Mother Nature gets to have her say.

It may be August right now — but winter is coming. This one won't be any better for Putin than the winter of 1941 was for Hitler. (Lucian K. Truscott IV in salon.com).

**US resists 'regime change' talk, but Putin knows how last czar died** - Putin could lose power if Ukraine's counteroffensive continues, exuberant European officials and dismayed Russian imperialists are beginning to suspect, though U.S. officials hesitate to indulge speculation about "regime change" in the Kremlin.

"We live in an information society and things are changing, even as we are speaking, now actually," a senior European official told the Washington Examiner. "So we don't know what could happen, we just need to be prepared, when the right moment comes, to take the right decision."

Other Western officials regard Putin's fall as a more remote prospect, particularly given fair uncertainty about how much territory Ukrainian forces will liberate before the newly mobilized Russian forces can reach a critical mass of effective troops. Yet the cascade of Ukrainian forces entering once-occupied towns has provoked angry Russian military veterans into dire warnings about the ramifications of continued failure, even as President Biden affirms his intention to leave space for "Putin's off-ramp" out of the war.

"It's not helpful to just speculate about what comes next," the White House's Phil Gordon, national security adviser to Vice President Kamala Harris, told a Warsaw Security Forum abuzz this week with questions about Putin's potential collapse. "No, [it's] not U.S. policy to create regime change in Russia, and we've been very clear about that."

Putin made an apparent effort to paper over the military setbacks last week by signing documents that purport to incorporate four regions of Ukraine into the Russian state — a territorial claim that exists only on paper, in many places, because Russian forces never managed to take control of all the regions. Ukrainian forces have continued to retake villages and towns across those areas, laying bare the fragility of the Russian claim and stoking the criticism of Russian veterans who have attributed their struggles to the corruption of Putin's military team.

"We need decisive, competent people not afraid of responsibility — thinking not how to fill their pockets and finish their dacha quickly, but how to serve the motherland," former Russian FSB officer Igor Girkin, who posed as a pro-Russian separatist commander at the outset of the war in 2014, said this week. "Will people like that be found in the president's circle? Can he put them in places?"

Russia can "win this war" if the necessary reforms take place, Girkin maintained, but he implied that continued mismanagement could result in Putin's regime going the way of Czar Nicholas II, the Romanov czar overthrown and killed by Bolshevik revolutionaries during the First World War.

"If this is not done, then we will certainly dance, like we all have been saying," Girkin said. "We'll dance to the new 1917. And we're dancing towards it very quickly."

**Putin really could fall — but will that help the West as much as we think? -** The disarray and likely collapse of Putin's effort to mobilize 300,000 conscripts to fight in Ukraine suggests that his iron grip on power could someday soon be broken as quickly and surprisingly as the czar's grip was broken in 1917 and the grip of Soviet totalitarianism was broken in 1990. But with what consequences?

A hundred years of Russian experiences with overthrowing autocracy suggest only another turn in a depressing cycle. Americans tried but failed to arrest that cycle when U.S. troops actually invaded to support anti-Bolshevik White Russians in the 1920s and when free-market evangelists in the 1990s put their dirty fingers into the Russian economy, only to wind up getting burned.

In "*The Unconquerable World: Power, Nonviolence, and the Will of the People*," Jonathan Schell reminded us that revolutionary Bolsheviks were surprised that the imperial regime fell quickly and with little bloodshed. Between 1989 and 1991, most Russians and Westerners were equally surprised by the speed with which the supposedly impregnable Soviet Union lost its grip on Eastern Europe and on Russia itself, vanishing almost as if in a puff of smoke.

The reason is that autocracies that are run mostly on fear — on domestic terror — drain their people of the spontaneous energy and comity, or love, that can sustain a healthy society. So those societies fail. And if their public's fear is displaced by contempt, they unravel.

Huge upheavals in technology, economics, communications, migrations and demographics over these past hundred years have exposed the bankruptcy of fear as a social glue and have weakened the grip of old-style authoritarianism. But the new technologies and other arrangements have also intensified top-down surveillance, indoctrination and

control in increasingly subtle and even seductive ways in the hands of rulers in Hungary, Singapore, Turkey and other countries whose elites are more imaginative than Czar Nicholas II or Joseph Stalin and their legatees.

Putin, who spent his childhood under Stalin and his formative years in the KGB, is almost a throwback to the old authoritarianism, and has not seemed to master the new authoritarianism's greater subtlety and intimacy. Watching a three-minute video of Putin entering the Kremlin, posted here in Salon with another warning about him a few months ago, one notices the cartoonish postures of his guards and the obsequious deference of the nomenklatura, receiving him in ways that suggest that Putin's curse may truly be Russia's. For better or worse, Russian civil society has never had anything like America's libertarian-individualist strain or its civic-republican ethos.

But are those differences really to the West's advantage?

The irony is that while Putin's vulgar authoritarianism may be weakening in Russia, with unpredictable consequences, a new authoritarianism is rising among tens of millions of citizens in Western democracies who demand to be lied to and recruited by myths as simplistic as Putin's, myths that tell them whom to scapegoat for their stress and dispossession and whom to follow to "fix it." (Salon.com).

## Nuclear

**Biden warns Putin is 'not joking' about nuclear weapons** - President Joe Biden again issued a dire warning about the escalating nuclear dilemma in Russia, saying Putin, is "not joking" when he talks about using the weapons.

At a fundraiser in New York City, Biden said for the "first time since the Cuban missile crisis, we have the direct threat of the use of a nuclear weapon if in fact things continue down the path that they are going. That's a different deal."

"We have not faced the prospect of Armageddon since Kennedy and the Cuban missile crisis," he said. "I don't think there's any such thing as the ability to easily (use) a tactical nuclear weapon and not end up with Armageddon."

Biden said Putin's military is "underperforming" in Ukraine and he may feel threatened.

**John Brennan: Ukrainian offensive worrisome as Putin gets 'pushed into a corner'** - As Ukrainian forces power forward against Russia, former CIA Director John Brennan says he worries for Ukraine's plan on the offensive. "I think [Biden] is saying that we cannot be dismissive of these threats that are coming out of Russia, where they suggest that they will use whatever means at their disposal to achieve victory in Ukraine. This is a very, very worrisome time, as Ukrainians continue to push back against Russia, in a very, very effective fashion."

## GeoMilitary

**NATO must do more to protect itself against Russia, says German defense minister** - "We cannot know how far Putin's delusions of grandeur can go," she said while visiting German troops deployed in Lithuania.

Lambrecht also reminded about the threats Russia has made to Lithuania.

"We've heard Russia's threats to Lithuania, which was implementing European sanctions on the border with Kaliningrad," the defense minister said.

"This is not nearly the first such threats, and we must take them seriously and be prepared."

Lithuanian Foreign Minister Gabrielius Landsbergis said earlier that NATO should accept Ukraine into the defense organization after the victory over Russia, otherwise there is "no sense in having the alliance."

## NATO

**Ukraine applying to join** - Ukrainian President Zelenskyy announced Sept. 30 that Ukraine would apply for NATO membership on an expedited basis. The document was signed by the president, Prime Minister Shmyhal, and Verkhovna Rada Speaker Stefanchuk.

According to Mykhailo Podolyak, adviser to the head of the President's Office to Ukraine, Ukraine held consultations with NATO before filing its request to join the alliance on an expedited basis.

The presidents of nine NATO countries (the Czech Republic, Estonia, Latvia, Lithuania, North Macedonia, Montenegro, Poland, Romania and Slovakia) on Oct. 2 called for "a significant increase in military assistance to Ukraine" and supported its membership in the Alliance.

## Geopolitics

**After years of being ignored, countries that know Putin's Russia the best have been proved totally right**

In a landmark moment, the most senior official in the EU, European Commission President Ursula von der Leyen admitted last month that nations like her native Germany had been naive.

"One lesson from this war is we should have listened to those who know Putin," Ursula von der Leyen said.

"They have been telling us for years that Putin would not stop."

She identified Ukraine, Moldova, Georgia as countries which knew better, as well as the Baltic countries of Latvia, Lithuania, and Estonia — three of the EU's 27 members.

Those countries repeatedly warned that Russia could target them, while fending off Russian cyberattacks, and prepared their own citizens for war.

**Zelenskyy convinced that new European format would meet Kyiv's expectations** - President Zelenskyy is convinced that the new format of European cooperation, initiated by the President of France, will meet Ukraine's expectations.

When asked whether the Office of the President is confident that the format of the European political community would meet Ukraine's expectations, he replied: "Absolutely."

Quote by Zhovkva: "We remember how this initiative of Macron's appeared, and how then we were assured that it would not hinder our movement towards candidacy and further on towards membership. Now we have the first ever summit of the European Political Community, and it achieved its goals."

Details: First, Zhovkva noted, the format brought together EU member states, those seeking membership, and those outside the EU and not planning to join, such as Britain.

"President Zelenskyy set the tone for this summit, speaking first after the host of the meeting, Tomas Fiala, and offering his vision of what this format should be. His proposal of the European Peace Community found support. And if in the end they agree on it, then this format will have [a certain] meaning," noted Ihor Zhovkva.

He also noted that Ukraine seemed to be the only one among the participants to submit its proposals regarding this format, as the summit organisers said, and it also proposed that the format be renamed.

**A distracted Russia is losing its grip on its old soviet sphere** - With the Kremlin distracted by its flagging war more than 1,500 miles away in Ukraine, Russia's dominium over its old Soviet empire shows signs of unraveling.

Moscow has lost its aura and its grip, creating a disorderly vacuum that previously obedient former Soviet satraps, as well as China, are moving to fill.

Russia's domination of Central Asia and the Caucasus region is unraveling as the Kremlin focuses on the war in Ukraine — and border violence is flaring.

On the mountain-flanked steppes of southwestern Kyrgyzstan, the result in just one remote village has been devastating: homes reduced to rubble, a burned-out school and a gut-wrenching stench emanating from the rotting carcasses of 24,000 dead chickens.

All fell victim last month to the worst violence to hit the area since the 1991 collapse of the Soviet Union — a brief but bloody border conflict between Kyrgyzstan and Tajikistan, both members of a Russia-led military alliance dedicated to preserving peace, but which did nothing to halt the mayhem.

“Of course, they are distracted by Ukraine,” Kyrgyzstan's president, Sadyr Japarov, lamented in an interview in Bishkek, the Kyrgyz capital.

Before Russia invaded Ukraine in February, Russia played an outsize role in the affairs of Central Asia and also the volatile Caucasus region, in what had passed for a far-flung Pax Russica. In January, it rushed troops to Kazakhstan to help the government there calm a wave of violent domestic unrest. In 2020, it sent around 2,000 armed “peacekeepers” to the Caucasus to enforce a Moscow-mediated truce between Armenia and Azerbaijan.

Today, Armenia is fuming. Its prime minister, Nikol Pashinyan, who has been a close ally, appealed to Moscow in vain last month for help to halt renewed attacks by Azerbaijan. Furious at Russia's inaction, Armenia is now threatening to leave Moscow's military alliance, the Collective Security Treaty Organization.

The Kazakh government that Putin helped prop up in January is veering far from the Kremlin's script over Ukraine and is looking to China for help in securing its own territory, parts of which are inhabited largely by ethnic Russians, and which Russian nationalists view as belonging to Russia.

And here along the mountainous border between Kyrgyzstan and Tajikistan, long-running quarrels between farmers over land, water and smuggled contraband escalated last month into a full-scale conflict involving tanks, helicopters and rockets, as the armies of the two countries fought each other to a standstill.

The conflict, according to Kyrgyz officials, killed scores of civilians and drove more than 140,000 people from their homes. It left many local residents and officials in Bishkek, the capital of Kyrgyzstan, asking why Moscow — long seen as an attentive guardian of stability on the combustible fringes of the former Soviet empire — had barely lifted a finger.

Moscow's security alliance has long been touted by Putin as Russia's answer to NATO and an anchor of its role as the dominant (and often domineering) force across vast expanses of the former Soviet Union. But now the bloc is barely functioning. Five of its six members — Armenia, Belarus, Russia, Tajikistan and Kyrgyzstan — have been involved in wars this year, while the sixth, Kazakhstan, has seen violent internal strife.

### **And the geopolitical hawks are circling**

In response, China is newly asserting itself, while the United States also sees an opening, pressing Kyrgyzstan to sign a new bilateral cooperation agreement. It would replace one scrapped in 2014 after Russian pressure forced the closing of an American air base outside Bishkek that had been set up to fuel warplanes flying over Afghanistan.

Russia still has tremendous leverage in Central Asia. Its biggest foreign military base is in Tajikistan, and it has a small air base in Kyrgyzstan, a poor, remote country that remains heavily dependent on Russian energy supplies and remittances from more than a million Kyrgyz migrant workers in Russia.

“Russia is obviously focused on other things right now, not Central Asia, but the moment it wants to lay down the law, it just has to hint that it will make life difficult for migrant workers in Russia,” said Peter Leonard, Central Asia editor for Eurasianet, a media outlet that reports on the region.

But the recent border war between Kyrgyzstan and Tajikistan unsettled longstanding assumptions about Russian power. It erupted just as Mr. Putin was in neighboring Uzbekistan for a summit meeting of a Chinese-sponsored regional grouping, the Shanghai Cooperation Organization, which was attended by President Xi Jinping of China, as well as leaders of India, Turkey, Azerbaijan and four Central Asian countries.

**Kyrgyzstan cancels Russian-led military drill on its land** - Kyrgyzstan today unilaterally cancelled joint military drills between the six nations comprising the Russia-led Collective Security Treaty Organization (CSTO), less than a day before they were due to start on its territory.

The Kyrgyz defense ministry did not specify the reason for cancelling the “Indestructible Brotherhood-2022” command and staff exercises, which were set to be held in the country's windswept eastern highlands Monday to Friday.

According to earlier reports, the exercises were set to involve army personnel from CSTO members Russia, Armenia, Belarus, Kazakhstan, Kyrgyzstan and Tajikistan, and focus on securing ceasefires. Observers from five further states, including Serbia, Syria and Uzbekistan, had also been invited.

The move by Bishkek is the latest indication that tensions may be simmering within the alliance, formed in the early 1990s after the collapse of the Soviet Union. Last month, Armenia skipped a two-week drill held by the collective in Kazakhstan, after criticizing the bloc for failing to openly side with it after large-scale fighting erupted on its border with non-member Azerbaijan in September.

Russia and other CSTO countries effectively turned down Yerevan's request for military aid, issued hours after hostilities began, and limited their response to sending fact-finding missions to the border. Armenian authorities had accused the Azerbaijani government in Baku of using heavy artillery and combat drones to strike Armenian army positions.

Despite its apparent ambitions to provide a counterpart to NATO, the CSTO has at times struggled to define its exact purpose. Failure to engage in numerous security crises among its members over the years has prompted analysts to question its viability.

## Containment

**U.S. ATACMS missiles could make Russia pay dearly in Ukraine** - With a long-range missile system called ATACMS, Ukraine would be able to fire munitions inside Russian borders and Ukrainian President Zelenskyy has wanted the weapon since the war started. But shooting inside Russian territory is likely the reason the United States does not want ATACMS to proliferate in Ukraine.

ATACMS stands for Army Tactical Missile System. The munitions can hit a target 186 miles away. The ATACMS can fire from a HIMARS (High Mobility Artillery Rocket System) launcher or other types of road mobile multiple-launch rocket systems. Ukraine currently has 16 HIMARS launchers that can fire GPS-guided rockets at a range of 50 miles. More of these systems are on the way as part of the latest U.S. aid package, but they will not be available for at least one year as they have to be manufactured first – not taken from existing U.S. stocks.

There has been increasing talk and suggestions that Ukrainian operators have been or are being trained in EU countries in how to handle these weapons.

It is also increasingly looking as if a long-distance missile may be responsible for the Kerch Bridge attack.

## Peace talks

**Putin wants a new 'Grand Bargain' with the west as Russian losses mount up, says Turkey** - Turkey has revealed that Russia may pitch a new "grand bargain" during possible negotiations as Russian losses mount up in Ukraine amid war.

Ibrahim Kalin, the adviser of Turkey's President Erdogan, said that Putin wants to strike "a new grand bargain" with the West to rub out the humiliations of the post-Cold War period. This statement comes after Erdogan on Friday spoke with him about the "latest developments" in the war in Ukraine, as per a readout from the government of Turkey.

In an interview with CNN, Kalin asserted that the Ukraine conflict will inevitably end in a negotiated settlement, with the only question being when, "and how much damage will have been done by then?"

Ankara, while critical of Russia's invasion of Ukraine and Putin's recent move to annex four Ukrainian territories, has maintained good relations with the Kremlin. This was signified by the Black Sea Grain Initiative which was brokered by Turkey and the UN this summer to allow grain shipments from Ukrainian ports.

Negotiations between Russia and Ukraine came to a halt after Moscow announced the accession of four Ukrainian regions into the Russian Federation last week. President of Ukraine Zelenskyy hit back by signing a decree declaring the impossibility of holding negotiations.

Erdogan's spokesperson informed that the halt in talks was to be expected, further revealing that he had recently discussed the issue with Jake Sullivan, the National Security Advisor of the United States. Furthermore, Kalin stated that there was also a larger point at play when Russia's involvement in negotiations came into focus.

"Our understanding is that Mr Putin wants to have a new grand bargain, a new deal with the West. It's partly about Ukraine, no doubt. But the larger issue is really a new deal between Russia and the Western world," revealed Kalin.

Elaborating further with the context of the agreements made by Moscow at the end of the Cold War, under ex-Presidents Yeltsin and Gorbachev, Kalin stated that such agreements no longer reflect the Russia of today. According to Kalin, "There is a new Russia, there is a new world, there is a new reality, and they want to have a new bargain."

**Post-Putin options for Peace Talks** - Putin said in his speech on 30 September that the Kremlin was open to negotiations with Ukraine, however, discussing the status of the newly annexed territories was "out of the question" for him.

Ukraine's Zelensky has been clear since day one that another annexation would rule out negotiations completely and was swift to respond on the same day Putin signed the annexation papers: if there is a negotiation in the future, Russia's President must be anyone but Putin. It's hardly thinkable that there might be a negotiation of any kind right now for two reasons.

- **Reason number one** is that the Kremlin's only demand would be Kyiv's capitulation, but this appears way beyond the reach of reason, for Putin's scope for progress is narrowing each day. Having been twice tactically defeated, he has to prepare another offensive now, running the great risk of losing completely this time.
- **Reason number two** is that a bilateral negotiation with no mediators or guarantors is only possible if capitulation is in question, while a peace treaty requires a neutral venue and a set of international guarantors. Nobody will take the initiative and set up such a negotiation, however, for it has become clear since 30 September that Putin is not fighting a war against Ukraine, but rather a war against reality, and Kyiv's positions are rapidly becoming more solid.

Putin is nearing the catastrophe at full speed, and Kyiv sees it, so it's no longer advantageous for Ukraine to "back up to 23 February."

It is now doubtful that the Kremlin would be able to set up a solid "separation line" even if 50,000 troops would be deployed from the Far East. He will never manage to withdraw from this war, so this issue will be up to his successor, whoever it might be.

It will be an extreme challenge for any future Russian president as Putin's level of aggression towards Ukraine will force them to do anything at large to assure everyone that this would never happen again. The "Russian menace" has become a global issue, disturbing dozens of countries worldwide at this point.

Zelenskyy's formula he offered in March which implies backing up to 23 February, postponing the Crimea issue for 15 years, and accepting Ukraine's neutral status is no longer sufficient for Kyiv.

So, what is Russia to expect under a new president?

- **Firstly**, a peace treaty will not do with European guarantors only, so China and maybe Canada will need to join the likes of Germany and France. This set of guarantors will have to be gathered by the Kremlin and will require clear and resolute assurance of its good intention.
- **Secondly**, a peace treaty will require a new understanding of Russia's place in the system of security in Europe from the Kremlin. This new concept must satisfy the Russia-neighboring countries and Eastern Europe in general, too.
- **Thirdly**, peace treaty negotiations will inevitably be a haggles regarding Russia's monetary compensation to Ukraine as the damage it had inflicted is colossal. It is likely that Moscow's diplomacy under a new president might agree on a new Marshall Plan, removing the compensation point from the negotiation. This will require enormous diplomatic efforts and, most importantly, Moscow's complete sincerity and transparency.

The Kremlin can no longer hold its separation line, endure attrition warfare, or blackmail the world with nuclear weapons.

Putin may last for several more months, but a peace treaty negotiation, and not a ceasefire, will be inevitable.

A peace treaty negotiation of this kind could resolve all issues of the post-Soviet countries in one single shot: Moscow would barter its compensation payments to Ukraine for closing all its "sore areas" by withdrawing its troops from Moldova's Transnistria, Georgia's Abkhazia and South Ossetia, and demilitarizing the Kaliningrad exclave.

This set of proposals would be a decent effort towards European security from Moscow, the one that would counterpoise the aftermath of Russia's aggression in Ukraine.

Some may say that this sounds surreal, but this is the way it's going to be as there is no other way Moscow can avoid the impending catastrophe with minimum losses. (<https://novayagazeta.eu>).

**India's initiative to end Ukraine war appreciated, Russia unwilling to listen: Poland ambassador** - Polish ambassador Burakowski said the words of Prime Minister Modi that 'today's era is not of war' had a global echo.

India's initiative to end the war in Ukraine is "highly appreciated" though Russia is "unwilling to listen to such voices," and Prime Minister Narendra Modi's efforts will strengthen cooperation among democratic nations, Polish ambassador Adam Burakowski has said.

As an immediate neighbour of Ukraine, Poland has been at the forefront in providing humanitarian and military aid to Ukraine, and more than 6.8 million people, 90% of them women and children, have come from Ukraine to Poland, Burakowski said in an exclusive interview.

The recent “sabotage of the Nord Stream pipelines” should be seen in the “context of the Russian war and (President Vladimir) Putin’s determination to achieve success,” he said. “Trade in energy resources has become an area of energy war,” he added.

Asked what Poland made of the Indian Prime Minister’s call to the Presidents of Russia and Ukraine to end the war and his offer to contribute to peace efforts, Burakowski replied: “It is important that Russia hear calls to end this war from multiple directions. The Indian initiative is highly appreciated – the words of Prime Minister Narendra Modi that ‘today’s era is not of war’ had a global echo. Unfortunately, Russia is still unwilling to listen to such voices.”

## Russian mobilization

**Russian draft dodgers pour into Kazakhstan to escape Putin’s war** – Vadim says he plunged into depression last month after Putin announced a military draft to send hundreds of thousands of conscripts to fight in Ukraine.

“I was silent,” the 28-year-old says, explaining that he simply stopped talking while at work. “I was angry and afraid.”

When Russia’s invasion of Ukraine began in February, Vadim says he took to the streets of Moscow to protest – but Putin’s September 21 order to draft at least 300,000 men to fight felt like a point of no return.

“We don’t want this war,” Vadim says. “We can’t change something in our country, though we have tried.”

He decided he had only one option left. Several days after Putin’s draft order, he bid his grandmother a tearful farewell and left his home in Moscow – potentially forever.

Vadim and his friend Alexei traveled as fast as they could to Russia’s border with the former Soviet republic of Kazakhstan, where they waited in line for three days to cross.

“We ran away from Russia because we want to live,” Alexei says. “We are afraid that we can be sent to Ukraine.”

Both men asked not to be identified, to protect loved ones left behind in Russia.

Last week, in Kazakhstan’s commercial capital Almaty, they stood in line with more than 150 other recently-arrived Russians outside a government registration center – part of an exodus of draft dodgers.

More than 200,000 Russians have streamed into Kazakhstan following Putin’s conscription announcement, according to the Kazakh government.

**Thousands of Russians continue to arrive in Turkey, fleeing conscription** - Turkey is one of the countries where Russians are fleeing conscription, following Russia's plan to mobilize an additional 300,000 troops to bolster its war in Ukraine. The exodus can be felt acutely in Antalya, a large city on Turkey's southwestern coast, a longtime Russian tourist destination that's now becoming a refuge for those who don't want to fight in the war.

Anti-war Russians began moving here in March, shortly after their country's invasion of Ukraine. The current influx is larger and known as "the second wave" among the local Russian community. Whole neighborhoods in the area near Matryoshka Park are mostly Russian now. It's the language heard on the streets and seen on signs and restaurant menus.

"This is a war of the Russian government, not the Russian people. My issue is not just the mobilization, it's the war. I have relatives in Ukraine, and this is a disgusting situation for all of us," says a man, who is 26.

Things have gotten more complicated recently for Russians in Turkey. Residency laws are getting tighter in the city, making it harder to live and work here legally.

Another big issue is money. After facing pressure and threats of secondary sanctions from the West, Turkish banks suspended the Mir payment system – the Russian version of Mastercard and Visa – which makes it harder for Russians to get currency or even pay the tab at Turkish restaurants.

There is only one cash transfer that Russians can access in Antalya — Golden Crown, a Russian transfer system. It's never without long lines of Russians in front, but the most they each can withdraw per day is \$200.

Russians continue to come to Antalya in large numbers. According to the provincial governor, up to 19,000 Russians are arriving every day. Some are fleeing the draft and others are tourists who decide to stay.

## Humanitarian

**Russia wants to take children and elderly people out of Kherson Oblast** - Children with their parents, as well as elderly people from Kherson Oblast, will be "invited" to regions of Russia for several weeks, Russian-appointed "governor" of Kherson Oblast Kirill Stremousov has said.

**Details:** Veniamin Kondratiev, Governor of the Krasnodar Krai, confirmed that "if necessary, the region was ready to accept and accommodate "up to 10,000 children with adults from Kherson Oblast".

**'War crime:' Industrial-scale destruction of Ukraine culture** - An exquisite golden tiara, inlaid with precious stones by master craftsmen some 1,500 years ago, was one of the world's most valuable artifacts from the blood-letting rule of Attila the Hun, who rampaged with horseback warriors deep into Europe in the 5th century.

The Hun diadem is now vanished from the museum in Ukraine that housed it — perhaps, historians fear, forever. Russian troops carted away the priceless crown and a hoard of other treasures after capturing the Ukrainian city of Melitopol in February, museum authorities say.

The Russian invasion of Ukraine, now in its eighth month, is being accompanied by the destruction and pillaging of historical sites and treasures on an industrial scale, Ukrainian authorities say.

In an interview with The Associated Press, Ukraine's culture minister alleged that Russian soldiers helped themselves to artifacts in almost 40 Ukrainian museums. The looting and destruction of cultural sites has caused losses estimated in the hundreds of millions of euros (dollars), the minister, Oleksandr Tkachenko, added.

"The attitude of Russians toward Ukrainian culture heritage is a war crime," he said.

For the moment, Ukraine's government and its Western backers supplying weapons are mostly focused on defeating Russia on the battlefield. But if and when peace returns, the preservation of Ukrainian collections of art, history and culture also will be vital, so survivors of the war can begin the next fight: rebuilding their lives.

Russian forces also looted museums as they laid waste to the Black Sea port of Mariupol, according to Ukrainian officials who were driven from that the southern city, which was relentlessly pounded by Russian bombardment. It fell under Moscow's complete control only in May when Ukrainian defenders who clung to the city's steelworks finally surrendered.

Mariupol's exiled city council said Russian forces pilfered more than 2,000 items from the city's museums. Among the most precious items were ancient religious icons, a unique handwritten Torah scroll, a 200-year-old bible and more than 200 medals, the council said.

Also looted were art works by painters Arkhip Kuindzhi, who was born in Mariupol, and Crimea-born Ivan Aivazovsky, both famed for their seascapes, the exiled councilors said. They said Russian troops carted off their stolen bounty to the Russian-occupied Donetsk region of eastern Ukraine.

## Sanctions

**Taiwan signals its chip firms will follow new U.S. rules on China** - Taiwanese semiconductor companies attach "great importance" to complying with the law, the island's government said on Saturday, signaling they would comply with new U.S. export controls that aim to hobble China's chip industry.

The rules announced this week by the US administration include a measure to cut China off from certain chips made anywhere in the world with U.S. equipment, vastly expanding its reach in its bid to slow Beijing's technological and military advances.

**Behind Moscow's bluster, sanctions are making Russia suffer** - Fears that Russia is navigating its way around sanctions are unfounded, according to experts who say Moscow is suffering a bigger hit than institutions such as the World Bank have been predicting.

Some analysts have interpreted the strength of the ruble, the size of the war chest of cash available to Russia and the Kremlin's ability to redirect exports destined for Europe to willing southern neighbors as a signal that the arsenal of sanctions deployed against Moscow is failing to bite.

But the economist Mikhail Mamonov thinks otherwise. He was part of a team that modelled the Russian economy in 2014. It measured the impact of sanctions in the wake of Putin's annexation of Crimea and revealed that even the minimal financial and trade blockade imposed at the time had had an impact.

Hi-tech exports to the Russian oil industry were banned. The military was unable to get parts from the west and state-owned banks were blocked from making some transactions. The impact of those measures was judged to have cut GDP growth by about 1%, private consumption by 2% and investment by 3.5%.

The financial retaliation over Ukraine is on a different scale. All hi-tech exports are banned, and Russia has been thrown out of the international financial system altogether.

Mamonov has used his 2014 model as a baseline to measure the impact on business, households and the macroeconomy. He says it will be far deeper this time. "The IMF said earlier this year that the Russian economy would shrink by 6% in 2022; with the extra impact from sanctions, our model shows it will be more like 10%," says Mamonov.

He believes consumption by households and businesses will shrink 10%-15% and investment will fall by 17% in 2022. "It takes time for sanctions to have their impact, and especially when the target is a country run by an autocratic leader who can marshal large resources to offset the effects in the first six months."

Early on, Putin increased pensions and the minimum wage by 10% to cushion the poorer families who make up his core support from a rise in inflation to 18%. And the huge rises in prices for gas and oil seen this year have more than made up for a fall in the volumes exported. In the second quarter of 2022, Russia recorded its highest-ever current-account surplus, thanks primarily to a record-breaking trade surplus. But while this partly reflects higher fossil-fuel revenues, a collapse in imports is another factor.

Mark Harrison, an expert on sanctions and emeritus professor of economics at the University of Warwick, says: "It is wrong to think of Russia's energy profits paying for the war in Ukraine. They are not because Putin cannot buy what he wants for the war effort." And, he says, the ruble has regained its strength "largely because it is a managed currency with capital controls that prevent Russians from spending their money outside the country."

Catarina Martins, an economist at the Bruegel thinktank in Brussels, and her colleague Zsolt Darvas have been examining import and export data with Russia's major trading partners after Putin banned the publication of official figures. In a report this month, they said imports had dropped by half this year on 75% of all trade, indicating that

businesses and state-run agencies are likely to begin mothballing equipment and downgrading manufacturing due to lack of spare parts.

Sanctions have included prohibitions by the UK, EU and US of exporting strategic goods, including hi-tech equipment and components for use in electronics, telecommunications, aerospace and oil refining, among other sectors, the report says. "US sanctions apply not only to goods exported by US companies, but also to goods produced elsewhere using US technologies. The extraterritorial nature of US sanctions could help explain the generalized drop in Russia's imports since March 2022, even from countries that have not applied sanctions," it adds.

Last month, two of Turkey's largest banks suspended acceptance of Russia's Mir payments system – an alternative to Visa and Mastercard – after the US warned of punishment for accepting transactions in roubles.

Harrison says: "When we talk about waging a trade war alongside a military one, all the action is on the import side."

Tim Ash, a Russia expert at the Chatham House thinktank, says Putin had accepted that harsher sanctions were the price of invading Ukraine, and had prepared his economy for the initial shock. "But in the medium term, sanctions are disastrous for Russia," Ash says.

Russia depends on pipelines to export its gas, and most of those pipelines lead to Europe. The alternative is cooling the gas so that it condenses into a liquid and can be transported by ship as liquefied natural gas (LNG). But Russia does not have the infrastructure to do this. "Putin can switch off gas to Europe, but he cannot divert the gas for sale to other countries because he would need LNG terminals to store the gas. He doesn't have the time, technology or equipment to do that, so it must stay in the ground," says Ash.

Yakov Feygin, a Russia expert at the Berggruen Institute in Los Angeles, says food prices are rising in Russia and shortages of basic goods have begun to emerge.

"Despite the rosy picture painted by Putin, there are real, material production problems that mean factories must downgrade the quality of the things they make," he says.

Ash has visited Ukraine for 35 years and is convinced the country can maintain its rout of Russian forces with the financial and military support of the west. "Nato is a \$40tn economic bloc while Russia is a \$1.7tn economy," he says. "Nato is spending 2% of its income on the military, which means whatever Russia spends, Putin doesn't stand a chance."

## Reconstruction

**Russia's invasion of Ukraine has made the Marshall Plan relevant again** - Ukraine will need a reconstruction plan after the war with Russia similar to the one the United States offered to Europe after the Second World War, European Budget Commissioner Johannes Hahn said on Wednesday.

Under the post-World War Two U.S. scheme known as the Marshall Plan, the United States granted Europe the present-day equivalent of some \$200 billion over four years in economic and technical assistance.

"I think that what we need for Ukraine, at the end of the day, is an updated model of the Marshall Plan," Hahn told a news briefing.

Hahn said it would help Ukraine recover quickly, rather than over decades, from the massive destruction by the Russian army and would lead to a faster convergence of Ukraine with the European Union.

Kyiv has applied to become a formal candidate to join the 27 nation bloc. Even in peacetime that process is long, and it has been made almost impossible by the war raging in the country.