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URPO KIVIKARI

Democracy –
Russia's dilemma



MATTI ANTONEN

Neighbouring a
World Power –
Finland's relations
with a 21st
Century Russia



MATTHEW

ROJANSKY

U.S.-Russia
Strategic Stability
Dialogue



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SIMMS

UK-USSR 1991,
the return of the
bear





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URPO KIVIKARI

Democracy – Russia's dilemma

Expert article • 2999

In the periods of transition following the First and the Second World War, many European countries democratised their systems. The early years of the 1990s made it possible for socialist countries to shift to democracy. Russia did not seize any of these opportunities.

At the end of the 1980s, I was invited to join a group preparing a Soviet transition to a market economy. Meetings usually took place in Austria hosted by the International Institute for Applied Systems Analysis (IIASA).

The members of the group included about a dozen Soviet (Russian) representatives and half a dozen Western economists. The group was chaired by the US Professor Merton J. Peck and the Soviet Academician Stanislav Shatalin. The interpreter of the group, Peter Aven, later became a minister in the Russian Government and a banker. Many of the Russian representatives in the group later rose to key positions in Russia.

Since changes that revolutionise economic systems are rare, in economics, institutions have generally been considered as "given" and therefore uninteresting. However, I had happened to study the structures of both advanced capitalism and real socialism, so I believed I could be of use in the reform group by focusing on institutions in particular.

My talks about the significance of institutions were met with very little understanding from my colleagues. It may be that my propositions remained quite obscure to the Russians. For them, the transition to a market economy seemed to mean price liberalisation and the privatisation of the state capital and enterprises. I had a very bad feeling about how a market economy that downplays the significance of institutions would come to serve the people's well-being and democracy.

Our work did not go to waste since, after its completion, the Soviet Union published a programme, which attracted a lot of attention, about the country's transition to a market economy within 500 days, named after Academician Shatalin.

In 1991, after the collapse of the Soviet Union, the independent Russia declared that it would adopt democracy and market economy, as did also other European states that had abandoned socialism. The achievement of a true democracy and market economy required two things.

Firstly, it needed institutions under whose guidance and supervision the appropriate political and economic values and practices can be realised, and which form an entity that ultimately defines the country's social and economic system. Therefore, with a view to a successful transition, it was decisive how well the old practices and institutions adapted to the new system and what kind of new ones could be created.

The former socialist countries that applied for the EU membership had to develop their new systems for about 15 years under the strict guidance and supervision by the EU before being accepted as members. Russia did not have a similar external mentor and it lacked a sufficiently ambitious programme of its own. Russia – and the Soviet Union in its final years – would have needed both reformed and totally new institutions to secure the development of a genuine party

system and to fight against rigged elections, lack of independence of the judicial system, the dominant position of FSB, bandit capitalism, corruption, among other problems.

The second requirement for a successful change of systems is the sincere will of the citizens and those in power to develop the democracy and market economy. In the 1990s, there certainly were some people among those in power in Russia representing such political will, although there were also those who felt quite differently. The citizens of Russia expected that the market economy, capitalism and democracy would provide for a good Western standard of living. Unfortunately, the shortcomings in the development of the system caused disappointments to the people, and as the 1990s was drawing towards its end, following the Western models seemed less appealing to the Russians.

Russia turned its back on democracy, as it had done before in the turmoils of the First World War. Back then, Russia adopted Marxism from the West, but not democracy. In the 20th century, Russia followed a different path from, for example, Japan and India which, in spite of lagging behind in comparison to the Russian starting points, succeeded in transforming themselves into democracies.

In the 21st century, we have had no reason to expect that, as a leader of Russia, a former KGB officer and communist would want to have a liberal democracy – or any other kind of genuine democracy for that matter – in his country.

It probably boosts the Russian leadership's ego that the new system with its many perks does not really appeal to all the current leaders of the socialist countries that ended up as EU member states either. Some of them have found the temptation to boost their own power at the expense of democratic obligations and rights irresistible. The congeniality with such EU governments strengthens the Russian belief in the chances of success of its own system in the modern Europe. ■



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The West and the prospects for democracy in Russia

Expert article • 3000

Now the West, led by the United States, perceives Russia and China as its main threat: Russia as a military threat, and China as an economic one. But who is to blame for this situation? Probably the West itself. It was Western investments and technologies that turned communist China into an economic giant in terms of the pace of development, significantly outstripping the countries of Western democracy. The prospects for such a development of the Chinese economy became noticeable back in the 1990s, but instead of pulling Russia, weakened after the collapse of the USSR to their side, Western countries consistently pushed Russia away from themselves in the direction of China. This was the result of the unmeasured greed and political shortsightedness of the ruling Western political and economic elites.

In 1991, the collapse of the Soviet Union gave Russia a chance to become a democratic state, but it was not used for a number of reasons. Unlike the Baltic republics and Poland, economic aid from the West was minimal, and the privatization of former Soviet state property in Russia was overseen by American advisers, many of whom were CIA agents. They were not at all interested in preserving the powerful industrial potential that Russia inherited from the USSR. In just a decade Russia turned from a fairly industrially advanced power into a virtually semi-colony of the West, where the key economic players were representatives of the comprador bourgeoisie in the energy sector (oil, gas) and primary industries under the patronage or with the direct participation of the state bureaucracy. And since the primary means of production was concentrated in the oligarchy or continued to remain with the state, this meant that there was no mass middle class in the country—the social support for any democratic regime. Therefore, it is not surprising that democracy could not take root in post-Soviet Russia: it simply lacked an adequate socioeconomic base here.

At the same time, the West, enriching itself by plundering Russia's natural resources, consistently turned a blind eye to the violation of democratic principles in the country, when the first Russian President Boris Yeltsin shot the Russian parliament with tanks in 1993 and adopted an anti-democratic Constitution. But this lawless act remained virtually "unnoticed" by the "free" Western press and by Western politicians supporting the observance of democratic norms. It was no coincidence: the option of control over Russia through pro-West assistants and advisers of the incompetent Yeltsin and the hastily created oligarchic elite that privatized a substantial portion of state property seemed too tempting. On the other hand, the formation of a large middle class in the country could entail a reduction in the profits and power of both Russian oligarchs and state officials associated with them through corruption, and Western capital. Neither one nor the other, nor the third did not want such a development of events. Thus the death sentence for democracy in Russia was signed back in the 1990s.

The arrival to power in 2000 of Yeltsin's successor, the new President Vladimir Putin, only worsened the situation regarding democratic freedoms. The concentration of property and financial resources in the hands of high-ranking officials and the largest oligarchs will always engender an authoritarian regime at best (if the oligarchs are stronger than the officials), and at worst, a totalitarian regime (if the officials are stronger than the oligarchs). In this regard, it is possible to trace the evolution of the share of state property: before the crisis of 1998 it was estimated at about 25% of GDP, by 2013 it exceeded 50%, and currently it is at least 70%, while middle-class property continues to decline, including under the blows of the COVID-19 epidemic. Accordingly, Putin's soft authoritarianism in the first years of his reign in the early 2000s to the late 2010s began to gradually transform into the totalitarian model, reminiscent of the late Soviet Union (the persecution of dissidents, attacks on freedom of expression, strengthening of regulatory bodies, censorship, militarization, etc.).

It should be noted here that the West had a historic chance to turn the wheel of Russian history towards democracy when the new President Putin, shortly after coming to power, was ready to help deepen economic integration between the European Union and Russia and even join NATO. But all his attempts to establish a dialogue with the West were in vain. The United States absolutely did not want Europe to become the most powerful economic bloc in world history, and the EU countries themselves did not want to spend money on raising the living standards of Russian citizens to the standards of the European Union—they had already spent too much money on the Eastern European states recently admitted to the Union. In the military sphere, the United States did not want to see NATO as a country comparable to it in terms of its nuclear potential, and the Eastern European countries, recently admitted to the alliance, were more suspicious of their huge eastern neighbor. Moreover, the gradual involvement of Ukraine and Georgia in NATO in the 2000s, provoking numerous "color revolutions" in the zone of Russian interests in North Africa, the Middle East, and in the territory of a number of former Soviet republics, finally pushed Putin away from the West and returned Russia to its traditional "besieged fortress" policy. There has been a strategic turn towards China, the results of which the West is beginning to feel in full measure now. ■



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RISTO ALAPURO

Perestroika, Russia today, and democratization

Expert article • 3001

Today, more than three decades after perestroika in the Soviet Union, Russia is falling more and more deeply into the abyss of authoritarianism. The promise of democracy, once apparently at hand, seems to be very far from today's political horizon.

But is it really so? Vladimir Gel'man, Professor of Political Science at the University of Helsinki and the European University at St. Petersburg, has recently questioned this apparently self-evident view. In a Facebook post last spring he pointed out that even though 30 years ago the resistance to democratization was half-hearted and incoherent, the popular support for perestroika faded away almost entirely. The disappointments of the perestroika made people give up rather easily the political freedoms they had gained.

Today the situation is very different. It is different, first, at the level of the elites. The status quo is based on a heavy pressure by the powerholders who have learned the lesson of the period of perestroika. They can also lean on a large-scale support by a substantial part of the population which was hit hard by the turbulent years of the perestroika.

But on the other hand, also the conditions for democratization among the population have made progress. At the time of perestroika democratization remained only one of many challenges facing the activists along with the economic crisis, ethno-political conflicts and the disintegration of the Soviet state. Democratization was then adopted as a magic formula that as such was supposed to solve pressing problems of the time. Now the naïve attitude toward democratization has made way for a more realist view of the efforts needed for its realization.

"Therefore my answer is that at this moment our country is at the intellectual level much better prepared to a reasonable, determined and consistent democratization than it was in the end of the 1980s and the beginning of the 1990s, despite the fact that the political conditions for its realization are today immensely less favorable than they were three decades ago."

Gel'man's somewhat provocative conclusion appears to be based on the following reasoning. The Soviet system was decayed to the point that perestroika succeeded in making it fall without a large-scale pressure from below, without strength given by structured actors and organized collective action. Weakness was characteristic both of the defenders of the old system and of its challengers. But during the 30 years that have elapsed, not only the powerholding bloc has structured and organized itself but the same goes for what can be called civil society. There is a new generation for which the defense of democratization represents a more living and more concrete reality than it represented for the democracy activists of perestroika. Hence the readiness to the democratization "at the intellectual level."

That is, on the one hand the authoritarian system has established itself, but on the other hand civil society – the primary field for

controlling the state – has assumed a more concrete shape than it had before.

This is not all, however. Even if there were a potential to act collectively among the population, it cannot materialize itself without a crisis among the powerholding elites. Important in this respect is the fact that an authoritarian state is inherently susceptible to crises to a degree unknown in the established democracies in which voters can alternate between political decisionmakers through a well-established process. To cite Gel'man, the elite of an authoritarian state has to fear the formation of an organized political opposition in its own ranks, that is, it is aware of the chronic risk of a coup d'état. But a cleavage among the elites may also provide an opportunity for the popular discontent to emerge – and then it is important that an organized protest potential can be found among the population. Then the popular protest can contribute even to a profound change. The creation of a functioning civil society may be difficult, but if successful, it may have unanticipated consequences. ■

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SERGEY SAVIN

Core national values as the development force of Russian society

Expert article • 3002

In July 2021 the National Security Strategy of Russian Federation was accepted in which traditional Russian moral values were articulated at the state level for the first time. Their protection was also declared as one of the priorities for national security, including 'from attacks by the United States and its allies, as well as from transnational corporations, foreign non-profit or non-governmental organizations and extremist groups'. Here, negative influence means the spread of both modern Western liberal democratic values and the radical values of individual social movements. The Strategy formulates the concepts of cultural sovereignty and the unified cultural space of Russian society in order to counter the influence of 'alien' values.

Which traditional moral values are outlined in the new Strategy? Some are patriotic and rather conservative: devotion to the Fatherland and responsibility for its fate, collectivism, mutual help and respect, historical memory, family orientation, and intergenerational continuity. At the same time, other rather liberal values are also declared: dignity, human rights and freedoms, civic consciousness, high moral ideals, creative work, the priority of the moral over the material, humanism, mercy, and justice. Among these values there are those that are generally accepted by most countries and cultures, with post-material values and humanity being the core of the world sustainable development in XXI century. But what exactly makes the core of Russian values? It is important to understand that the values and norms of socio-cultural identity form the basis of the national society. The core national values shared by the majority of society are not just a foundation for consolidation and development, but they are also a combination of those that are unique and those that are generally accepted and exist in different cultures, traditions and countries around the world, and which are passed on through own historical experience, and reflected in the historical consciousness.

The data of Russian public opinion survey analysis, conducted by St. Petersburg State University in 2019 (N=1600), reveal the national values of Russian society. Among the values shared by the majority of Russian citizens are peace (32.1%), dignity (10.8%), freedom (10.5%), order (10.4%) and truth (9.7%). These can be so-called the first order values. Russians place peace significantly higher than the other values, which shows directly the importance of the humanistic orientation of social ties, and the ideals of being united as well as stable. Dignity, freedom, order and truth are almost equally valued (about 10% each), which reflects the model of socio-political structure as a balance between freedom and order, a person and the state. The values of equality (6.7%), faith (5.7%) and prosperity (4.7%) can be pointed to as the values of the so-called second order. They are somewhat diverse and are associated with three ideologies: socialist, conservative and liberal. These three forces are currently being actively constructed in the discursive political field and may form the basis for parliamentary parties in the future.

The value of peace as the moral dominant of Russian society is of a supra-ethnic and supra-confessional nature, representing a

common model of mutual enrichment of cultures and ideas that lead towards peaceful development. There is a special ethical principle in the nation thanks to the Russian philosophical tradition, formulated by F. M. Dostoevsky. This principle states that one should not show love for one's nationality by hating others, especially those who are neighboring. In striving to perceive our own nationality positively, we should at least be fair to our neighbors. The value of peace as a national idea of Russia, then, is greatly rooted in this sense of humanism.

The word "peace" is also strongly embedded in the consciousness of Russian society. It is worth recalling that in 2015 Russians chose the "MIR" ("peace") logo as the name of the national payment bank card following the results of an online vote in which more than 40 thousand people took part. Moreover, the most famous masterpiece of Russian literature according to polls is the novel "War and Peace" by L. N. Tolstoy, which centers on the ideals of peace. Furthermore, the main national holiday, Victory Day, is perceived in the public consciousness not just as historical pride for the great victory in the Second World War, but also as a value of peace, on the altar of which millions of lives of compatriots were sacrificed.

Unfortunately, the lack of solidarity has a negative impact on the development of civil society. However, in the case that solidarity increases, the desired structure of civil society would be better built between a person and the state. How national policy stems from the core values of Russian people, on the one hand, and how it forms the basic values ensuring unity and ethno-confessional harmony, on the other will indicate the success of this national policy as the developmental force of Russia. ■



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ANDREY L. ANDREEV

Values in contemporary Russian society

Expert article • 3003

Since 1917, Russian society has gone through several political and social upheavals, each of which was accompanied by a kind of “revolution of values”. The last change in the value dominant occurred in Russia at the very beginning of the XXI century, when the pendulum of public sentiment swung from the fascination with the West and the Western way of life to “authentic” Russian traditions and social ideas. Nowadays more than 65% of Russians consider their country to be a special civilization that goes its own way and should not follow Western norms and rules (hereinafter, data from a survey conducted in March 2021 are provided).

Judging by the data of many years of research, the “value profile” of modern Russian society in its present form was formed around 2000. Since then, the distribution of opinions about the importance of certain values in Russian society has not changed significantly. Highlighting the most important values among a variety of values, most Russians put justice and freedom in the first place. But if in the interpretation of the first of these concepts they are close to the pan-European paradigm of justice (real equality of citizens before the law, equality of life chances regardless of origin, proportionality of remuneration to merit, etc.), then there are certain differences in the understanding of freedom that have distinguished the Russian cultural tradition from time immemorial. In Russia the point of view that freedom is realized primarily through political rights is shared by only 1/3 of citizens, while 2/3 believe that freedom is an opportunity to live of our own free will, regardless of anyone who stands above us, except God. In Russian, this understanding is conveyed by a special word “volya”, which literally means the absence of any external restrictions and is very difficult to translate into other languages (not Slavic). At the same time, Russians value freedom of expression very much. Answering the question about how they would like to see their country in the future, they most often name such characteristics of a “good society” as social justice (51% of respondents) and ensuring human rights, broad opportunities for self-expression (41%).

It's hardly necessary to prove that such an arrangement of priorities brings us close to the concept of democracy. According to long-term surveys, democracy is a very significant value for Russians. But Russian society has developed its own ideas about it. Russians agree that all people have the right to freely express their point of view, as well as that democracy is impossible without political opposition. But they see the main function of the opposition not so much in the ability to displace the government, as in critically evaluating its activities and thereby... assisting in its work. This opinion, by the way, is held by up to 60% of the urban middle class. At the same time, some elements of the Western “democratic standard”, such as minority rights, gender equality, constant change of power, multiparty system, etc., do not matter much for Russians: in the course of sociological surveys these elements are usually mentioned by 5-7 to 15-17 percent of respondents. Democracy in its Russian understanding is not so much

a political as a social concept, and its most important criteria are the real right to work, housing, affordable medical care and education. And in addition, there is a government that can effectively act in accordance with the principle of the “common good”, and the state, which is not so much an arbitrator reconciling various interests, as an institution of collective goal-setting. In the eyes of the Russians, such a state itself is a kind of value.

National traditions should also be named among the values which are significant for Russian society. The opinion polls show that this item is invariably noted as important by about a third of the respondents. Popular traditions partly date back to the times of the Russian Empire (for example, the celebration of Christmas and Easter), partly to the Soviet era (International Women's Day or The Day of Knowledge, celebrated on September 1, when classes begin in schools). On the contrary, revolutionary traditions, including the celebration of the anniversaries of the October Revolution, have completely lost their former popularity. As for post-Soviet Russia, it has not yet created its own values and stable traditions. Attempts to create new traditions by administrative means (for example: the “values of success” imposed by political class in the 1990s) did not meet support in society. Perhaps, the only example of quite a new tradition is the mass memorial procession on May 9 (“Immortal Regiment”). But it arose as an initiative from below, although then it received strong official support. ■



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ALEXANDER MIKHAILOVICH EGORYCHEV

Meanings and values of Russian culture as the basis of mentality of the people, their national-civic consciousness and worldview

Expert article • 3004

The Russian people have passed the difficult, many-thousand-year path of their birth, formation and development, they created the great Russian culture, filled it with spiritual meanings and values, formed their national character, developed their own philosophy of life.

The philosophy of life of the Russian person assumed a social model, where man, nature and society acted as a single organic whole, allowing not only to survive and satisfy all kinds of vital needs, but also created conditions for understanding their true place in the social world around and created by him, it can be considered as an organic unity of images, ideals, meanings and values that have developed in his mass consciousness over many centuries of development and formation of Russian society and the state. Components of life philosophy:

a) Philosophy as a way of life for the Russian people. It assumes an understanding of the essence and essence of the mentality of the Russian (Russian) people, its culture, direct historical experience of its life, complex ideological attitudes, meanings and values that have determined its survival, formation and development for many millennia.

b) Domestic philosophy as the ideology of the Russian state and society. The main features of traditional Russian philosophy have a modern ideological expression and significance, since the historical social memory of the people is a participant in the ideological consciousness of the Russian nation, the entire Russian society, the form and direction of its life and development.

c) The values of Russian culture and the philosophy of the life realization of its people are the many thousands of years of experience of people's life, the established system of human relations to nature, society, the Universe, God, human ethnic principles of life realization, the concept of good and evil, justice, happiness, life and death.

In 1832, it was "officially" proclaimed - the foundations of the Russian state system consist of three elements: Orthodoxy, Autocracy and Nationality. The approved "motto" of Russia was a direct expression of Russian consciousness, the historical mentality of the Russian people, the philosophy of its life realization, became a natural direction for the development of the Russian state, society and its people.

Three historical periods determine the evolution of the development of Russian culture (its meanings and values), the philosophy of the life organization of the Russian people:

- Ancient Russia (time before the RX - IX century from the RX) - the period is characterized by the birth of one of its most important values among Russian (Russian) people - "community," which is the first basic basis for the life organization of the Russian people, expressed in its mental qualities (kindness, volunteerism, kindness, compassion, mercy, hard work, mutual help, patience, sacrifice Through the daily

manifestation of the indicated qualities, the Russian man showed his spirituality, formed the foundations of the future sacred value, eternal in time and space - "Holy Russia."

- Orthodox Russia-Russia (IX century from the RX - the beginning of the XXI century) - the period is characterized by a powerful spiritual nourishment of the Russian people, which is directly related to the activities of the Russian Orthodox Church, which carried the spiritual word "love for neighbor," set an example of free help and spiritual support for everyone who needed it. It was Orthodoxy that completely formalized the popular worldview into the adoption of the ideal of "Holy Russia" - as a symbol of united Russia, earthly and heavenly. As a result of this, the concept of "sobriety" was formed.

- Soviet Russia (1917-1991 XX century) - the period of construction of socialism. The ideology of socialist society was also based on the principles of communism, volunteerism and unity, developed by the entire history of the Russian world. Denying religion, the Soviet government, nevertheless, laid the foundation for the formation of the personality of the new citizens of the country, based on the spiritual and moral principles of education, the principles of fraternal unity, collective work and volunteerism.

Loyal love for his Earth, respect for the older generation, love for children, family, community (society), respect for the traditions and morals of his and other peoples, Orthodox faith is an indispensable condition for the social development and formation of Russian man. This condition was dictated by the main historical mission of Russian civilization - the preservation of the nation and the Russian state.

Community - acts as a sacred meaning and spiritual basis that guides the construction of the Russian world, supports each person in his life orientations, organizes him to form a just society (world).

Holy Russia is the Russian Land, chosen by God for salvation and enlightened by Christian faith, it is not distinguished by geography, not statehood and not ethnicity, but, above all, Orthodoxy.

Cathedral is the free spiritual unity of Russian people both in church life and in worldly community, their communion in brotherhood and love. ■

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Values of Russians: traditionalism and modernity

Expert article • 3005

In modern European socio-political discourse, the idea that Russia is a traditionalist country is widespread. This view is not entirely accurate. Sociological surveys of the population of Russia, conducted in the last 5 years, make it possible to more accurately estimate the state of the value system of modern Russians. However, before proceeding to the presentation of the final results of these surveys, it is necessary to briefly present the main provisions of our approach to the diagnosis of value systems. The temporal dynamics of change, the difference or similarity of the values of different ethno-cultural communities is manifested (and can be measured) at the level of value meanings. These gradual changes in the content of this or that value can be placed between two poles which, following Ronald Inglehart, can be conventionally designated as traditional and modern (or secular-rational) poles of interpretation of value concepts. In our opinion, the common basis, the intention of the traditionalist pole of interpretation of value meanings is to ensure the preservation and continuity in time of this community, which is perceived, figuratively speaking, as the only environment for human habitation and reproduction not just the population, but human souls (in those socio-cultural definitions of this phenomenon which are characteristic for given community). And vice versa, the intention of modern pole of value meanings can be characterized as ensuring identity and self-realization of separate individuals regardless of given social context. Finally, following other researchers, we believe that value systems have a multilevel hierarchical structure from value imperatives of the abstract ideological level (in the tradition going back to M. Rokeach, they can be designated as "terminal values") to a ramified set of principles of everyday behavior ("instrumental values", according to Rokeach).

According to the data of the conducted surveys, it can be concluded that the share of Russians who are systematically oriented towards global modernist values does not exceed 2%. A systemic traditionalist orientation is characteristic of about a third of Russians. The overwhelming majority (more than 2/3 of the respondents) are in the process of rethinking their value priorities. This means that in modern Russia there is a large proportion of people who have already departed in their consciousness from the traditional system of values, but have not yet come to more or less complete acceptance of the new modernist system of interpretations. Conversely, this group includes people who, for one reason or another, are disappointed in the values of modernism and now they return to traditionalist foundations. Such a return to traditional views has been observed recently against the background of serious sanctions and ideological pressure on Russia.

More precisely, the traditionalism of Russians is most vividly manifested in the broad support for the traditional interpretation of terminal values, and the process of modernization of the modern Russian public consciousness is most clearly manifested in the revision or rejection of the traditional interpretation of instrumental values.

So, according to the latest data, a total of 70% of Russians have a traditional view of the need to strengthen their own historical traditions, moral and religious values. According to the results of long-term measurements of this (or similar) indicator, the level of support for the value in question has remained virtually unchanged for 20 years. Support for the traditionalist value increases with age, and the greatest difference in the degree of support is observed in the extreme age groups (18-30 years old and over 61 years old). But a comparative analysis showed that age differences in support for the value in question are transient, and opinion about Russia's place in the global world changes towards the traditionalist pole with age.

At the same time, the process of renewing the traditionalist values of civic consciousness (i.e. reflecting the ideological collectivist characteristic of the Soviet period of Russian history) is characteristic not only for young people (which is quite logical), but also for older age groups, including those respondents whose civic consciousness was formed in the Soviet era. This speaks of the final refusal of Russians from the totalitarian socio-political value meanings of the Soviet period.

The fact of support for the traditionalist pole of value meanings at the terminal level is quite compatible with support for the modernized socio-political value meanings in everyday life. These latter values, being instrumental (for Russians) in their function, can meet the tasks of supporting both traditionalist and modernist values of the terminal level. ■

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TATYANA MEDVEDEVA

Art in values education

Expert article • 3006

In pedagogical work with young people it is necessary to note the importance and relevance of processes aimed at the formation of values in the construction of patriotic guidelines based on an active civic identity and respect for their culture. In contemporary realities, when stable vectors of social approval are absent and there is a tendency towards the formation of selfish behavior in the younger generation, as well as the desire for virtual communication, as opposed to real, the formation of value orientations of the younger generation is becoming more and more important. Stable value orientations enable a person to consciously approach decision-making in a situation of choice and many alternatives. It is obvious that the psychological feature of the younger generation is a pronounced aesthetic sensitivity associated with the emotional-figurative experience of moral feelings, attitudes and situations. Scientists note the influence of the emotionality of a young person in the process of the formation of a value system. L.S. Vygotsky characterizes emotions as internal filters that determine a person's external behavior. The scientist proposes to rely on emotional reactions in educational situations, he believes that "if you want to evoke the desired forms of behavior in a student, always make sure that these emotional reactions leave a mark on the student". According to the theory of "peak experiences" A. Maslow highlights the need for situations that are emotionally brightly colored, while the captured artistic image fills with impressive wealth, forms an adequate emotional response, contributing to the formation of a system of value orientations.

In this pedagogical situation art is most in demand. Experiences in the perception of artistic images are a cementing link in the construction of a picture of the world of a growing personality and civic patriotic convictions. The formation of the skills of future teachers to attract artistic and imaginative means to educational work is the most important direction of their professional training. Under this provision, we consider the process of forming patriotic values by means of perceiving musical and geographical images to be effective.

While forming patriotic values the socio-pedagogical approach is the most adequate, since it is a process of socialization and development of the individual as a subject of life, taking place in the context of social and cultural changes in a situation of cooperation, co-creation of a teacher and a student, in which the exchange of personal meanings is realized, which provides freedom of choice of actions.

Russian musical art, represented in vast geographic space, is characterized by an emotional and stylistic unity, which is reflected in the listener's perception of native music and in the patriotic influence of musical streams. The term "musical and geographical images" is a rather innovative concept in pedagogical science. It is necessary to pay attention to the educational potential of the process of perceiving musical and geographical images while forming the patriotic basis in the younger generation.

The use of pedagogical art technologies makes it possible to imbue with the nature of the work, interpret and accept the personal meaning of the images presented.

The reliance on these methods allows children and adolescents to develop an artistic interest in the images of civil patriotic art, and in the future, to form the values of a citizen, a patriot. An equally important

task is to assess the artistic and creative activity of students and their ability to emotionally value, artistic and imaginative perception of works.

The content components of the system of the socio-pedagogical approach are determined by ideas, which are the basic provisions for the perception and study of educational objects, within the framework of musical geography, in turn, various interrelationships that are formed between music, space and society are explored.

Today, more and more attention is paid to the formation of patriotic values of youth, which is associated with overcoming the crisis of values. In educational institutions, conditions for the development and self-realization of students are created, the humanization of the educational process is carried out, a complex of federal programs focused on the formation of a moral, harmoniously developed personality is implemented, which is also carried out in the direction of civil-patriotic and cultural-moral education. ■



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Religion in the contemporary Russian society

Expert article • 3007

Russian post-Soviet society is among the most secularized ones on the European scale. The long-term trend towards the departure from religious traditions first emerged in Russia 300 years ago, during the period of radical modernization by Emperor Peter the Great. The radical and systemic nature of secularization during the Soviet period (1920s-1980s), when religious doctrines and practices were rejected on the level of state ideology, led to the virtual displacement of religion to the periphery of public and, to a large extent, private life. Due to the natural departure of pre-revolutionary generations, mass religious culture had virtually disappeared by the 1970s (V. F. Chesnokova; Y.Y. Sinelina).

Nevertheless, for the past 30 years or so on the wave of radical socio-political transformation of the turn of the 1980s and 1990s the country has experienced similarly dramatic changes in the position of religious institutions. From being ideologically and in practice infringed on their rights, they (since 1997 - represented by a number of traditional religions of the country) have actually obtained a privileged status. A corresponding upheaval took place in social attitudes as well. Since the early 1990s being considered a "believer" has generally become fashionable and prestigious in Russian society, while being considered a "non-believer" or "atheist" has become the opposite. According to all-Russian surveys, the number of "believers", judging by the criterion of self-identification in the 2000s-2010s, could reach more than 70% of the country's population. Simultaneously, beginning from the second half of the 1990s, a unique phenomenon of mass consciousness was recorded and described in the country, which was called the "pro-religious / pro-Orthodox consensus" (K. Kaariainen, D. E. Furman). This is a stable mindset that has prevailed in society for more than a decade and a half, which is characterized by an uncritically positive attitude to religion and primarily to the historically predominant Orthodox Christianity in Russia that has embraced the population regardless of its religiosity and confessional identity.

This combination of the long-term trend towards the ousting of religion from the mainstream of public and cultural life and the sharp "deacularization turn" at the end of the 20th century has given sociologists grounds to speak of the "paradoxical" Russian religious situation (J.T. Toshchenko).

In general, in our opinion, attitudes to religion in today's Russia are determined by several mainstream trends.

The result of general secularization of culture, social relations and mass consciousness is that the religious sphere of life, regardless of how one evaluates it, is perceived "from the outside" reflectively and assimilated through individual life trajectories that, while free of traditional control, are quite diverse.

The involvement of people in religious practices and associations and their enculturation into the confessional contexts of life meanings

remain generally low. According to mass surveys, in society the percentage of active believers of different confessions does not exceed 10%.

At the same time, the social capital of religion and confessions is formed and affirmed not only by the direct involvement of people in them, but also by various forms of indirect approval and support of them. Taking this factor into account, traditional Russian confessions occupy a strong position in society and have a significant potential for influence.

For the bulk of the population religion is represented by the image of the Orthodox tradition. Accordingly, emotional and evaluative perception of the religious sphere of life, expectations from it and practical settings for interaction with it are formed, to a significant and even decisive extent, on the basis of the nature of the mass perception of Orthodoxy.

Attitudes to other religions and confessions remain generally tolerant, but they may depend on situational factors (such as the criminal "trace" of a religious association, the legislative ban on the functioning of certain religious organizations in the country). ■



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TOBIAS KOELLNER

Religion and politics in contemporary Russia

Expert article • 3008

After seven decades of persecution and harassment in the Soviet Union, religion re-emerged in the public sphere and is one of the crucial social forces in Russian society today. In particular, Orthodox Christianity as the religion of the majority has become one of the important powers in Russian society and has considerable impact on everyday life. Examples for this include the making of new landscapes based on the restitution of property to the Russian Orthodox Church and the refurbishment of church buildings, the introduction of new rituals and festive days with political and religious notions, the erection of new monuments that emphasize religious nation-building, and the introduction of religious education in public schools on a nationwide scale. Remarkably, all these examples show connections to both religion and politics and thus provide evidence for a close entanglement between the Church and the political administration. As a result, I argue that contemporary Russia is characterized by two centers of power, which leave the most important influence on current, and, most probably, future developments: Orthodox Christianity and the political sector.

Based on long-term ethnographic fieldwork between 2013 and 2016, the relationship between politics and religion in contemporary Russia is depicted as a complex and open-ended process of cooperation, negotiation, and confrontation between two powerful actors. As became obvious during research, neither side is able to instrumentalize the other completely or permanently. For this reason, the notion of legitimacy, so much appreciated and used by political scientists and others in their understanding of contemporary Russia, becomes problematic. One reason for this is the fact that neither Russian Orthodoxy nor Russian politics are to be regarded as uniform spheres. Relations between both do exist at the local and regional, as well as national levels. Ethnographic field research, then, offers a good basis for documenting this complexity and for presenting the diversity, inconsistencies and disagreements within the two areas. Indeed, a strong focus on the regional and local levels, without ignoring events at the national level, is crucial. Misunderstandings, conflicts and competitive situations between Russian Orthodoxy and politics occur much more frequently on the local level. Nevertheless, my research also found that many initiatives are inspired or initiated at the national level, but only a small part of them are provided with the corresponding support or the necessary financial resources to be realized.

At these local levels, it became obvious that Russian Orthodoxy and politics are deeply entangled. Therefore the concept of 'entangled authorities' was developed to draw attention to the close relation between both sides. Although an entanglement might look very much the same as the outcome of a close cooperation, the processes involved are complex, not straightforward, and include a great number of unintended results. Consequently, entanglements are not to be understood as the glorious implementation of a well-thought-out

plan. Instead, they are the result of social interactions, which might have had completely different goals and intentions.

To understand the 'entangled authorities' of contemporary Orthodox Christianity and politics in Russia, there are three different yet interrelated aspects: 1) personal acquaintances between individual actors, 2) institutional connections between the two fields that have developed at the latest since the end of socialism and 3) ideological convergences that are based, for example, on an emphasis to find an 'authentic Russian way', an equation of Russian culture and history with Russian Orthodoxy, and a widespread rejection of 'the West'.

In my research, I am able to show close personal links between politicians at the local, regional and national levels and their counterparts at the equivalent level in the Russian Orthodox Church – priests and monks, bishops and archbishops. The latter are extensively consulted about political decisions and, quite often, this results in institutional entanglements when joint commissions, organizations or educational structures develop. Nevertheless, my research also outlines that, despite working closely together, there are many tensions when it comes to practical implementations or competition for scarce resources. To sum my findings up, it is fair to say that despite this close cooperation the outcomes of these interactions are not predetermined and quite often lead to unexpected or even unintended consequences.

More details could be found in the latest book by Tobias Koellner "Religion and Politics in Contemporary Russia: Beyond the Binary of Power and Authority" published by Routledge in 2021. ■

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OLGA PIGOREVA

Study of religion in the schools of contemporary Russia

Expert article • 3009

Modern processes of globalization, spread of extremism under religious slogans, migration growth of population, which often has a destructive effect on the cultural code of the "host" side, indicate the strengthening of the religious factor in the world. Russia, having experienced a period of religious persecution in the twentieth century, found itself in a situation of religious ignorance of the majority of citizens under the conditions of a new state policy. For Russian education, the problem of studying religion was complicated by the loss of teaching traditions and the lack of staff.

Turning of the Russian school to the use of knowledge in religion for educational work with children happened at the turn of the 1980s and 1990s. In 1988 the wide celebration of 1000th anniversary of the Conversion of Russia in the Soviet Union at the state level caused the growth of interest to religion, so society began to feel the need for its study. Religious values became a moral imperative for many citizens, as in society under the influence of the policy of perestroika the ideals familiar to Soviet people were destroyed. The adoption in 1990 of the Law of the USSR "On Freedom of Conscience and Religious Organizations" guaranteed religious freedom and the opportunity for religious organizations to teach religion optionally, at the request of parents.

The study of religion in Russian schools started at the turn of the 1980s and 1990s through the integration of knowledge connected with the history and culture of religions into humanities, extracurricular work, teaching electives on the history and culture of Christianity and Islam in certain areas.

A special role in the formation of religion study belonged to school teachers. Knowledge of religion, perceived as a part of universal values, "fitted" into the new paradigm of education as a "humanistic" component, and obtaining creative freedom, the opportunity to build education in the humanitarian direction by teachers contributed to the development of pedagogical initiative.

However, the educational system did not have legally issued documents defining the nature of the study of religion; there were no programs and textbooks. Nevertheless, despite the difficulties, the regional practice of studying religion gradually expanded. The society saw in religion an opportunity to return to its origins and a huge potential for the revival of a centuries-old cultural layer which had been lost in the Soviet years. The practice of studying Orthodox culture became common for the regions of Central Russia, where Orthodoxy is the traditional religion of the majority of residents. So, in 1997, the course "Fundamentals of Orthodox Culture" was introduced in the schools of the Kursk region. Study of Orthodox culture became widespread in the schools of the Smolensk, Belgorod, and Yaroslavl regions. The legal basis of teaching was regulated by regional documents.

The expansion of the practice of studying religion and at the same time the growth of discussions in society concerning the possibility and legality of such kind of work required to solve the problem at the state level. In July 2009, President of the Russian Federation D. A. Medvedev held a meeting with the leaders of the country's leading religious denominations, where they decided to conduct an experiment to test a new training course "Fundamentals of Religious Cultures and Secular Ethics" in a number of Russian regions within which parents (their representatives) of schoolchildren were asked to choose one of the training modules for studying: "Fundamentals of Secular Ethics", "Fundamentals of World Religious Cultures", "Fundamentals of Orthodox Culture", "Fundamentals of Muslim Culture", "Fundamentals of Jewish Culture", "Fundamentals of Buddhist Culture".

The positive results of the experiment made it possible to start teaching a new subject in all Russian schools from September 1, 2012. Teaching was organized in the 4th grades, one lesson a week, which assisted to stabilize approaches to the content of religious studies in schools, allowed us to get away from the diversity of practices formed in the regions. At the federal level, the problem of the program and methodological support, teachers' training was solved. However, some difficulties still exist, including the restriction on studying the history and culture of religions for one academic year, the age of students.

Nevertheless, many Russian regions, after the introduction of a comprehensive training course "Fundamentals of Religious Cultures and Secular Ethics" in all fourth grades, have not abandoned the practice of teaching courses on the history and culture of religions which was formed in previous years during other grades, mainly in 5-9th ones. ■



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Contemporary challenges and opportunities for the Muslim community in the Republic of Tatarstan

Expert article • 3010

Abstract
The diversity of religious practice remains a characteristic feature of the socio-psychological portrait of the Muslim community in the Republic of Tatarstan at the beginning of the third decade of the 21st century. Despite seemingly stable formal structures, the preservation of peace and tranquility in the spiritual life of the region largely depends on several key factors. This article provides an analysis of the potential sources of tension and conflict in the contemporary Muslim community of the Republic of Tatarstan in the context of current local debates on political identity of indigenous Tatars. How and why is Islam often manifested as a tool for greater self-determination of indigenous Tatars in Tatarstan? Why do many local Muslims in the republic refer to Islam when they strive for freedom and justice? How does Islam relate to the construction of group identities in contemporary Tatarstan? The results of the survey conducted across the region underline the significance of the relationship between manifestations of the religious identity of Muslims and their status as national minorities. A diversification of sources of religious knowledge, the influence of the Internet, and an unclear position of the official clergy with respect to religious pluralism further complicates the issue.

The Muslim community of the Republic of Tatarstan has been the object of close attention by specialists from various academic fields since the revival of religious life in post-Soviet Russia. With the growing religious consciousness of the population, the topic continues to attract researchers. Despite extant scholarship on the issue, many questions remain to be explored to improve our understanding of how the Muslim community maintains integrity and traditions in the context of globalization, especially from the standpoint of the field of conflictology (or conflict resolution). How and why is Islam often manifested as a tool for greater political self-determination of the Tatar nation? Why do local Muslims refer to Islam when they demand freedom and justice? How does Islam relate to the construction of group identities in contemporary Tatarstan?

The scholarly literature on religious conflicts often refers to identity markers, local strategies for inclusion and exclusion, economic policies, and migration flows that may affect inter- and intra-faith harmony. Despite the multiple political and socioeconomic challenges that the Republic of Tatarstan is currently facing, a significant majority of practicing Muslims believe that there is no major threat to local religious peace. Relying on analysis of 22 in-depth interviews conducted in the fall of 2020 with mosque attendees

in Kazan and several administrative districts across the Republic, this study suggests that generally speaking, Muslims continue to have confidence in secular state institutions. For some of them, however, the situation in Tatarstan is increasingly alarming, for several reasons. As indicated by interviews and the analysis of discussion groups from social media sites popular among practicing Muslims, the nationalities policy of the Russian state, the question of religious pluralism, and the challenges presented by modern communication technologies pose a threat to peace and security in the region.

Nationalities policy and the status of Tatar language

A content analysis of several key discussion groups on social media sites popular among practicing Muslims, publications on the personal pages of several opinion leaders (individuals with great influence on public opinion among Muslims across the region), and the results of a survey conducted in mosques with ordinary Muslim believers confirms the premise that culture and religion are seen as closely intertwined. In their publications on digital platforms and answers to the questionnaire, authors and respondents noted the narrowing of the space for Tatar national self-determination in the second decade of the 21st century. They identify two main reasons for this: 1) the expiration of the Treaty on Delimitation of Jurisdictional Subjects and Powers between Bodies of Public Authority of the Russian Federation and Bodies of Public Authority of the Republic of Tatarstan in 2017; and 2) the fact that the study of the Tatar language in public schools has become voluntary and the number of hours allotted for Tatar language instruction has been reduced.

Officially, the end of the treaty process between the Russian Federation and its constituent units is interpreted as the elimination of asymmetries in the federation inherited from the chaotic 1990s. The ethnic republics, however, see it as undermining the basic principles of federalism. Over the course of the 2000s, the legislation of republics was harmonized with federal legislation. With some exceptions, the provisions of republican constitutions that addressed the sovereignty of republics were brought into conformity with the federal Constitution. The laws and bylaws of constituent units were amended in accordance with federal legislation or repealed. According to Shaikhutdinova, all of these changes demonstrate steady movement from federalism to unitarism.

Survey respondents refer to the above developments as they express significant concern regarding the future of national heritage, language, and culture. A male believer in his mid-60s from Verkhni

Uslon suggests, for instance, that he, like many of his neighbors in the area, cannot be sure that his grandchildren will speak fluent Tatar. "In our daily lives here, we mainly rely on Russian language. I totally understand why we do so and we all appreciate the peace that we have," he says. "There is history, there may be politics, yet I don't want my children to bury me in a 'non-Muslim' way" (ne pomusul'manski). Thus, we try to stay close to the mosque, which is the only venue besides our homes where we communicate in Tatar," he adds. "And if it comes to defending a mosque, that's a matter of protecting our land," he concludes.

With the change in the status of ethnic minority languages in 2017, the constitutional right to study the languages of titular nationalities became only a "voluntary right," not an obligatory one. This sets Tatar, for instance, apart from Russian, which was given official status in the July 2020 constitutional amendments and now has to be taught to all school-age children. While Tatar political elites are limited in their capacity to respond and have to act within the framework of federal legislation, civil society representatives, the community of Muslim believers, and the Spiritual Board of Muslims of the Republic of Tatarstan (DUM RT) have come up with a number of counter-initiatives. First, the clergy took the initiative to conduct Friday sermons in Tatar. Second, the spiritual administration proposed that Tatar language courses be organized and conducted at mosques.

These initiatives on behalf of the DUM RT have far-reaching consequences. On the one hand, the move has been positively perceived, especially among Tatar nationalists, and strengthened the spiritual administration's authority as a key actor in the Muslim community of the republic. The head of the World Congress of the Tatars executive committee, Rinat Zakirov, told Kommersant: "Mosques are an important part of our national life. It would be sad if the Tatar language left this sphere." He noted that the preaching of sermons exclusively in the Tatar language is "the desire of the imams themselves," but the executive committee of the Congress "considers it correct." Yet the initiative sparked a wave of criticism from both secular and religious groups. Some argued that over 60% of mosque attendees will no longer be able to understand the imam. For others, the initiatives of the official clergy were another attempt to strengthen a narrow interpretation of "traditional Islam." Thus, the question about the status of Tatar language may elicit unpredictable consequences within the religious community.

The question of religious pluralism

The dominant status of the official clergy causes some concern among various groups of believers. On the one hand, the clergy has made great strides toward Sufi brotherhoods. With Kamil Hazrat Samigullin having assumed the office of mufti, much has been done to include Sufi movements (Qadiriya, Shaziliyya, Naqshbandiyya-Khalidiyya, Haqqaniyya, Topbashiyya, Husainiyya, Muhammadiyya) in the category of "traditional Islam." The Tatar murids of Dagestani Sheikh Said Chirkeytsky, the followers of Ismail aga, and the Sufi brotherhood of Tatar sheikh Rishat Musin have gained particular strength and legitimacy. They are widely regarded as loyal to the secular state and are also perceived as an alternative to radical—read: Salafi—Islam.

Nevertheless, despite attempts to expand the legitimate presence of these groups in the religious space, DUM RT continues to encounter opposition from marginal religious entities. Followers of groups banned in Russia (Hizb ut-Tahrir, Tablighi Jamaat, At-Takfir va Khizhra, Faizrahmanists) continue to participate in the struggle for the loyalty of fellow believers. Their claims range from relatively modest calls for self-conscious Muslims to abide strictly by the dictates of the faith to challenging the legitimacy of state institutions. In order to ensure public safety, law enforcement agencies often apply brutal force against affiliates of these groups. In many cases, this response meets with widespread approval. Yet sometimes such measures are perceived as inadequate and as making these Islamic groups look like martyrs, generating another wave of controversy.

The challenge of modern technology

The use of modern communication technologies, the importance of which became especially clear during the COVID-19 pandemic, has also revealed a number of contradictions in the local Muslim community. Under conditions of limited/restricted in-person contact with religious authorities at the mosque, digital sources of information and Internet imams came to the forefront. Today, Internet pages with religious content and Islamic pages on popular social networks are actively spreading. Researchers identified over 400 active Muslim sites as of 2019, a tendency that was accentuated by pandemic conditions. Internet imams' interpretation of Islam may not only differ from the Hanafi madhhab and aqidah of the Maturidis, but may also lead believers in unique directions. A recent study by a group of scholars from the Russian regions identifies some of the most popular Islamic preachers among the Tatars today and examines their influence on followers via social media. Thus, for example, Rasul

Expert article • 3010

Tavdiryakov's social media accounts—with 34,000+ active followers on Instagram, 48,000+ on YouTube, and 3,000+ on Telegram—seem to reflect on some of the most pressing questions currently facing the Muslim community. Tavdiryakov's views do not always line up with those of the official clergy.

Conclusion

Diversity of religious practice remains a characteristic feature of the Tatar Muslim community. Maintaining religious peace in the Republic is therefore increasingly dependent on several factors. The first of these is Tatars' status as a titular nation in the Republic. The fewer opportunities a national-religious group has to express its national identity through existing secular institutions, the higher the likelihood of sectarian tensions. Second, the attitude of the official clergy toward the issue of religious pluralism will be key to securing peace. The dominant status of the Spiritual Board can be maintained only insofar as it reflects the views and interests of the majority of believers. In order to prevent conflict situations, it needs to provide the broadest possible coverage of diverging interpretations of religious dogma. Third, the influence of the Internet may cause some Muslim believers to encounter new narratives that conflict with the official position of the muftiate. One should therefore not rule out the possibility of growing religious tensions within the Tatar Muslim community in the short- to medium-term. ■

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BALTIC RIM ECONOMIES

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ANDREI YAKOVLEV

New tool for development or for rent-seeking?

Expert article • 3011

Last August, the attention of many experts was drawn to the speech delivered by Russian Defense Minister Sergei Shoigu at the Siberian Branch of the Russian Academy of Sciences where he said that 3 to 5 new science and industry centers, each with a million-strong population, should be built in Siberia in the next few years. This speech could be perceived as a PR-action during State Duma election campaign (as Shoigu was heading United Russia's federal election list). However, after the elections the idea gained momentum. On September 23, *Parlamentskaya Gazeta*, the official journal of the State Duma, published an article "The Time of Big Projects" authored by Andrei Ilitsky, adviser of Shoigu at the Defense Ministry (<https://www.pnp.ru/politics/vremya-bolshikh-resheniy.html>).

The main idea of the article boils down to the need to launch "Big Projects" (within the logic of "Great Construction Projects of Communism" in the 1930–50s) in order to protect Russia from the consequences of "collapse of the global world order." To achieve this end, it is proposed to rely on a strategic planning as a key instrument of domestic economic recovery; subordinate the financial system to economic growth objectives providing the economy with cheap and long money; give up the policy of metropolitan urban development and turn Russia into an evenly populated and developed low-rise country; ensure uniform living standards across the entire territory of Russia prioritizing the growth in the population's real incomes (rather than GDP growth) and the rise of population. It is also postulated that the Russian army and the defense industry shall be the centers of economic mobilization and recovery, including the principles of control and planning based on the defense procurement, whereas geosocial policy should be tightly connected with the military-territorial arrangement and national security considerations.

These ideas are not new. Since 2012 they have been presented in reports of the Izborsk Club uniting conservatively minded patriotic experts (including many military retirees). These ideas were highly criticized as non-relevant for 21st century. However first time these ideas have been made public by an acting high-ranking official and they were published in the official journal of the parliament where the party headed by Sergei Shoigu has just won the majority of seats. Another novelty for documents of this sort is the direct mention of the leading role of the army and defense industry in national development.

It should be mentioned that the article by Andrei Ilitsky was preceded by Sergei Shoigu's responses to RBC's questions about the planned construction of new cities in Siberia published on September 6th. Shoigu emphasized, in particular, that the new cities "should become new gravity centers both for the population of Russia and for numerous compatriots from countries of the CIS and beyond the boundaries of the former Soviet Union." He also said that Russian Geographical Society for a long time worked on economic aspects of this project and Vladimir Putin instructed the Government to prepare proposals for implementing this program.

All this prompts the assumption that Ilitsky's article provides ideological background for Russia's development strategy that certain elite groups promote in the halls of power and in public mind. Whose primary interests does this strategy reflect and who can become its support base? There is apparent interest of the Defense Ministry and State Corporations connected with the defense industry (Rostec and Rosatom). These ideas can be supported by representatives of the economic bloc of the Government (except the Ministry of Finance) advocating the strategic planning. Support of such initiatives by the regions is also probable (relevant comments have already been published by the media). It is also clear that the Ministry of Finance and the Central Bank are likely to oppose these proposals as their implementation requires huge state investments and "unsealing" the National Wealth Fund, but despite all the flaring declarations there is no convincing rationale for any effect of these investments. It is also worth mentioning that the roles of Rosneft, Gazprom or the Presidential Administration are unclear in this respect. Moreover, in spite of the stated security priorities, there is an impression that the army and defense industry are striving to push the security services from the leading position in the existing ruling coalition.

In other words, Andrei Ilitsky's policy article together with Sergei Shoigu's public declarations can be regarded as a bid for a change in the balance of forces within the elites. Whether this bid will materialize, we will see from the appointments to be made in the next few months.

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Civil society in contemporary Russia

Expert article • 3012

When following news from Russia one gets the feeling there is no civil society while the rulers are effectively repressing democratic institutions and political opposition. However, the situation is more complex. While political opposition is practically forbidden, are non-political organisations welcomed to mitigate and solve social problems. However, they are also increasingly controlled. The situation causes in society a lot of confusion. In the following I will take up how Russia has come to this situation, and give evidence of an existing civil society, and finally consider the effects of conservative tendencies in Russia. The term NGO is used in the wide sense of non-state and non-business organisations.

When Russia was transferring towards capitalism, a lot of doubts were uttered of her ability to build up a well-working market economy. There was neither traditions of democracy nor civil society – the key elements for western market economies. The only reminiscent elements were civic-kind-of organisations from the post-Stalin era. One of them was Women's Council, which had, indeed, an important role during transition. Many local women clubs made crucial voluntary work to mitigate consequences of poverty in the ruins of the Soviet state. They tried to do what was necessary, among others to offer a meal for children from poor families and a place to escape from violence at home.

In the 1990s formal NGOs were rapidly organized and in 2001 the civic sector was diverse and large, including more than 450 000 formally registered NGOs, and beyond these were unregistered groups. Poverty and attached social problems were addressed by around 70 % of NGOs at that time. Some help was received from foreign donations via these NGOs. In the growth period of Russian economy 2000-13 the state increased its own budget expenditures to social tasks. Also, Russian firms were obligated to social donations. A step of privatisation of social sector was to invite NGOs and enterprises to complement public services: new legislation from 2010 and 2015 promised socially oriented organisations an opportunity to get state support in order to supply certain goods and services. The civil society was activated in many ways and project-based development efforts by the government offered NGOs resources to act.

There is much evidence of lively civil society. The joint EU/Russian project 'Ladoga Initiative' tested in 2011-13 how the approach of European Union's Leader program works in Karelian villages. Shortly, grass-root level participated intensively, building children's playgrounds, repairing sport sites, and cultural houses etc. This did not happen without problems but none of the local projects was left undone. Networking took place between people and was based more on personal ties than formal relations. World Bank has driven a somewhat similar project activity since 2005, called 'Local Initiatives Support Program'. Furthermore, Russia launched her own TOS-model to support short-term local projects. And presidential programs added new alternatives for funding local projects. All these examples give evidence of active, often informal civil society.

Since the early 2010s, however, conservative tendencies inside Russia have strengthened. The attitude to foreign aid has turned negative and foreign funding is often labelled to foreign agency. This concept emerged into legislation in 2012. In 2020 even individual

Russian persons were added to legislation as possible individual foreign agents. Such a title will definitely cause troubles for an organisation, and as to a person, the troubles may even mean hostilities in private life. The boundary of being foreign agent is very unclear and anybody working in political field or international cooperation may take a personal risk.

Changes in legislation and attitudes in society force local NGOs often to change their strategy. A small study of social NGOs in Nizhny Novgorod region revealed that they have a large variety of adaptation strategies in this situation. Some NGOs try to improve and intensify their work, others are merged together with another NGO, the church or a state unit. Some want to stay unregistered in order to avoid exposure to bureaucracy. They cooperate instead with a registered NGO or an enterprise. And some NGO members establish a commercial enterprise to take care of funding problems in the NGO.

To summarise the late tendencies:

- Russian civil society was activated in many ways by Russian actions and foreign help, until conservative trends,
- NGOs were many but still rather unknown to citizens, and trust in them was not strong,
- Political conservatism strengthened, family values and patriotism became reference points in state funding.
- NGOs need to find adaptation strategies,
- In spite of difficulties NGOs demonstrate quite a high level of resilience. ■



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Modern features of civic activity in Russia

Expert article • 3013

Civic activity has a lot of fairly clear, but at the same time contradictory development features and trends in modern Russia. Increasingly, citizens are taking responsibility for solving local problems: helping those in need (which was especially clearly seen during the restrictions associated with the COVID-19 pandemic), protecting park areas from development, landscaping, and so on.

At the same time, most of the citizens are passive, they are not involved in civic activity. The circle of activists is quite narrow, and its expansion is practically not observed. Moreover, detached citizens are sinking deeper and deeper into passivity, apathy, and removed themselves far away from any forms of activity and involvement.

Citizens often initiate campaigns to protect their rights and legitimate interests, apply to the authorities with requests to eliminate any imbalances, problems, deficits. It is important to note that local problems which are associated with everyday life and daily needs (landscaping of courtyards, use of recreation areas, ecology, etc.) are of increasing interest. They are the ones who demonstrate the greatest involvement and emotional attachment on the part of the participants. Citizens are ready to take a proportionate part in solving these problems.

It is important to note that the authorities do not always respond promptly and listen to the needs of citizens, their requests. In such cases, civic activity, initially peaceful, constructive, transforms, becomes politicized and acquires the features of aggression.

The development of digital tools and the Internet had a significant impact on the development of civic activity. At the same time, it should be noted that there has been a decrease in expectations from the Internet, the hope associated with it. This is due to the fact that at the beginning significant hopes were pinned on them, assuming that they would significantly change both civic activity itself and the nature of interaction between activists and authorities. But it didn't work out. The specificity was that technologies cannot change the content of interaction, they can only change the format, channels of this interaction. At the same time, digital technologies have greatly facilitated the interaction between activists, between activists and government bodies; this interaction has become more operational, and has made it possible to include a larger number of participants.

It is indisputable that the development of new media and social networking sites made it possible to make civic activity easily observable, it became impossible not to notice it. Moreover, possessing significant social capital, the leaders of civic campaigns become significant actors in the information field, as a result of this, they can influence public sentiment.

Civic activism is observed to a greater extent on the Internet. It is easier for citizens to express their opinions there, to cooperate, and to contact the authorities. This allows us to speak of a decrease in the

role of classical forms of civic activity. At the same time, those of them that get a new life with the help of digital tools continue to develop (online petitions, crowdfunding, crowdsourcing, online appeals, etc.).

The formation of partnerships is also a feature of the development of civic activity. By uniting in coalitions, activists and their associations pool resources to achieve common goals in the course of joint collective action. It is important to note, however, that coalitions in online collective action are somewhat more numerous than in offline campaigns. This is largely due to the capabilities of digital tools that facilitate communication, integration, alignment of positions, exchange of information. At the same time, the practice of forming partnerships and coalitions actualizes the task of forming a culture of cooperation. However, the most acute conflicts often arise precisely among NGOs that have the closest target groups of work, as well as between citizens living in the immediate vicinity (for example, over parking spaces, installing a fence, etc.).

We can say that digitalization has made a significant contribution to the development of civic activity. At the same time, digital tools in the process of communication of civic activists and organization of civic campaigns have become commonplace. Offline and online activities have become interconnected and inseparable. None of the offline promotions are organized without digital services.

But it should also be noted that the Internet may not create civic participation itself, but only its illusion. Communities can be formed in which discussions are actively conducted, petitions are signed, but the problems themselves that provoked them are not solved by them in any way. As a result, citizens who feel involved in the illusory process of participation develop apathy, alienation, which was mentioned earlier.

This allows us to say that real civic activity, participation of citizens in the decision-making process by the authorities, in solving socially significant problems without offline participation is impossible. That is why we can say that offline participation will not disappear, it may decrease, but in those cases where it is necessary to influence the authorities, change the physical and social environment, it is impossible to do without traditional offline forms of civic activity. ■



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Tolerance Center: Creating an environment for a positive dialogue

Expert article • 3014

The Tolerance Center, established in 2012 at the Jewish Museum in Moscow is a unique project for Russia. Its mission is to create environment for positive dialogue between people of different cultures, religions and perspectives, promoting the idea of tolerance in the area of ethnic and social relations, towards people with disabilities, at school, at work and in the family.

Nowadays officially called '**Federal Research and Methodology Center for Psychology and Tolerance Education**' is the leading Russian institution that provides research, methodology and program design through implementation of innovative education approaches in the area of tolerance, integration of migrants, interaction of social and ethnic communities, diversity & inclusion and bullying prevention. The Center also is an integral part of the Jewish Museum – a modern, state-of-the-art venue that welcomes international forums, trainings, public lectures and expert round tables.

Tolerance Centre implements its programs in close partnership with federal and regional authorities of the Russian Federation in charge of the policies in education, youth affairs, regional politics and culture.

Cooperation with Russian and international corporate partners, including Sberbank, Severstal, Gazprom, Google, WWF, FIFA and UNESCO is built around implementation of diversity & inclusion policies, staff development and corporate social responsibility programs.

Currently, the Tolerance Center has in its portfolio more than 150 interactive training programs that run in 81 regions of the Russian Federation.

Annually, Tolerance Centre's vocational training and professional development programs cover more than 1 500 teachers, psychologists and youth workers from across Russia. More than 120 000 education specialists and parents take online and short-term courses, 20 000 schoolchildren and college students participate in the interactive classes at the educational site of the Tolerance Center.

The Tolerance Center project highlights include:

"Working at the Crossroads of Cultures"

A program to facilitate socio-cultural adaptation and integration of migrant workers in Moscow is to be launched in November 2021.

The program addresses employees of the State Communal Services Company who directly manage and communicate with migrant workers. Russian managers of multi-ethnic work teams are trained to support the sociocultural integration of their migrant colleagues.

FIFA 2018

Football without Discrimination: Creating a Nondiscriminatory Environment for the 2018 FIFA World Cup™.

Development and implementation of a comprehensive program of face-to-face and online training for 27,000 people: FIFA and Russian Organizing Committee staff, volunteer coaches and

volunteers, stewards and caterers. The Ministry of Education of the Russian Federation held an all-Russian lesson "Football without discrimination", which covered 64 regions of Russia.

Project "Culture.Inc."

Human communication is the key element of accessibility

www.kulturainc.ru

Development of a simulated online training platform to help the staff of cultural venues and volunteers learn how to correctly communicate with people with disabilities. During the training, the user is put into situations of interaction with people with disabilities that might have happened in a museum, library, theater, etc.

About 32,000 students from 81 subjects of the Russian Federation completed the course modules. In 2021-22, the Center will launch three more in-depth courses as a part of the platform.

"A Safe World" Project

A series of interactive lessons for schoolchildren aimed at preventing bullying, xenophobia and extremism.

"City of Discovery"

A program of interactive workshops for schoolchildren that introduces them to innovative industries and teach them how to discover their inner traits and how to locate personal development opportunities in the city environment.

In the plans for the 2022 - 23, Tolerance Center has vocational training programs for the secondary school teachers and psychologists in prevention of bullying, xenophobia and extremism; an immersive multimedia exhibition addressing the social problem of unreported violence and its victims; equity and diversity in the workplace training, helping members of socially vulnerable and undervalued groups celebrate their work achievements.

Tolerance Center is keen on launching its international cooperation with the foreign academic institutions, NGO's and leading experts in the area of diversity & inclusion, cross-cultural communication and bullying prevention, particularly looking forward to the time when the COVID-19 related travel restrictions are withdrawn. ■

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MARIE MENDRAS

The sinking legitimacy of Putin's presidency

Expert article • 3015

The Russian legislative "elections" of 17-19 September 2021 are an open scandal. The results produced by the central election commission express the exasperation of an aging authoritarian regime, but do not reflect the free choice of the Russians. The gross manipulation of the vote reveals the vulnerabilities of a regime that has no connection with its constituents.

Independent estimates, before fraud, put the actual results at 38-40% turnout (official result: 51.6%) and 31-33% of the votes (official claim: 49.8%) cast for the "party of power", United Russia. Of the 225 seats allocated in the single-mandate ballot, United Russia captured 198. The vote for the Communist Party was shrunk from 25-28% to 18.9%, thereby alienating a party that has always been loyal and carries a lot of weight in an increasingly dissatisfied electorate. (see the author's more detailed analysis on <https://desk-russie.eu>)

Electronic voting was the ultimate tool for obtaining the desired results in Moscow and in a few regions. It worked at full speed in the hours after the closing of the polling stations. After the counting of votes on the evening of September 19, nine of the fifteen constituencies of Moscow showed the victory of a non-Putin candidate. This breakthrough was in good part due to Alexey Navalny's Smart Vote strategy (vote for the candidate best placed to challenge the Kremlin representative). On September 20 early afternoon the results changed dramatically. All the constituencies were "won" by the Kremlin party, and the 12 million Muscovites will be "represented" in the Duma by fifteen docile deputies.

The Kremlin has lost its grip. It is misreading the mentality and concerns of the people. For example, the Minister of Defense and the Minister of Foreign Affairs were placed at the head of the United Russia party list. The calculation was to attract the pro-war and anti-Western voter. But this voter does not exist.

We can analyze electoral *special operations* as demonstrations of the transgression and violence that leaders must exercise in order to stay in power. Why does Vladimir Putin, apparently all-powerful, need to further degrade people's suffrage and legislative assemblies, which have been under control for years. The temptation to push the limits of a vote to the unanimous threshold is always present in a nondemocratic regime. Clearly manufactured majorities of 90% plus are "crushing" in the literal sense of the word. They crush the opposition movements, which are banned from elections, and belittle the four "systemic" parties, which are endorsed by the Kremlin and passed the 5% threshold: the Communist Party, the reactionary LDPR party, Just Russia, and New People, a new organization, closely connected to the powers-that-be.

In Russia, the electoral field is not a battleground for ideas or proposals, but the last public space where Russians can express their objection to current policies, and their demand for change, through a protest vote. Like the Belarusians, they demonstrate a remarkable

posture, both combative and peaceful. Never has a democratic activist called for violence in response to police force, not in Russia, not in Belarus, not in Ukraine.

Russia's leaders watched in awe as Alexander Lukashenko was routed in the Belarusian presidential election on August 9, 2020. According to independent estimates, the dictator got at most 15 to 20% of the vote. His main rival, Svetlana Tikhonovskaya, won at least 60% of the votes cast (turnout was high).

Vladimir Putin does not need an overwhelming majority in the Duma to govern, and that is not why he has stepped up repression and rigging. He needs to hollow out public and social institutions. He wants to remain in power, in total impunity, without any control from citizens or institutions.

The head of state is also the head of the "sistema", a system that has captured the res publica, the state and its resources. He must demonstrate that only he can impose and transgress. To do this, he must take the violation of civic rights and freedoms to a new level. Since 2020, the Kremlin has been following the path of Lukashenko: physical violence, heavy sentences, forced exile, and property grabbing.

These electoral *SpetsOperatsii* offer a new opportunity to study the manipulations that the authorities have to engage in, in order to sideline the voter without annihilating him. Indeed, the survival of the system depends on the survival of Vladimir Putin at the helm. And the leader of the system absolutely needs to stay President, if possible through a direct election, in claim of lost legitimacy. The next *Operation Plebiscite* is scheduled for the spring of 2024. ■



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Strategic voting and the regime's response in Russia

Expert article • 3016

The State Duma elections are important for Russian authorities. By having a majority in the lower chamber of the parliament via a dominant party, United Russia (UR), the Kremlin maintain an image of the regime strength and invincibility. To control the legislative elections, Russian authorities rely on biased state media, candidate filtering, voter intimidation, and electoral fraud. Pork barrel politics has been using to enlist the loyalty of the officially allowed opposition, especially the one presenting at the parliamentary level. But even in such conditions, strategic protest voting may be efficient.

According to the official results, in the 2011 Duma elections, UR secured 49.31% of the vote and received 77 seats less than in the previous ones. Such a modest UR's performance in 2011 was, above all, due to a strategy, advocated by Alexei Navalny, a leader of the Russian opposition, who asked citizens to vote 'for anyone but UR'. This strategy was the first attempt of anti-regime strategic voting in Putin's Russia. Apart from being easy to understand, this strategy was also easy to be implemented, as all 450 State Duma deputies were elected by the list proportional representation (PR) system in one multimember district at that time.

In 2014, after the annexation of Crimea, the Russian authorities gained an increased level of popular support. This rally-around-the-flag effect coupled with the electoral reform, which reintroduced a mixed-member majoritarian system with half of the seats to be distributed in single-member districts (SMDs) by plurality rule and the other half – by the list PR system, helped the Kremlin to secure a two-thirds majority for UR in the 2016 Duma contest. But before the 2021 Duma elections, the political landscape in the country has changed. UR approval rating reached its worst pre-electoral values, less than 30%, and the Russian opposition had a strategy to challenge its dominance – the 'smart vote'.

The 'smart vote' campaign was proposed by Navalny in November 2018. It worked by advising opposition-minded voters to cast their votes for the strongest non-UR candidates in given electoral districts. To get a 'smart vote' recommendation a voter can utilize one of the online resources developed by Navalny's team. The 'smart vote' was first implemented in the 2019 subnational elections and had a visible effect. As Turchenko and Golosov demonstrated in their 2021 *Post-Soviet Affairs* article, a candidate's inclusion onto the 'smart vote' list boosted her result by about 7% of the popular vote in the course of the 2019 municipal elections in St. Petersburg.

The Kremlin responded to the 'smart vote' challenge. Apart from the wave of repressions towards Navalny personally and his allies and supporters, the regime launched an attack on the 'smart vote' infrastructure. Eleven days before the start of the 2021 Duma elections which were set to be held from 17 to 19 September, *Roskomnadzor*, Russia's federal censorship agency, blocked the 'smart vote' website. At the same time, a Moscow court prescribed *Google* and *Yandex* stop displaying the term 'smart voting' in their search results. On 17

September, during the first day of voting, *Google* and *Apple* deleted the apps with the 'smart vote' advises from *Google Play* and *App Store* under the pressure of Russian officials. *Google* blocked the 'smart vote' recommendations on *Google Docs* and *YouTube* as well. *Telegram* terminated the 'smart vote' bot.

According to the official results, the UR list has received 49.82% of popular support, and UR-backed candidates won 198 out of 225 SMDs. This gave the party 324 seats in sum. At the same time, a Russian election watchdog *Golos* has reported numerous cases of voter intimidation and ballot-box stuffing, while Sergey Shpil'kin, a Russian physicist, assessed the 'real' result of the UR list about 31%–33%. At the moment, it is hard to quantitatively assess the impact of the 'smart vote' on the results of the 2021 Duma elections, but it seems that the campaign was efficient at least in Moscow. In eight out of fifteen Moscow's SMDs, the 'smart vote'-backed candidates would win if not electronic voting, which biased the results in favor of the administrative candidates.

By relying on political repression and having conducted fraudulent elections, the Kremlin kept its control over the lower chamber of the Russian parliament. But even official returns show that UR does not enjoy the support of the majority. Real wages of Russians are still lower than they were in 2013, before the annexation of Crimea, while the rally-around-the-flag effect is exhausted. Hence, future electoral victories of the regime are not taken for granted even under the skewed level playing field. It seems that the Kremlin has no option but to rely on even broader repression inside the country to keep its grip on power. ■



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Russia's parliamentary elections: More manipulation, more problems

Expert article • 3017

Russia's parliamentary elections in September were the least competitive in the Putin era. This is not because United Russia is popular, but because the Kremlin tilted the playing field far more than in past elections.

Over the last 20 years, Russian parliamentary elections have been a mixture of competition and fraud. Elections in 2003 and 2007 had elements of chicanery, but remained somewhat competitive as the pro-government party rode an economic boom to great success. The poor showing of United Russia in 2011 sparked protests against vote fraud. In response, the Kremlin put a thumb on the scale in 2016 elections. But with Russia basking in the glow of the annexation of Crimea, the ruling party won an easy victory and the Kremlin could claim to have generated a degree of honest support.

Elections in 2021 were different. The Kremlin went to greater lengths to limit political competition. It barred many opposition candidates from running for office; closed Aleksei Navalny's network of regional offices; and banned ten media outlets and targeted 20 journalists in the last six months alone. The Kremlin ended publicly available livestreams of polling places and the turn to electronic voting increased the scope for fraud. Even the so-called "systemic opposition" party, the Communist Party of the Russian Federation, faced new restrictions. Pavel Grudinin, the CPRF's candidate for the Presidency in 2018, was barred from running for parliament.

Why the change? In past elections, the Kremlin could generate some genuine support for United Russia by pointing to economic growth or the wildly popular annexation of Crimea, but is it much harder to do so now. With living standards stagnant for a decade, high levels of distrust in state institutions, and a shaky response to COVID-19, United Russia's popularity is at historic lows. Vladimir Putin has usually kept some distance from United Russia, but has been forced to lend his personal popularity to the cause.

But Putin's popularity is not the game changer it once was. While Putin's approval ratings remain in the mid-60s, trust in Putin appears to have fallen. When asked to name 5 politicians that they trust, two in three Russians named Putin in 2018, but now only 1 in 3 do so. In addition, an August 2021 poll by the Levada Center showed that just 18 percent of Russians preferred the current form of government, while 49 percent preferred a version of the Soviet system, and 16 percent preferred a Western-style democracy, and 17 percent found it hard to answer or chose another option.

For autocrats, elections pose a tricky challenge. Manipulate too little and risk losing an election, but manipulate too much and risk provoking a backlash by those who find the results implausible. Weakness revealed by heavy handed manipulation is seen not just by the mass public who may take to the streets, as in Belarus last year, but also by potential rivals within the regime who may prefer a change in course.

The Kremlin won a dominant position in the parliament. Even with an approval rating in the high 20s, United Russia still managed

a two-thirds majority given the absence of attractive alternatives and an uneven playing field. The broader challenge will be convincing the public and potential elite rivals that the election results reflect something more than Kremlin machinations and indicate broader support among society. To be sure, not all votes in Russia are manipulated and not all voters are coerced to get to the polls. But the Kremlin's heavy-handed tactics reveal a weakness in the Putin regime not seen in past parliamentary elections.

The parliament is an increasingly marginal player and even a poor showing by United Russia was not likely to shake the Kremlin. Putin will likely remain unchallenged in Russian politics and personalist autocrats like Russia's can remain in power using fraudulent elections and a good dose of repression for years.

But the Kremlin's turn to greater manipulation reveals a diminished position that has consequences. Cracking down on opponents will not increase trust in government, assuage concerns about corruption, or spark an economic turnaround, but will only make these problems worse. It may even bode ill for Putin as increased repression heightens his dependence on the security services and may limit his room for maneuver on some issues. It also may embolden usually docile parties like the Communists to test the Kremlin on issues where they have popular support. Finally, it may complicate the already meager chances for better relations with the US as Putin will likely have to guard against even more hawkish elements who have been bolstered by Russia's more autocratic turn. United Russia's "victory" in this election may be less than it seems. ■

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Sergei Shoigu-2024?: Putin may have decided on a successor - the only one he could choose

Expert article • 3018

Vladimir Putin is at the apex of his power - or is he? After he effectively changed the constitution in a sham plebiscite last year he can stay in the Kremlin until 2036, effectively making him Russia's longest serving ruler since the creation of the Russian Empire in 1721. According to the Levada Center polls, he still commands (<https://www.levada.ru/en/>) 64 percent approval rating, though it is incomparable to the public adulation he enjoyed in 2014, in the wake of the annexation of Crimea. He is in firm control of the security forces, most of the media and vast bureaucracy. Since the jailing of Alexei Navalny in January this year Putin practically eliminated all political opposition. The Russian regime's international isolation since 2014 has been significant but the Kremlin more or less adapted to it.

However Putin has looming problems. Against the backdrop of gradually but constantly decreasing incomes his great power rhetoric and anti-Western stances - once Putin's biggest assets in the eyes of the public - are losing attraction fast. Another Levada Center poll (<https://www.levada.ru/2021/09/10/kakoj-dolzha-byt-rossiya-v-predstavlenii-rossiyan/>) in September showed that two thirds of Russians agree with the proposition that 'Russia should be a country with high living standards even if that means it will not be a leading world power' - and absolute record. At the same time positive attitude towards the West is surging dramatically (<https://www.levada.ru/en/2021/09/10/international-relations-august-2021/>) against the background of growing negativity towards the Russian regime's main ally - China. This coincides with another indicator: half of the population supports a Soviet-style state-controlled, centrally planned economic system. This may seem a paradox but in fact it isn't: huge income disparity and social inequality breed people's desire to have a system that will redistribute wealth. Social and economic upheavals of COVID-19 pandemic contributed to the trend. Aggressive rhetoric and confrontational foreign policy are no longer as popular as before. At the same time the regime cannot deliver not only an economic miracle but even a relatively steady growth. In such circumstances it is difficult to imagine how Putin will justify a decision to go for 're-election' - a de facto reappointment - to the presidency in 2024, when his present term expires.

Despite the image of resoluteness and strength Putin, 69, is a notoriously risk averse politician. Unwilling to confront a public opinion he cannot placate or change he may be looking for a successor to relieve him of the burden. Or at least he wants the Russians and the world to believe he does. Enter Sergei Shoigu, 66. In the last few months the defence minister had a series of carefully orchestrated and massively publicised state media opportunities which showcased his exceptional closeness with Putin. He was filmed trekking in with Putin and made pronouncements on a range of topics well beyond his official responsibilities, including on strategy to develop Siberia. This increasingly looks like an attempt to prepare Shoigu as someone who may take over from Putin in 2024.

Shoigu is a veteran of Russian politics. As minister for emergencies he was a member of Boris Yeltsin's first government

in 1991. Putin was a minor figure in Saint-Petersburg mayor's office then. At first glance this must work against Shoigu. As a rule dictators do not trust those who do not owe their careers to them. But picking as a potential successor someone very different from Putin is logical for several reasons. The first and main one - both men are deeply involved in prosecuting the war against Ukraine, semi-'frozen' now. In Putin's view this guarantees Shoigu's loyalty. In the eyes of the world he is as responsible as Putin for the 2014 Crimea annexation and - maybe - the downing of Malaysian Airlines liner over Donbas in July 2014. This limits Shoigu's ability to reach out to the West and play a 'Khrushchev' to Putin's 'Stalin' in case of a power transfer in Moscow. Judging by Putin's recent moves (massive armed forces deployment along Ukraine's border in spring 2021, shutting down gas transit to Hungary via Ukraine) he may be preparing a major push against Ukraine, probably a new round of war. He evidently believes that even if he leaves the Kremlin Shoigu will not give back Crimea to Ukraine or launch a one-sided detente with the West. Secondly, Shoigu controls the army. Putin can thus hope that he can ensure there will be no chaos and, even more importantly, no intra-regime struggle during and after the transition. Thirdly, after a quarter of a century of Putin's ubiquitous presence in the public square the Russians will naturally want someone very different in his stead. As opposed to the defence minister, ex-KGB officers surrounding Putin lack public persona, breadth and management skills.

It may well be that Putin has no intention of leaving and the 'Shoigu show' is just a manoeuvre designed to test the elites and see whose loyalty Putin can truly count on. But for now it looks like the defence minister is being groomed to take over the number two position in Russia - that of premier - in the coming year or two. This would have been a natural stepping stone for the top job.

In such a scenario the main question will be 'What future role for Putin?' In the present day system the president is by far the mightiest figure. Russian political tradition is very different from that of China or Singapore. It has no respect for the opinions and experience of retired or semi-retired politicians like Deng Xiaoping or Lee Kwan Yew - just ask Mikhail Gorbachev, or read the histories of Boris Yeltsin or Nikita Khrushchev. So if the Shoigu hypothesis is true, Putin either thinks he can break this historical mold or is intent on gradually retiring. The former is unlikely, the latter is personally risky. In fact one never underestimates how treacherous politics in dictatorships are. But in both cases Sergei Shoigu is not only Putin's best bet - he is the only one. ■



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Lessons learned from the 2021 parliamentary election in Russia

Expert article • 3019

Russia's latest parliamentary elections held during 17-19 September 2021 turned into yet another chance for the Kremlin to signal to the elites and the Russian population that the political system is fully under the control of the establishment. The years of post-Crimea economic stagnation, declining disposable incomes and rising prices have caused popular frustration reflected, among other things, in the falling support for the party of power. The pre-election polls showed support levels for United Russia to be under 30%. Even with such low ratings, the Kremlin was able to ensure the parliamentary super-majority for United Russia. The party of power got 72% or 324 out of 450 seats in the State Duma. Such parliamentary make-up enables the Kremlin to control the legislative process and prevent any independent legislative activity outside the Kremlin's goals and objectives. The re-appointment of the old Kremlin cadre, Vyacheslav Volodin, as a speaker in the State Duma, confirmed business-as-usual model at work.

Achieving such a degree of political control over the State Duma was expected by many observers. After all, the Kremlin's political machine has been years in consolidation. Nonetheless, this process is never automatic. Elections in Russia are always associated with new rules and experimentation as the Kremlin probes new instruments and policies to obtain the results the authorities want. So in the end, the results reveal what works and what does not. Particularly useful innovations are adapted for the next electoral cycle. Thus, during the Constitutional Amendments voting in summer 2020 using the pretext of the pandemic the authorities instituted a voting period that lasted one week. Longer electoral process allowed for a more extensive use of administrative resources at various levels, including the direct pressure on voters at the workplace to increase the turnout and vote from the loyalist (i.e. more state-dependent) groups in the population. Not surprisingly, the prolongation of the day of election occurred during this 2021 electoral season as well: elections were held over the period of three days, instead of a usual one-day slot. The administrative pressure to vote at the workplace was also reported to be especially intense this electoral cycle.

Unlike previous elections, this election brought much attention to the electronic voting system that was used in Moscow and seven other federal subjects of the Russian Federation. The doubts about the results of electronic voting system started with the many hour delay in the publication of these results. Furthermore, once the results were published, it became evident that these results worked to overturn the victories by political opposition candidates. Driven by rising concerns over potential fraud observers and data experts started an investigation of the data that could be obtained from the electronic voting portal. Different teams engaged in this process produced several interesting observations and hypotheses as to the nature of the electoral fraud that seems to have taken place in the process of electronic voting. As with usual electoral fraud that is frequently

identified based on data irregularities, the awkward patterns found in relation to voter turnout in the electronic system, and the pace of voting across different time periods have been interpreted as likely indications of fraud. Many observers also noted the non-transparent nature of a 're-vote' opportunity allowed in electronic voting under the pretext of allowing voters to change their votes in cases the vote was taken under the direct pressure. Apparently, this opportunity was used en masse but the system does not allow to identify which of the votes was in the end taken into account.

Despite these widespread doubts emerging out of the inability to fully monitor and verify the results of the electronic voting, the Russian authorities have declared that the electronic voting worked well. It is very likely that this technological innovation would be applied in future electoral cycles.

The success of the political establishment in getting the results it wanted notwithstanding, this election revealed a high potential for the political engagement of the opposition-supporting voters who followed the smart voting strategy promoted by the team of Alexei Navalny. While the followers of this strategy are mostly urbanites living in large cities, the technology-enabled potential for this strategy to spread across larger social groups in Russia is still untapped. The fact that the Russian government had to pressure Google and Apple companies to close access to smart voting platforms signals that the disruptive potential of this strategy is well-recognized by the authorities. Another optimistic moment of this election from the societal perspective is the success of grassroots political engagement strategies by younger activists who want to enter politics. While the protest potential in Russia remains rather low, with each electoral cycle we observe a growing political and civic engagement on the part of the younger generations. ■

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REGINA SMYTH & TIMOTHY MODEL

Fraud, votes, and protest potential in Russia's regions

Expert article • 3020

Since 1993, Russian governments have engaged in election fraud. After 2003, outsized victories became common as the government used fraud as a means of projecting strength. In 2021, the Kremlin sought to increase United Russia's (UR) vote in regions that lagged national averages, including Moscow. This goal was ambitious. Support for UR declined precipitously in pre-election polls. While the election has shown the regime's capacity to manufacture votes, regional variation suggests limits to the regime's ability to project a national constituency.

Regional variation

Many tools of electoral manipulation such as limiting party registration, controlling media, or changing rules are deployed at the national level. These changes do not provide voters with new information about the regime's strength or regional support. In contrast, electoral control strategies such as barring candidates and ballot stuffing operate at the district or precinct level and provide insight into regional differences.

The 2021 contests highlighted regional variation in strategic deployment. In 2016 SMD races, the Kremlin included five or six candidates on each district ballot to shape UR victories. By 2021, both the number of candidates and party affiliations varied widely to accommodate local conditions. For example, the regime's reliance on spoiler candidates sharing the same name as a strong challenger, and parties designed to draw support away from potential threats to UR candidates increased.

In some regions, manipulation could not obscure UR opposition. Perm saw a relatively competitive race where a regional NGO, Plus One, agitated to support independent candidates for the City Council. In 30 SMD races, UR secured victory with less than 30 percent of the vote. In Eastern Russia, early returns underscored declining regional support for UR and in the Nenets and Khabarovsk regions, the Communist Party of the Russian Federation (KPRF) outperformed UR in the proportional representation party list race (PR). The KPRF also increased its regional legislative cohorts in 34 of 39 regions.

Falsification shaped UR success in six regions where support for UR was declining. The Kremlin introduced a compromised system of electronic voting to falsify results. This innovation secured victories in SMD races and slowed voter defection in regional legislatures and the national PR race. Only in the contested region, Sevastopol, annexed from Ukraine in 2014, did UR support increase in the PR race. Only in Moscow, where electronic voting altered votes, did the UR faction in the regional duma increase.

In contrast, since the 1990s, Russia's ethnic Republics have disproportionately influenced national votes and perceptions of UR popularity. This election was no different. In five regions, UR received at least 80 percent of the vote. Those regions - Karachayevo-Cherkessia, Dagestan, Ingushetia, Tuva, and Chechen Republic - account for just 4.8 percent of the total votes cast but 8.1 percent of UR's national total. The decision to allow citizens in Ukrainian

territories plumped national totals another 0.5 percent. Without these regions, UR average regional support falls from 47.7 to 45.3 percent. Where UR received at least 70 percent of the vote, nine regions - now including Kabardino-Balkaria, North Ossetia, Kemerovo, and Tatarstan - make up 21 percent of UR's national vote but just 13 percent of total votes cast. Excluding them drops UR regional average support to 43.7 percent.

This preliminary analysis suggests that the regime's capacity to falsify remains strong in some regions, adding to national total and regional averages of turnout and vote share. Yet, a closer look at variation belies Kremlin rhetoric of national unity.

Dissonance and protest

As Khabarovsk and Nenets illustrate, regional variation in patterns of manipulation, turnout, and votes is linked to protest patterns. In a rare regional study of political attitudes, the Norwegian LegitRuss project shows that only 28 percent of respondents in Kemerovo, a super-region, said that they would vote for UR. In contrast, more than 50 percent of regional respondents expressed interest in attending a post-election protest, a number well above the national average. In Archangelsk 27 percent of respondents said that they would vote for UR, while 49 percent said that they would protest falsified results.

While interest is only the first stage of protest mobilization, the representation gap created by falsification is growing. This difference in social attitudes and election outcomes generates cognitive dissonance often expressed as anger, raising the potential for new issue-based protest. As with the recent, trash incinerator protests, these actions could spread rapidly across the Federation, demanding state response and spilling over into future politics. ■

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Some notes about protests in Russia in 2021

Expert article • 3021

The period between January and April 2021 was a time of remarkable protests in Russian cities. Detention and imprisonment of the opposition politician Alexei Navalny who returned to the country in the beginning of January, stimulated a whole series of protest actions.

The context of the emergence of these actions indicated that they could potentially contribute to a massive protest mobilization in Russian society and prepare the foundation for complex changes in its political process. Large-scale protests in different Russian cities in 2017-2019 demonstrated, that many of contemporary Russians are ready to join protest activities if they do not like the authorities' decisions. And Navalny's public positioning in the past few years has been based on emphasizing his image as the main and uncontested leader of the protest movement in Russia. Given these circumstances, it was quite realistic to expect that the prospect of his imprisonment could become an important symbolic trigger capable of stimulating a massive protest mobilization in Russian society.

However, if the imprisonment of Navalny really stimulated growing of irritation among contemporary Russians, only a few of them converted this feeling into a desire to participate in protest actions. Even though the rallies and processions organized by Navalny's supporters turned out to be relatively regular and lasted almost three months, their organizers did not manage to make them truly massive. Even optimistic unofficial assessments confirm that the number of participants of these actions reached only 250-300 thousand people, distributed among dozens of cities. Besides, the political effects of these actions turned out to be negligible: Navalny was sent to prison, his organization was recognized as extremist, and many of his supporters were forced to leave the country.

The lack of mass support for these actions looked rather unexpected and stimulated numerous discussions both in Russia and abroad. However, a deliberated look at the logic of trends of development of Russian society in previous years allows to understand, that this lack of support was predictable.

In this context, it is worth paying attention to three fundamental circumstances.

First, it is important to consider that protest-minded Russian population is a complex and heterogeneous community of people, and not all segments of this community sympathize with Navalny. Even though Navalny is used to positioning himself as a key figure in the Russian protest movement, not all supporters of this movement are ready to perceive him as such. Therefore, the call to participate in actions due to the detention of Navalny initially had a rather limited potential in Russian society, and not all protest-minded people were ready to react to it.

Secondly, it is important to note, that many important protest actions in Russian society in recent years were clearly connected with the problems of daily life of residents of specific territories. This was evident from the protests in Yekaterinburg, the basis for which

was created by the desire of the authorities to build a church on the site of the park. This was also seen during the conflict in Shiyes in Arkhangelsk oblast: people began to protest the construction of a landfill. The same logic can be traced in a series of protest against the renovation program for the housing stock in Moscow. The imprisonment of Navalny is clearly perceived by many in Russia as unfair, but nevertheless it has no direct relation to the everyday problems of specific people. Therefore, it is predictable that the real number of people willing to protest against it was fewer, then the organizers expected.

Thirdly, it is important to remember, that the protests that took place in Russia at the beginning of 2021 took place after the completion of large-scale rallies following the results of the presidential elections in Belarus. The protest actions in Minsk turned out to be numerous and prolonged, but unsuccessful: after their completion, the Lukashenka regime retained its positions. The unsuccessful end of rallies in Belarus largely set the context for the perception of protest actions in modern Russia. In fact it showed that even massive protest actions do not guarantee the achievement of a meaningful result.

Taken together, all these circumstances largely explain why the protest actions that took place in Russian society at the beginning of 2021 did not lead to a large-scale test mobilization of the population. The personality of Alexei Navalny turned out to be too contradictory to rally the disparate layers of disgruntled Russians. The lack of a direct link between his imprisonment and the specific everyday problems of Russians has deprived many of the incentive to participate in actions aimed at protecting him. And the observation of the ineffectiveness of the protest actions in Belarus contributed to the spread of skepticism in the Russian society in relation to such actions. ■

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Vladimir Putin and the negation of politics

Expert article • 3022

Russian history abounds in ideology. Imperial Russia devoted itself to an elaborate ideology that merged ideas of empire, of Orthodox Christianity, of Russian culture into a political foundation for the Romanov dynasty. The Bolsheviks, whose metier was the rejection of tsarist ideology, were, if anything, more ideologically inclined than their reactionary opponents. They inherited the apparatus of empire from the Tsars, and they used it to propagate their Marxist-Leninist ideology within the Soviet Union and beyond its borders – with considerable success. Ideology survived the collapse of the Soviet Union. One might interpret the Sochi Olympics of 2014 as a showcase of the post-Soviet ideology in Russia: state power on the one hand, a long and proud history, a pronounced Russian element within an imperial purview. Consistent with this has been the revival of the Russian Orthodox Church under Vladimir Putin. An exponent of the “Russian idea” at home, Putin has pursued a foreign policy oriented toward the “Russian world,” an impulse without the global appeal of Marxism-Leninism but a potentially galvanizing ideal for the makers of Russian foreign policy.

If countries dabble in ideology, the crucial role of ideology in Russian politics – imperial, Soviet and post-Soviet – speaks to distinctive aspects of Russian political culture. Russia has had two experiments with parliaments, one shortly before the First World War and one in the 1990s, and Russia has a parliament today; but parliament has never been a meaningful venue of Russian politics. For this reason, the party politics familiar to the United States and to European countries is much less important in Russia. Party politics require legitimate elections, and they also require for the elected parties some measure of real power. This is missing in Russia, where there is the ruling party and there is everyone else. The ruling party has a monopoly on violence, and it can spin ideology with whatever tools it has at its disposal. Putin has long been interested in ideology, and his government has created one, cobbling together pieces of the old tsarist ideology, pieces of the Soviet ideology and a twenty-first century Christian conservatism that is sui generis. This has not been a failed project for Putin, and his ideology of state power and of Russian “greatness” informs the language of Russian foreign policy just as it sets the tone for Russian state media, for its portrayal of Russian virtues and for its depiction of the vices of the non-Russian world.

It would be wrong, however, to argue that this ideology truly undergirds the contact between state and society. Russia has never been less subject to ideology than it is in 2021. Putinist ideology is imposed with far less vigor than the Bolsheviks imposed theirs and than the Tsars, especially Nicholas II and Alexander III, required their subjects to adhere to the ideology of the Russian empire. The ideology that Putin improvised after 2000, when he came to power, is also less coherent than the ideology of the Romanovs and the Bolsheviks, all of whom had real belief systems capable of generating faith and at times fanaticism. The fact that today’s Russian government encourages a positive view of Stalin and at the same time promotes the civic importance of the Russian Orthodox Church limits the coherence and therefore the effectiveness of this worldview. That the ruling class in Russia espouses an ideology in which it most likely does not believe – that it does not share the wealth and does not personally adhere to

Christian ethics – is a bit of hypocrisy that is not hidden in Russia. It needs no Alexey Navalny to reveal it. It is known by all.

A faux ideology might be a problem for Putin, but it may also be beside the point. The contract between state and society does not depend on ideology and it does not depend at all on party politics. Putin has attempted something new in Russian politics. Rather than making himself the high priest of an ideology, he has attempted to make politics disappear. The goal is not a mobilized society; the goal is an a-political society. To achieve this, Putin must make every alternative to his rule seem impossible. He does not try to persuade those Russians who admire Navalny and those who might wish for the Communist Party to regain its former stature. He pulls the lever of power in such a way as to render Navalny and the Communists an awkward, future-less sideshow. He need not do anything to have Zhirinovsky render himself an awkward, future-less sideshow: this is Zhirinovsky’s own profession. Putin benefits from rising standard of living, though he has not always delivered them. He benefits from foreign-policy victories, though he has not always delivered these either. Top-down political success is less salient than bottom-up acceptance of the Putinist system. No need at all to accept the ruling ideology. It can be ignored or made fun of, but the system behind must be accepted for the system to work; acceptance with cynicism is just fine. The invisibility of politics has become the lifeblood of Russian politics.

The recent Duma elections were at times falsely understood as a validation of Putin’s Russia, a ritual of support for United Russia, a preparation for Putin’s later efforts to continue on as Russia’s president. This they were not. They illustrated the extreme emptiness of Russian politics: that was their function. The greatest triumph for Putin had nothing to do with the number of votes cast or the number of votes illegally counted or falsely submitted. The greatest triumph for Putin was the absence of street protest at the time of the elections. The Duma’s irrelevance is obvious. The inability of parties to rise up in the Duma is obvious. The lack of alternatives to Putin is obvious. These vacancies are impossible to celebrate, and Putin has showed no eagerness to celebrate them. Yet these vacancies must be accepted, and the negation of politics under Putin must be affirmed. Putin has liberated Russia from politics, the symmetrical opposite of the claim that by engaging in politics people achieve their freedom. Only time will whether this experiment works, whether it keeps Putin in power, whether it inspires some more viable alternative to Putin, whether it leads to a Russia at peace with the world or whether it leads to revolution and war. No doubt politics cannot be kept at bay forever, and faction, grievance, emotion and ideology will all return. Until that happens Putin will continue enjoying the end of history a la russe. ■

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Russian political regime transformation: prospects for future

Expert article • 3023

While experts discuss how President Putin would reshuffle the system to maintain his grip on power, while stepping back from the day-to-day running of the country, the political transformation appears to have already taken place.

Putin's reduced visibility and physical isolation were understood as responses to the COVID-19 pandemic, but they have turned out to be the basis for the new political structure. Putin has indeed moved away from the daily tasks of the presidency. He is now based primarily in his bunker near Moscow or in Sochi, holding one meeting a day at most and leaving the administration and decision-making to a number of newly-created, relatively independent, competing centres of power. This political oligopoly is in effect implementing a splitting of the functions of governance, in order to strengthen their dominance at the highest level.

The seven-headed dragon

This emerging political structure, which represents Putin's far-reaching personal power rather than the power of independent institutions, resembles a dragon with several heads. There are effectively two governments (one subordinate to the prime minister, the other answerable directly to the president); then there is the Presidential Administration and its entirely autonomous Security Council; the State Council; the Kozak International Development Assistance Commission and finally VEB's mega development institution. Some powerful business and security service (siloviki) corporations such as Gazprom and the FSB respectively, which are subordinate to the president, function as direct arms of Putin's power.

With Putin's reduced physical presence in the running of the country, the Presidential Administration (PA) looks somewhat deflated, resembling nothing more than a vast control centre. Its tentacles are everywhere, however, including Mishustin's government, the State Council, the International Commission under Dmitry Kozak, a deputy head of the PA. In other words, five out of the seven dragon's heads are controlled by the Presidential Administration.

Elite groups

In such conditions the role of elite groups and clans, acting as informal governance structures, is growing. The government no longer tries to balance the interests of different elite groups through the appointment of ministers, but is representing one particular group under billionaire oligarch Gennady Timchenko and Defence Minister Sergei Shoigu. Other elite group interests are balanced by the heads of other entities.

Intra-elite alliances have another, completely informal, but obvious dimension, that could be described as a cross between Masonic lodges and members' clubs for the Russian elite. The Diveyevo and Athos Orthodox brotherhoods are two examples, which occasionally compete with each other for influence at state level. Prime Minister Mishustin and his three Deputy Prime Ministers, Andrei Belousov,

Dmitry Chernyshenko and Yuri Trutnev, belong to the first group which is associated with billionaire businessmen the Kovalchuk brothers and Sergei Kirienko (Rosatom). The second counts the Rotenberg brothers and Putin's 'masseur' Konstantin Goloshchapov among its followers. Historically, the Athos brotherhood was mainly associated with the St. Petersburg security forces. Current politicians associated with the Athos movement include Sergei Shoigu, Sergei Naryshkin, Yuri Chaika and Andrei Turchak.

Conclusion

Putin's new political system has not yet been fully formed, although the main elements are in place. It is now all a matter of how they will be balanced against each other and how they will interact. In the coming months, the system will face significant changes, but at the personal rather than institutional level. These changes will affect primarily the security bloc (Nikolai Patrushev, Alexander Bortnikov and Alexander Bastrykin) and the political bloc (Valentina Matvienko, Vyacheslav Volodin and party leaders). The fate of the prime minister and his government is also uncertain. Some experts consider them transitional players, giving them until the completion of Putin's transformed political system: one in which he retains the reigns of power but departs from managing the country.

The prospects for further transformation of the Russian political regime are confronted by three serious problems. The first is the inability of the system to carry out serious large-scale reforms that require coordinated action by its various parts. The 2018 pension reform serves as the most recent illustration of this. The second is the utopianism and counter-productiveness of the final result. The governing system of a huge country, on the one hand, seems to be decentralised, and, on the other hand, is turning into a "Big Presidency" - a huge ramified structure where deputies and presidential representatives in different sectors work in a semi-autonomous mode, providing the functions of current management. The third and final problem for the system is associated with new challenges, both external and internal, that would arise from a general increase in development turbulence, a logjam of issues and material fatigue. ■

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Women's representation in the EU and Russian politics

Expert article • 3024

The new gender order reconsiders a number of past norms related to the socio-legal regulators of gender interaction in society and in the world system as a whole. Therefore, the change in the traditional social status of women has entailed a chain of social and political adjustments and put the ideology of equality and equity in the focus.

Women's struggle for their rights has been ongoing for centuries. At the international level, the document regulating women's free access to participating in elections and to hold any public office was adopted by the UN in 1952 and is called the "Convention on the Political Rights of Women". In the Russian Federation, the first legal act regulating women's rights and freedoms, the "Concept for Improving the Status of Women in the Russian Federation," was adopted in 1996. The newest document in the Russian Federation regulating the rights and place of women in politics is the National Strategy for Women 2017-2022 approved by the Government Order dated 8 March 2017 No.410-r which emphasizes how big the gap between men and women working in government is in Russia.

Currently, no country legally restricts the right of women to work in parliament, although even in contemporary society there are still social and economic barriers that prevent them from reaching a level playing field. According to the Inter-Parliamentary Union, women account for only 20.5 percent of the 278 parliamentary presidencies or one of its chambers. In 2020, the Pacific was the only territory with no women working as MP.

Overall, over the past 25 years, the proportion of women in parliaments has increased by 13.6 percent worldwide. While in 1995 only 11.3 percent of seats were held by women, in 2020 the percentage of women in national parliaments is close to 25 percent.

Beyond the global figures, European Union countries as a whole have also made progress in increasing the number of women in national parliaments to an average of 29.9 percent in 2020. It is worth noting that this progress in Europe is mostly driven by the Nordic countries: the share of women who work in parliament makes up 43.9 percent as of 2020.

Until the late 1990s, however, there were relatively few countries in Europe that had women speakers of Parliament. But between 2005 and 2015, the proportion of women as chairmen of the Parliament increased from 8.3 percent to 15.6 percent. Between 2005 and 2015, the proportion of women in parliamentary presidencies increased from 8.3 percent to 15.6 percent, and in 2020, the number of women speakers in Parliament across the globe is 20.5 percent.

The role of women in the European Parliamentary System is also quite high, especially in Spain and Finland, where on the 1st of January 2020 the proportion of women occupying the highest ministerial level positions was 60-69.9 percent.

When it comes to the role of women in parliamentary committees, they currently chair 26 percent of the committees on foreign affairs, defense, finance, human rights and gender equality.

Regarding gender quotas, we should also note that until 1995, only two countries, Argentina and Nepal, applied statutory gender quotas. But over the past 25 years, quotas have spread to all regions of the world, leading to an increase in women's representation in parliaments around the globe. Currently, there are no gender quotas in such vast territories as Russia, the USA, Greenland, and in many countries with Islamic form of government, e.g., Iran, Syria, India, etc.

Concerning Russia, the legislation of the Russian Federation does not officially prohibit women from engaging in political activity. Even though, according to the statistics of the World Economic Forum 2020, the Russian Federation ranks 122nd in terms of the gender gap.

The analysis of the representation of Russian women in the Parliament in 2020 showed a rather low result, compared with the countries of the European Union. Thus, there are only 12.9 percent of female ministers in the Russian Federation, unlike in Europe, where the number of women in this position accounts for more than 35 percent. Besides, compared with Europe, the representation of Russian women in the State Duma is very low – 15.6 percent (as of 2017), while in Europe women working as MPs account for 29.9 percent.

It should also be noted that in 2020 the proportion of women speakers in Russia was 16 percent, while in Europe it was 20.5 percent.

Therefore, a comparative analysis of women's representation in politics in the EU and Russia has shown that although Russian society provides women with wide access to education and certain segments of the labor market, the high gender gap and stereotypes about women prevent most of them from getting access to positions in the political sphere. The difference between Europe and Russia may be explained by the following: Western society is much more tolerant and liberal; EU countries have a broader legal framework regulating women's rights; and, at last, women in the EU have a large number of different quotas which give them the opportunity to participate in political activities. ■



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Models of political consciousness of Russian youth

Expert article • 3025

In the course of the 2020 study, dedicated to the phenomenon of youth political consciousness, and carried out within the framework of the RFBR grant No. 18-011-01184\18 "The potential of youth political leadership in the course of political socialization and circulation of elites in Russian regions in 2010-s (on example of the Western Siberia and the North-West of the Russian Federation), we can confidently record several already formed and still emerging models of political consciousness associated with the image of political leadership:

(1) model of complete unstructured rejection of reality. The object of the protest is extremely wide and abstract, the motivation for participation is unstructured and very dynamic, the level of inconsistency and aggressiveness is quite high, the use of defamation tactics, the use of pejorative and reduced vocabulary, the predominance of emotionally colored assessments, etc.

(2) activity-target co-optation model. On the one hand, a clear manifestation of adherence to certain values-goals (material well-being, a comfortable quality of life, freedom in making decisions), as well as the need for self-realization, especially characteristic of the younger generation, and, on the other, endowing reality with many shortcomings of varying degrees of certainty that can be corrected one way or another. At the same time, readiness to participate in conventional forms of protecting interests, the need for collective self-realization, the prevalence of social democratic self-identification are manifested, a tendency to participate in elections with a sufficiently pronounced social skepticism is revealed.

(3) Proactive-loyalist model. Participation in the work of various organizations, both state and public, using social networks, an active form of protecting interests, purposefully rational reasons for joining youth political organizations, especially at the regional level, a consistent political self-identification, tending towards liberalism with a readiness to implement one's active suffrage, social optimism or realism.

(4) adaptation-frustration model. Here one can fix a publicly reflected motive of the contradiction between one's own individual financial and career aspirations and social values, publicly supported by official and loyalist political discourse. There is rather high activity recorded in social networks, the use of significant time and intellectual resources to maintain their own "virtual personality" with relatively low offline activity. At the same time, it is in this model that we see an effective way out of such frustration through the volunteer movement, various forms of civil society activity, etc.

(5) politicized-civic model. The fight is against the political regime, personified by the local ruling party, the top officials of the state, the fight against "crooks and thieves", etc. The motives for adhering to such a model are different. They are both the predominance of the value of personal and collective freedom along with the struggle against its suppression. Above all, there is a strong rejection of the goals and hidden motives of the authorities and powerful irritation

with the ineffectiveness of management. This ineffectiveness can be criticized from a variety of positions, such as health care, housing, and communal services; the geopolitical role of the country and the effectiveness of defending its interests in the world arena.

(6) local model that focuses on solving specific problems on a regional scale. At the same time, it is possible to record the conscious eclecticism of political and social self-identification, the manifestation of the ability for inconsistent and contradictory actions in order to achieve a specific goal (the same urbanism).

Summing up, it can be noted that the youth consciousness within the framework of manifesting its image of the future is sufficiently structured, despite the notorious political differences of opinions within these structures. Since quite often young people cannot understand how the key problems of political processes relate to their own problems, and how public political practices can affect their own daily life, we can record a rather significant range of opinions and manifested practices that leaves a debatable question of how exactly to interpret mechanisms of political communication – through the prism of the factor of stability or through the point of view of smoldering conflict and discontent that can significantly change the socio-political landscape of modern Russia. It is in this direction, in our opinion, that there are opportunities for, in fact, relevant assessments of the effectiveness of prevention of conventional forms of political behavior so that the ripening "grapes of anger" do not turn into those berries that will plunge our contemporary socio-political design into chaos. ■

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Young people's social activity as the resource of social development

Expert article • 3026

Social activity is viewed as an instance of proactive influence of social subjects (individuals and groups) on the surrounding social environment. It presupposes participation in social life, however, primarily it is linked to proactive and creative attitude to spheres of one's social life, as well as to oneself as a subject of social being. This phenomenon is interconnected with spheres of social activity, where it not only finds its manifestation, but also sometimes turns into independent activity.

Social activity emerges as a result of individual acquisition of subject and personality qualities, which are predetermined by their inclusion into activity of social groups, social activity of other people, where the acquisition of norms, values and attitudes, outlining the boundaries of possible activity and its direction, takes place.

It is due to social activity, that young people try their hand at various social spheres. This contributes to the establishment of one's place in the society, self-realization and development of important social skills, which consequently turn into means of communication and tools for achieving success among other people. An important circumstance of modern social activity in young people is the fact that it is supported by the "big" society. This support can be found in the form of various grants (financial funding) that stimulate social activity, as well as in the form of various social initiatives, which are aimed at satisfaction of young people's needs in terms of realization of their most important needs, i.e. the need for recognition, acceptance, belonging (being connected with others), competence, etc.

Modern research of young people's social activity in Russia serves as proof of its diversity and combination of its various forms. Thus, the most manifested forms of social activity are as follows: leisure, Internet network, educational-developmental, socio-economic, spiritual, volunteer, etc. Various forms of civil and political participation are in the zone of low preference. This does not mean that young people are not at all interested in civil and political processes. However, they do not possess motivating power, unlike, for example, leisure or economic activity. Studies of young people's activity in Russia have established that various forms of activity are joined into groups according to the principle of general variability (preference or lack of preference), i.e. civil-political participation, protest-subcultural forms, spiritual and educational, leisure and network. These groups of activity have complex interrelationships mediated by age, education, level of religious belief and civic identity, which contribute to the unambiguous adherence to some (educational and developmental) and a decrease in other (protest-subcultural forms) forms of activity.

Preferences for social activity forms depend on the effects of early socialization of young people and their personal development. For example, it was found out that individuals with autonomous type of subject regulation are to a greater extent committed to socio-congruent forms of activity (adherence to leisure, socio-political and civic activity). At the same time, students with a dependent type of

subjective regulation are more prone to protest activity, although the general level of their manifestation in both groups is at the lowest positions.

Numerous studies prove that conditions of socialization influence the manifestation of general social activity in young people. Thus, the experience of parents' participation in social life of the country increases the likelihood of activity in grown-up children, the conviction that the country presents all the opportunities for this, as well as increases this opportunity. Contrary to popular opinion, neither television, nor radio, social networks, public (political) figures have significant impact on adherence to any forms of activity (even to political one). As a rule, friends and classmates at University/College or colleagues at work become a source of identification in the activity of young people.

In the Russian tradition, studies of the effects of social activity previously concerned only the educational role of organized activity, and until recently there was practically no analysis of the psychological consequences of the forms of activity implemented. Finally, despite social fears regarding social activity of young people associated with risks of radicalization, extremism and other deviations, the containment of such forms of activity can lead to its extreme manifestation. Examples like this can easily be found all over the world. Nevertheless, high level of activity in young people is associated with the values of openness to change and universalism, i.e. the values that act as drivers of the society's development. ■

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LEONID GRIGORYEV

Russia: Transition to inequality

Expert article • 3027

Most economists consider social inequality as the necessary aspect of prosperity and driving force for hedonists on the good vertical lifts in Anglo-Saxon countries. Sociologists normally complain about poverty and suffering. Specialists on Great Diversion and Catching up are seeking fast paths to development while accepting inequality as an unavoidable sin. What is about the path of transition from plan to market, from quasi-egalitarian to full-fledged capitalism in Russia? Now 30 years of transition are over – it is a good moment to make an assessment of results: bone by bone, so to say.

Needless to repeat – the USSR was not an all-equal society, as it was officially declared: “from each – by his/her talent, for each – by his/her labour (input)”. A minority of party and state officials had some privileges (housing, health care, recreation, access to durables), and a very tiny group had some food distributions service. Stagnation of economic growth, hidden inflation (useless money savings) and consumer goods supplies shortages had shaken the social and sociological stability of the society. At the end of the 1980s, the most important issue was that the families were ready to support market reforms for consumption improvement (accompanied by social and political transformation). The reforms were generally treated as a path to improve the lifestyle. Communist ideology was actually easy forgotten. Certainly, nobody expected the immediate – without any serious debates or deliberations – the collapse of the Soviet Union. Economic implications of the dissolving economic ties on the enterprise and market basis also were not foreseen. Mainly the GDP collapse for the Central and East Europe plus for few post-Soviet republics was contained within 25%, for Russia – more than 40%, for Georgia and Ukraine that was much worse (over 60% down) from the very beginning. The author commented on this development in the New York Times on the 12th of September 1991 (few weeks before Yegor Gaidar was appointed the Deputy Prime Minister): *“No leader has yet had the courage to tell the peoples of the Soviet Union of the obvious: that the transition to a market economy will entail much hardship. Western living standards will not be achieved overnight.”* (Grigoryev).

The key decline was concentrated in state services, durables and consumer goods of national production. By 1994 the crisis in CEE was over – in Russia minus 44% GDP (the US rate of GDP decline in 1933 to 1929) was reached in 1998. Manufacturing contracted by 64% with the huge unemployment and inflation, totally deflated savings etc.

At that time, the observers were expecting Russians to become democrats over the crush of expectations of better life. Western Prosperity was partially supported by exports to Russia as a substitution for the disappearing national production. Oil prices declined in August 1998 to \$8 and started to recover only in 1999. Four-five years of transitional crisis in CEE (at minus 25%) appears to be much more sustainable by households, than nine years decline (at a peak of -44%) for Russian families. Branco Milanovich had registered half of the Russian population below the poverty level in 1994 (World Bank, 1998). Military expenditures – according to SIPRI – had declined from \$250 billion (1988) to \$14 billion (1998), depriving the whole military-industrial complex of employment and earnings. August debt crush of 1998 had brought the 4-times ruble devaluation and fixed

1998 as the lowest point in transitional crisis with no perspectives in the foreseeable future. High suicide and homicide rates, a surge in criminality were accompanying the life of ordinary people for decades after the political transformation (see Grigoryev and Popovets). Since the 1990s the poverty rate declined to about 11% in 2013, but shocks in 2015 - 2020 aggravated it again to 13-15%.

Personal consumption in the 2000s was growing after some adaptation to the new market conditions (and after the devaluation of 1998) partly due to the help of well-known oil exports incomes. In spite of the oil crashes of 2008, 2015 and 2020, personal consumption has experienced growth, including substantial housing gains – more than one-third of residential space had been built in the 21st century. During 2010-2014 Russia had renewed a good portion of its car stock and reached the coverage of Internet and computer access close to Spain or Poland by now. Most educated Russians have access to open social media and Western TV and have a rather practically usable level of English, which makes them much better informed than it is usually presumed in the West.

Russian oligarchs were welcomed on the West at the time of privatization as a token of success in departing from communism. Obviously, the social inequality has come as a result of a particular redistribution of property, approved by the Bretton-Woods institutions and Western political societies. By 2009 the special study of Evgeny Yasin had shown, that the 5th quintile has got two times more real cash income than in the 1980s; the 4th quarter got 125% of it; the 3rd – 100%; the 2nd – 79%; and 1st – only 55% (see Yasin). That was the result of the two decades of transition. Mainly relative inequality stays while GDP per capita in PPP (2017) is above \$25,000 now.

To our knowledge social inequality around the world and in Russia is pretty rigid. The main parameters are almost the same now after dramatic 1994-1996 (see Novokmet et al.): top 10% has more than 45% of income; (low 50% has close to 15% of income. Current statistics give 45% of income to 5th quintile (less than in Brazil). And there is no easy way to change this inequality in the short run. Russia in few years of 1990s had made a step to inequality Latin American style – not a European continental, as some could have expected. Since we observe the substantial rigidity of social inequality (see Grigoryev & Pavljushina) we may also expect the serious role for the Great Gatsby Curve in the long run (see Corak). Now the high social inequality has become one of the key elements of *“the new path dependency”*. ■



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Perceptions of income inequality in Russia

Expert article • 3028

Official statistics and empirical survey data widely confirm that the large-scale socio-economic changes that took place in Russia during the 2000s brought an increase in living standards for most population groups and a more-than twofold reduction in poverty. However, in terms of the perception of income inequality by the population, the situation resembles the one seen in the 1990s, during a completely different stage of the country's development. The overwhelming majority of Russians (over 90%) today continue to perceive income inequality as excessively high and unfair, and the conflict between the rich and the poor is considered to be the most prominent among social conflicts. Demand towards the government to reduce the income differences is at its highest level since 1992.

Such perceptions about income inequality and the demand for reducing it prove to be universal for the entire population – they are differentiated neither by basic sociodemographic characteristics, nor by human capital or income levels. Results of previous empirical research in different countries demonstrate the existence of an interrelation between social mobility and tolerance towards inequality. In most general terms, it implies that an expected rise in one's social position (upward mobility) increases tolerance towards existing inequality. However, in contemporary Russia the role of social mobility in this respect also proves to be very limited. Neither the experience of mobility in the past, nor the expectations of changes in the medium term, significantly affect the demand for reducing the differences in income between people with high and low incomes. The only aspect of mobility (or even volatility) that 'works' in this regard is people's expectations of a worse financial situation in the immediate future, which only increases support for reducing income inequality in Russian society.

What could be the reasons for Russians universally sharing these ideas about inequality that are influenced neither by socio-demographic and socio-economic factors, nor by experience and expectations of mobility, which to a certain degree runs counter to the results of previous studies?

Official statistics and sociological research show that in spite of the changes in incomes and standards of living for most of the population, the gap between the wealthy few and the rest of the population, whose prosperity can be characterized as very moderate and unstable, remains and is growing. Russia is characterized by having one of the world's highest degrees of income and wealth concentration at the top. In these conditions, even that part of the population that is considered to be relatively prosperous by general standards, when talking about reducing income inequality and the conflict between the rich and the poor, does not refer to itself and its own separation from the masses but to the elite who have left the rest of the population (both the disadvantaged and the well-off, according to general standards) far behind and keep increasing the distance. Therefore, even one's personal experience or expectations of mobility do not change the general ideas about the unacceptability of existing inequality.

Moreover, research shows that demand for reducing inequality is based mostly on the general perceptions of the population about social justice and notions of the "ideal" and "real" society in terms of inequality. It is much less connected with individual characteristics and one's own specific situation, including mobility, since inequality is seen as a general, societal problem.

In these conditions, inequality becomes a serious challenge for the state, which the population sees as the main actor in solving this problem. Dissatisfaction with the efficiency of the state's actions in regard to inequalities, voiced even by the most educated, qualified, and independent Russians, becomes an important challenge that raises the question of the revision of the social contract. ■

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New dimensions of social inequality in the context of healthcare digitalization

Expert article • 3029

Today, the healthcare digitalization, due to the advent of the Internet Web 1.0 and Web 2.0., ceases to be a distant prospect, and the global COVID-19 pandemic unfolded in 2020 gives this process an additional impetus. The issues of d-Health are included in the agenda of such international organizations as WHO, the UN, the European Commission, and are also becoming a priority area of social policy in many countries. First, it is said about dramatic systemic and institutional transformations of the medical sphere. Here we can mention the spread of online communication within the professional community, the generation and storage of big data, the creation of a unified information system based on a single electronic medical record of a patient, the production and prescription of digital medicines, and much more. At the same time, the integration of digital technologies into diagnosis, treatment and prevention of diseases is becoming a routine of modern people, transforming their patient experience. The ways of using innovations in everyday life vary from telemedicine to digital self-tracking. Today, when healthcare professionals lose their monopoly on providing medical care, the place of interaction with a doctor is occupied by a network where members, in addition to physicians, are bloggers, relatives, Internet sites, gadgets, mobile applications etc., and the patient is in the center.

Digitalization is associated with the hopes of healthcare democratization, personalization and a greater accessibility of medical care for different social groups. Being one of the sides of the movement towards 4-P medicine, d-Health contributes to patient self-empowerment. Today a patient is required to be responsible, conscious, and proactive, independently controlling his well-being and having a significant influence on decision-making. Moreover, a patient is encouraged to be digitally engaged and to collaborate with medical institutions. Ultimately, the main aim of d-Health is development and application of the most effective tools for providing high-quality health care, and as a result is improving health of the population.

However, the healthcare digitalization, on the one hand, opens up new prospects for preserving and maintenance health, on the other hand, it also carries new risks and threats. One of these risks is the emergence of new dimensions of social inequality that leads to differences in health. First, we are talking about well-known digital gaps. People who have limited or no access to the Internet and new technologies turn out to be in a vulnerable position, which does not allow them to participate in digital health programs. In addition, such digital competencies as the ability to find, evaluate and analyze online medical information and apply it to solve health problems also contributes to the new discrepancies. As a result, getting medical care is determined not so much by territorial and temporary constraints, that are being overcome, as by the patient integration into digital culture as a whole and the experience in using technological innovations. Thus, the newest differentiation arises between advanced users living

in augmented reality, combining online and offline self-care practices, and those who continue to live completely in the analog world. The key resource in this case is the access points to technologies, and therefore, the ability to be involved in technologically mediated ways of taking care of health. Secondly, inequalities arise not only between patients, but also between medical institutions that also act as such access points. Healthcare organizations differ both in the level of equipment with digital technologies, and in the new competencies which medical professionals possess. The patient is faced with a new system of multidimensional inequality.

The consent and ability to live in a hybrid contemporary world, combining online and offline self-care practices, are becoming new determinant of health and well-being today. Differences in intensity, regularity and duration of using digital technologies in health care practices of a modern patient are manifested in increasing inequalities in health. Among the risk groups are the elderly, representatives of low-income groups, people with a low level of education, residents of rural areas, less developed regions and countries. So, those who are not protected in offline space hold this status in online. They use digital technologies less intensively and, as a result, aggravate and deepen social inequality, bringing together existing differences with new ones. Even though digital technologies are implemented to make current healthcare more personalized, democratic and accessible, they contribute to the new gaps, including inequalities in health. ■

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THOMAS F. REMINGTON

Inequality and the crisis of liberalism

Expert article • 3030

Liberalism today is under attack from the far right and from rising economic inequality. Some on the left denounce it as a conspiracy of capitalism against democracy. But a different understanding of liberalism is possible. By recognizing that liberalism does not have to follow the path of ultra free-market laissez-faire liberalism, or what some call neo-liberalism, we can reestablish liberalism as a public philosophy that values market and political freedom in a social order that also protects fundamental social justice.

Classical liberalism held that all individuals should be equals both as citizens and economic actors. In the economy, this meant an open, free, fair competitive order with a roughly equal distribution of material resources. In the political sphere, it meant the right to exercise choice freely over policies and candidates seeking power. In the hands of ultra-conservatives and their wealthy backers, these principles were corrupted. They came to refer to the unfettered freedom of the wealthy and powerful to protect themselves from competitive pressure.

Largely forgotten is an alternative branch of liberalism that took shape in America, Germany, and elsewhere in the first decades of the 20th century. Its German variant is called "ordoliberalism," because the German thinkers who developed these ideas in the 1930s emphasized that a competitive economy and democratic polity needed to be institutionalized in a constitutional order. Its government had to be strong enough to protect competition and preserve the freedom of the individual to compete fairly and freely. German ordoliberalism was influenced by the American Progressives, who were appalled at the threat to democracy and capitalism posed by giant trusts and cartels. The ordoliberals opposed Fascism, Naziism, and Communism as well. They recognized that competition is a powerful force, but can easily be curbed by concentrated private power in union with the state. To drive growth and social well-being, the market must be embedded in law and society. The market must serve society, not the other way around.

Many economists argue that inequality is the inevitable outcome of market forces such as globalization and technological change. But European economies are equally exposed to globalization and technology change, yet manage to pay workers decent wages and to restrain compensation packages at the top. Some countries adopt market reform without creating massive concentration of incomes at the top or wage stagnation for everyone else. This tells us that politics shape how market forces work. The point is that markets operate in society with existing sets of power relations. Opening up market forces always lets existing social hierarchies influence how the market distributes the gains and losses of growth. We do not enter the marketplace as equals.

Certainly, some of the rise in economic inequality that we have seen since the late 1970s does owe to market forces. Technological change that makes highly skilled workers much more productive does tend to drive higher wages for the more-skilled while keeping down wages for those without lower levels of education and skill. The coupling of digitalization and globalization has allowed outsourcing of more labor-intensive jobs as well as to opportunities to capitalize on externalities of scale. But political choices also deeply shape trends in inequality. In turn, high and rising inequality has become a serious threat to the viability of democracy.

How does competition protect freedom? First, competition dissipates rents. Rents are the income earned when a factor of production is shielded from market competition. The most pernicious rents are those created by government to benefit the wealthy and powerful.

Because democracy threatens the positions of the privileged, under conditions of high inequality, they will fight fiercely to restrict political rights in order to preserve their rents. Democracy endangers the privileged not only because it can produce redistributive taxing and spending but also because it can widen opportunity to compete fairly. This requires active government effort to supply public goods that the market cannot supply—such as public education, public health, safe food, clean air, and public safety.

Competition is a more important condition than property rights for prosperity and democracy. The University of Chicago economist Raghuram Rajan asserts simply: "when we have to choose between competition and property rights, we should invariably choose competition." But this core idea of liberalism—that individuals should enjoy the freedom to compete as equals in both the political and economic arenas—is undermined when the powerful manipulate the rules of market regulation, antitrust law, tax law, labor law to protect their advantages and shift market risks to the poor and the general public.

As inequality widens, the gap between the advantaged and disadvantaged compounds over time. Differences in income, education, social capital and other factors that contribute to opportunity in life become more locked in across generations. The middle class shrinks. Meantime, public education, public health, public amenities of all kinds deteriorate while we live increasingly in worlds separated by access to privately provided education, health, security, recreation and information. The confluence of geographic sorting with socio-economic and political sorting reinforces polarization, especially the kind that leads each camp to view the other as dangerous and evil.

Political equality is fundamental to democracy, while high concentrations of economic inequality threaten it. Political equality can be reconciled with political and market freedom so long as neither political or market power is too concentrated. The best way to check the ability of those gaining political and market power to claim rents and fortify their positions by curbing competition, therefore, is to encourage the competitive pursuit of material self-interest as a vital social interest while using government to curb the pursuit of rents by those with power and expand equal access to public goods. The greatest threat to political and economic freedom is not the risk that the masses will exercise their democratic rights and demand redistribution. It is that those with market power will prefer to ally themselves with those holding political power to suppress competition in both the market and political arenas. By recognizing this, we can use the tools of liberalism to rescue democracy. ■

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Demand for senior-friendly spaces in Russia

Expert article • 3031

A sharp increase in the percentage of elderly people is expected in urban areas. According to a number of studies, by the middle of the 21st century, every three of 5 older people will live in cities. This trend underlines the overall focus on urbanization and an increase in the urban population up to 80%. Of course, the trend in urbanization entails the need for changes in urban planning, in particular in the development of areas that meet the needs of older people. In Russia, attention has begun to be paid to such issues. In 2019, the national project "Demography" was launched, one of the subsections of which is dedicated to the older generation. This section is oriented on increase the active period of a healthy life (up to 67 years), and its duration - up to 78 years.

We conducted two waves of sociological research in Russia in 2020 to find out the needs of older people in creating comfortable public spaces. In the first study, we interviewed 30 leaders of organizations (authorities, museums, libraries, sports clubs, educational institutions, cafes) visited by older people in one Russian megapolis. In the second study, we interviewed 120 respondents online (age 60+) living in all federal districts of Russia. The research made it possible to assess the current state of public spaces and their orientation towards the needs of the elderly. According to the research results, we can talk about the following trends.

First, among the respondents, a half visits public places alone, and half come in the company of friends or relatives. The preferences of older people are mostly concentrated around outdoor public spaces (80%). Quite often, older people use such furniture in public places as seats in transport (71%), benches (68%), sitting in waiting areas, queues (47%). In the study, respondents identified the following shortcomings that hinder the use of furniture in public places: it can be dirty or broken (66%), very few elements of adapted elements outdoors (28%), the elderly have difficulties in sitting or getting out of furniture (11%), they have nowhere to put a cane when using furniture and it falls (10%), they are afraid to sit alone (9%), they are afraid of falling off the furniture (4%).

Second, in the survey the "silver age" respondents especially noted the importance of such characteristics of furniture in public places as the opportunity to relax (42%), listen to their favorite music or radio (46%), watch films or videos (43%), do a little exercise while sitting (17 %). Older people admit that they become more tired over the years. They more often need to sit and rest.

Third, the organizations responsible for the development of public places talked about plans to renovate territories, replace furniture (43%) in the near future. At the same time, 57% plan to implement intelligent solutions and technologies. According to the management of organizations, the most demanded are IT solutions, the installation of elevators and the placement of comfortable furniture. Among the main barriers hindering the positive transformation of public spaces, one can single out the lack of necessary funding (60%), difficulties

in organizing public procurement (57%), as well as insufficient understanding of the real needs of people in older age groups. The main criteria that determine the choice of one or another furniture for public places are, first of all, its compliance with fire safety measures (98%) and price (97%). Further, in descending order of priority, following the service life (90%), ease of cleaning (80%), antibacterial properties of surfaces (73%), design and ergonomics (66%), adaptation to the needs of older people (33%). However, only 10% of the surveyed institutions conduct specialized research on the real needs of older people.

The research results show, on the one hand, the need to conduct representative research in target groups of new public spaces' users, and on the other hand, the importance of developing specialized furniture that takes into account the characteristics of older people and their needs for leisure activities in accordance with health parameters.

The study was performed with financial support by the Interreg BSR Program (project № R081): "Innovative solutions to support BSR in providing more senior - friendly public spaces due to increased capacity of BSR companies and public institutions". ■

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HIV/AIDS in Russia, the epidemic too long ignored

Expert article • 3032

With more than one million HIV-positive people, Russia is one of the countries most affected by HIV/AIDS. The first cases appeared in the USSR in 1987 in the south of Ukraine (port of Odessa). Since then, the number of HIV-positive people has steadily increased. According to the Joint United Nations Program on HIV/AIDS (UNAIDS), since 2010 Russia has crossed the critical threshold (1% of the country's active population affected, and even 2% in some regions), which qualifies the situation as an epidemic. The epidemic is all the more serious as Russia is already experiencing a demographic crisis, which Covid-19 is now worsening too: the number of active people in Russia has fallen from 88 million in 2000 to 82.6 in 2019.

Several economic, social and political reasons have led to Russia having one of the highest rates of HIV. In the 1990s, the country had other economic and social problems to deal with, and funding was sorely lacking for public health, as well as other sectors. Russia is also still lagging behind in public spending on health compared to other OECD countries: in 2018, it devoted 5.3% of GDP to it, according to the OECD (France spent 11.2% the same year). But, in addition to financial difficulties, the authorities are reluctant to apply prevention strategies (such as syringe/needle exchange programs) and substitution treatments that have proven successful in the West. Thus, Russia is one of the few countries to ban, from the end of the 1990s, methadone and buprenorphine treatment for drug users. In 2015, in a Memorandum for the European Court of Human Rights, Russia explained its position by citing fear of an increase in the number of people dependent on these treatments "who could turn to criminal activities and terrorism [...]", while arguing that the substitution therapy would fuel the circulation of drugs and corruption in the medical establishments.

Marked by perceptions inherited from Soviet times, Russian society and authorities stigmatize HIV/AIDS people as the result of deviant social behavior. UNAIDS has long pointed to indifference, if not prejudice, around this problem in Russia, and the lack of political will in the face of its magnitude. Since 2014, the rise of conservative values vis-à-vis the West, presented as amoral and decadent by the propaganda of federal television stations, further justifies the rejection of Western methods. Thus, proposals to strengthen moral, spiritual and religious education in schools are often formulated by prominent politicians as the best bulwark against the spread of HIV/AIDS. Foreign NGOs, hit by the law on "foreign agents", have seen their capacity to act reduced. Against the backdrop of a lack of treatment and prevention, the routes of contamination have diversified beyond initial risk groups such as drug users, prostitutes and drug addicts. Heterosexuals now account for more than 50% of infections, according to the Federal AIDS Agency, and mother-to-child transmission during pregnancy is becoming more frequent.

However, both the population and the elites appear to be showing greater awareness. Public perceptions are changing on two levels.

On the one hand, the fear of being contaminated is increasing: the number of those who admit to "having a permanent fear" or "being afraid" increased from 27% to 45% between 2008 and 2021 (Survey of the Levada Center, April 21, 2021). On the other hand, polls note a change in attitude towards several categories of people whose condition requires specific state policy such as homeless people, drug users and prostitutes. People with HIV/AIDS are among those benefiting from the most positive changes in perceptions. Thus, in 2020, the answer "they must be helped and cared for" was given by 79% of Russians questioned, against 53% in 1989, while the number of those who demanded social isolation dropped from 25% to 14% over the same period (Levada Center survey, April 20, 2020). In February 2019, a popular young blogger, Yuri Doud, gave a strong boost to this awareness in a documentary that denounces the attitude of both the authorities and society in general. The film, viewed more than 21 million of times on YouTube, would have increased both the sale of AIDS tests and the number of people who have self-reported and been able to access antiretroviral therapy (ART).

In February 2020, a new strategy to fight AIDS until 2030 (following the strategy running until 2020) was drawn up, taking into account the recommendations of the World Health Organization. It provides for increased funding (which nevertheless remains much lower than in Western countries), better screening, and wider distribution of ART treatments. In 2019, for the first time in several years, the Ministry of Health announced a reduction in the number of new infections (by 7%) and in mortality (by 8%) thanks to better care and the spread of ART therapy (which 70% of patients now receive). It is to be hoped that this trend can be sustained over time without breaking down due to various factors such as the difficulty of accessing at-risk population groups, bureaucratic procedures, lack of funds or political and social reluctance. ■



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ELIAS KALLIO

Russian economy during COVID-19 pandemic: an ordinary citizen's point of view

Expert article • 3033

COVID-19 pandemic has treated Russia very harshly. The official case count over the course of the pandemic is over seven million and the official death toll is close to 200 thousand people. There have also been several accusations of inaccuracy of the statistics based on the excess mortality during the pandemic. For instance, the mortality was 18% higher in 2020 than in 2019 totaling 323.8 thousand excess deaths. For average Russian citizen life in one the leading (by case count) countries has meant lockdowns, hospitals filled with COVID-19 patients and other restrictions. All of these have had a significant effect on Russian economy and the life of an average citizen.

The COVID-19 pandemic has affected the salary development in almost every industry. Real incomes have decreased during the pandemic; however, this development did not start during the pandemic as such. The tendency started already in 2014 and only the level of the decrease has changed during the pandemic. What is more substantial is the fact that in many instances also the level of nominal incomes have decreased. In addition, many small-business owners have taken substantial financial hits during the pandemic, for instance because of the "non-working weeks" (employers were obligated to pay the full salary to their employees regardless) declared by the government.

Development of employment and unemployment has been relatively similar to other countries and the unemployment level has increased substantially. At its peak, the unemployment growth totaled almost 40% (compared to 2019) according to the Federal State Statistics Service. However, unofficial estimates and empirical evidence are even worse. The people working in the service industry have taken the largest hit, but also many other industries have suffered severely.

As mentioned before, the real incomes have decreased during the pandemic. According to the Federal State Statistics Service, in July 2021 the inflation in Russia was 6.5% compared to the same period of the previous year. However, the empirical evidence in this instance as well suggests even higher inflation (in some product categories up to 25%). In addition, since the beginning of the pandemic the Euro-Ruble exchange rate has changed from about 70 to over 90 at its worst and now being around 85. This has significantly affected the prices of any imported goods, which are in a relatively significant role in an everyday life of an average Russian citizen, taking into account the structure of the Russian economy. In addition, many forecasts predict that this development will continue in the foreseeable future.

In conclusion, it can be stated that COVID-19 pandemic has been very hard on average citizen in Russia. According to John Hopkins University data over 5% of the population have had the coronavirus disease and 200 000 people have paid the ultimate price for the pandemic. However, empirical and other evidence suggest that both of these figures are substantially higher (e.g. excess deaths).

A large number of people have also suffered from the restrictions in other ways. Incomes of the general population have also taken a hit (excluding some industries, e.g. IT) in terms of real incomes and nominal incomes. The largest impact has been on service industry workers and small business owners. Unemployment has also increased, which has affected the average income of the population. With these decreased incomes the population of Russia has been forced to deal with increasing prices with little or non-existent government support. However, the worst period in economic terms of the pandemic seems to be over and business is slowly getting back to the "new normal". ■

Disclaimer: the views presented in the article are authors own and do not represent the official standpoint of any affiliated organization. Empirical evidence is being used as a concept in order to better demonstrate the point of view of average citizens.

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Attitude of Russians to telemedical technologies

Expert article • 3034

Telemedicine is currently one of the actively developing segments of healthcare. The COVID-19 pandemic, which began in 2020, has actualized its significance for the Russian population. Government bodies have stepped up their activities in this direction.

Among the main positive aspects of the development of telemedicine, one can note, firstly, the possibility of overcoming geographical distances in order to provide the population with access to various medical services, including narrow-profile specialists. This is most relevant for residents of remote rural areas. Secondly, telemedicine provides an opportunity to receive medical care without leaving home and without having to “stand in line” for an appointment. This was especially important in the context of the anti-epidemiological restrictions associated with COVID-19.

To assess the attitude of the population of the Russian Federation to telemedicine, a sociological study was conducted in April 2021. The results of the study showed a contradictory situation.

Most of the respondents in the Russian Federation are confident that telemedicine is a reduction in the time it takes to receive a service, a convenient alternative to self-medication and the ability to consult a doctor at any convenient time. This is most often stated by citizens who already have experience in online consultations.

At the same time, when using telemedicine, controversial issues arise in connection with the boundaries of its application. This method of receiving medical services cannot replace an in-person visit of a patient to a doctor and a personal examination by a doctor to make a diagnosis and prescribe treatment. Almost a third of respondents believe that telemedicine is a questionable quality of services provided, especially in comparison with face-to-face admission. Most of the claims are related to the high risk of leakage of personal data about the health status of citizens.

The study showed that to date, a small number of respondents have taken advantage of telemedicine opportunities. At the beginning of 2021, only every tenth Russian had experience using remote methods of interacting with doctors in case of illness (online doctor's consultation in real time, etc.).

At the same time, it cannot be said that citizens are not interested in new technologies. Every third respondent actively uses various mobile devices, mobile applications to maintain a healthy lifestyle (fitness bracelets, smart watches, heart rate monitors, pedometers, etc.).

The low level of use of telemedicine is accompanied by a very restrained attitude of the respondents to the potential possibility of online appeals. Only every third Russian now admits for himself the possibility of seeking medical advice using telemedicine. Every second respondent does not support this form of interaction with medical institutions (doctors).

The attractiveness of telemedicine is considered by the citizens of the Russian Federation to a greater extent from the point of view of the

implementation of formalized administrative procedures in connection with the process of providing medical care (services). They generally do not require the mandatory full-time presence of the patient at the doctor. First of all, we are talking about the possibility of ordering medicines by prescription, receiving referrals for examinations, extending sick leave, obtaining (extending) prescriptions for medicines.

Russians are still wary of the possibilities of conducting an initial consultation or monitoring their well-being and condition during the online treatment process. At the same time, as the health status of the respondents improves, the share of positive answers about the possibility of an initial consultation with the use of telemedicine increases. Respondents with chronic diseases are more likely to support control of their well-being and condition in the course of treatment.

The majority of the respondents did not accept the diagnosis, the choice of the method of treatment with the help of telemedicine. The Russians are sure that on such an issue it is impossible to do without a full-time visit to the doctor.

In general, the current research has demonstrated a low level of use of telemedicine opportunities among Russians. There is also a very restrained attitude of the respondents to the possibility of its application in the future. Nevertheless, the potential for developing the capabilities of telemedicine technologies can be characterized as significant. Moreover, its implementation will be successful with the strengthening of the information component to promote such innovations. ■

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VLADIMIR V. MOISEEV

Effectiveness of government management in the Russian Federation

Expert article • 3035

The efficiency of the state is ensured by the well-functioning system of state bodies, the ability to articulate and to protect legally the public interest, to implement successfully the state social and economic policy, ensuring not only the interests of the state or the ruling class, but also the entire population, certain social groups and every human being.

In the Russian Federation, owing to permanent crises, stagnations and recessions, the toughening of anti-Russian sanctions, the decrease of real income of the major population, the lowering of living standards of Russians, the issues of efficiency of public administration, as well as criteria, by which one should assess this effectiveness, are actively discussed.

The author attempts to justify theoretically an assessment of the public administration effectiveness through the comparison procedure of the results of certain managerial decisions, as well as the degree of achievement of the key objectives when implementing the state policy on the whole and solution of its separate relevant problems. Specific examples, official statistics, comparing them with the developed countries of the world, the authors clearly show the inefficiency of the Russian public administration when solving both economic and social problems.

According to the Rosstat data, over a 2.146 million people worked in the state bodies, local self-government bodies and election commissions, including 1.410 million in the federal government. Over the previous 15 years, the number of civil servants per 1,000 people employed in the economy increased by almost twice, from 18 to nearly 32 people. In the vast Soviet Union, which consisted of Russia, Ukraine, Belarus, Kazakhstan and 11 other Soviet republics, the number of officials and managers was much less. The personnel of state officials of the Russian Federation in 1988 consisted of 1.16 million people or 81 officials per 10,000 people (20% less than nowadays). State budget expenditure on the maintenance of the two-million army of officials and managers exceed half a trillion Rubles a year, and the expenditure is constantly growing.

How efficient is this huge army, the maintenance of which consumes the lion's share of the state budget? Let us consider the effectiveness of state management by the example of regulating the economy.

Unfortunately, Russia has not followed the beaten path to prosperity, unlike the USA, England, France, Germany, Japan, South Korea and other developed countries, but chose its own special way. After the first decade after the restoration of capitalism under the leadership of President Boris N. Yeltsin, the country has lost more than a half of its industrial potential and in 1998 announced its default. The second President of Russia initially managed to achieve some success in building a capitalist society with strong social policies. The Russian leadership managed to improve the socio-economic situation

in the country: gross domestic product (GDP) has almost doubled, and the population's real incomes increased 2.5 times on average. The number of people living below the poverty line has decreased more than 2 times.

Pensions and wages increased significantly. However, the achievement of high results was not facilitated by active and purposeful work of the state apparatus, but rather the favorable world conjuncture of prices for oil and other commodities exported by Russia. Owing to petrodollars, the flow of which was increasing until the autumn of 2008 (and the oil price rose to 149 dollars per barrel), the government managed to generate a budget surplus, when revenues exceeded expenses by 1.5-2 trillion Rubles.

However, as experience shows, the "oil curse" and petrodollars eventually become an obstacle to years of tumultuous changes have not allowed our country to get rid of its humiliating dependence on raw materials".

Despite this, the government preferred to wait till the resumption of higher revenues from the sale of oil and gas and practically did not diversify the economy and transfer it from raw materials to the innovation way of development. Numerous economic and social problems, unresolved by the two-million army of officials-managers in the so-called "prosperous years" revealed the global financial and economic crisis of 2008-2009. Dmitry A. Medvedev, ex-President of Russia, in the article "Russia, forward!", admitted that, "the global economic crisis has shown that our affairs are far from being the best. Twenty years of tumultuous changes have not allowed our country to get rid of its humiliating dependence on raw materials".

However, the fall in raw material prices in 2008-2009, 2014-2016 and 2020-2021 again showed low efficiency of public administration in the Russian Federation. As a result, our country cannot develop dynamically like, for example, China. A comparative analysis of the development of the economies of Russia and China in recent years allows us to draw a well-grounded conclusion about significantly higher GDP growth rates in the People's Republic of China. This is evidenced by the following table.

Table 1. Growth rates of the Russian economy in comparison with China (in %)

	China	Russia
2014	7.3	0.6
2015	6.9	-3.7
2016	6.7	-0.2
2017	6.9	1.5
2018	6.6	1.8
2019	5.1	-0.1
2020	2.1	-3.8
Average 2014-2020	5.9	-0.6

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Expert article • 3035

Unlike Russia, China during the period of radical and successful reforms, as a result turned into a powerful economic power, building the second largest economy (after the United States) in the world, the country's leadership modernized state administration. Many bureaucratic barriers were removed, the investment climate improved, taxes were reduced, an uncompromising fight against corruption was organized by introducing the death penalty and confiscation of illegally acquired property of officials and public figures. In order to accelerate socio-economic development, China is developing its own education system, widely using the training of its students abroad (especially in the United States and Japan), encouraging the import of technologies that make it possible to develop such progressive sectors of the economy as the production of software, new materials, biotechnology, and healthcare.

In modern Russia, illegal methods of seizing profitable enterprises and other objects of the economy have become widespread. One of these methods was the mass arrests of businessmen in order to force them to transfer the management of enterprises to others. The scale of illegal influence on entrepreneurs under President Vladimir V. Putin can be judged from Table 2.

Table 2. Arrests for so-called "economic crimes" in Russia

2010	2011	2012	2013	2014	2015
281,300	240,200	235,000	225,200	212,300	255,250
2016	2017	2018	2019	Total for 10 years:	
240,000	241,397	239,425	206,046	2.376,118	

The table shows that over the past 10 years, more than 2.376 million businessmen and entrepreneurs have been arrested in our country. More than half of them (and according to Vladimir V. Putin, more than 80%) have completely or partially lost their business due to illegal actions of law enforcement and other power structures of modern corrupt Russia.

President Vladimir Putin's appeals to the investigating authorities and the prosecutor's office to "pay special attention to this" to protect private property and businessmen did not yield any results.

As a result of pressure on business in recent years, the flight of capital abroad, registration of enterprises and firms in offshore companies has not decreased. As a consequence of the pressure on business in recent years, the flight of capital abroad and the registration of enterprises and firms in offshore areas have not diminished. This is evidenced by Table 3.

Table 3. Capital exports from Russia in 2008-2019 (in billion dollars)

2008	2009	2010	2011	2012	2013	2014
133.7	56.1	33.6	84.2	53.9	59.7	151.5
2015	2016	2017	2018	2019	2020	Total
57.5	15.4	31.3	67.5	26.7	47.8	818.9

From the table it follows that from 2008 to 2020, more than \$ 818 billion was withdrawn from Russia. This amount (more than 59.45 trillion Rubles at the rate of the Central Bank of Russia as of March 15, 2021) exceeds three annual state budgets of the Russian Federation.

The offshore economy hinders the socio-economic development of our country.

Low efficiency of public administration in Russia, so far the author's opinion, is a consequence of poor personnel policy. Indeed, if the president is not well versed in the laws of economic or social development, he should have formed a team of effective and competent specialists who know the sector of the economy that he is entrusted with leading. However, contrary to logic and common sense, President Vladimir Putin appointed German Gref, who had no economic education, as Minister of Economic Development, and Yelena Skrynnik, a cardiologist by training, was appointed Minister of Agriculture by presidential decree. Since 2012, the Minister of Industry and Trade of the Russian Federation has been a sociologist Denis Manturov, and Roscosmos is headed by Dmitry Rogozin, an international journalist by basic education.

Corruption at all levels of state and municipal government, inappropriate economic policy, offshorization of the economy, an unfavorable investment climate, high dependence on imports, all these and other reasons hamper Russia's socio-economic development, demonstrating the ineffectiveness of public administration. Therefore, our country cannot yet become a prosperous country, even though it owns untold natural resources, the volume of which is greater than in other countries of the world.

The author makes quite a reasonable conclusion that Russia cannot become a prosperous country due to ineffective public administration. ■



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Main features of GR and lobbying in Russia

Expert article • 3036

In the current Russian socio-political context, the successful functioning of any private company largely depends on building relations with the authorities, which is especially true for foreign enterprises. Establishing contacts and maintaining such relations is very important in any state, but the specifics of the political and legal conditions in different countries intensely affect the content of such relations.

Traditionally, GR is defined as a certain area of communication aimed at interacting with the state and various groups of society in order to achieve the business interests of the company. This concept is often correlated with lobbying, but it is much broader than that - if lobbying is only a certain set of tools for influencing, then GR is rather management and organization of specialists in lobbying. At the same time, the concept of lobbying in the public perception is loaded with a lot of negative connotations, as a result of which it is often replaced by the term public affairs or another similar euphemism, like protection of business interests or policy marketing. In any case, building relations with the state, especially if it has a significant impact on the economy and social life, is a very complex, multifaceted process, and at the same time extremely significant for any enterprise.

The Russian specifics of GR are largely determined by the existing features of the relevant state traditions, the constitutional structure and the historical context. To begin the brief analysis of features and development trends of government relations in Russia it is necessary first of all to turn to the regulatory framework. Nowadays in Russia, unlike most Western countries, there are absolutely no legal acts regulating lobbying activities at the federal level. Therefore, the norms of the Constitution on the right to form public associations and trade unions, the right to protect their freedoms and the right to apply to state authorities are technically the only legal basis of lobbying. This lack of regulation creates a huge "gray zone", in which a hidden "behind-the-scenes" struggle of various groups that influence officials is unfolding.

Historically, after the collapse of the Soviet Union, repeated attempts were made at the level of the newly formed State Duma to develop a special law on lobbying (five draft laws only for the period 1992 - 1993). Later, in 2003, a project was proposed to register lobbyists by analogy with the American system. The institutionalization of lobbying at the federal level is also implied within the framework of the President's national anti-corruption projects. However, none of the proposed bills has been adopted, and even the exact number of lobbyists in Russia is not possible to establish due to the lack of mandatory reporting.

The lack of high-quality structured regulation creates fertile ground for various corruption schemes. For example, back in the early nineties, the phenomenon of "soft money" emerged - donations to the needs of political parties from individuals and corporations that can influence political power in this way. Financial incentives for decision makers are widespread. Corruption is considered a natural process,

the real fight against which is almost impossible, as indicated by both public opinion polls and the frequency of the use of appropriate metaphorical constructions in public speeches of top officials.

Also, in addition to the prevalence of financial corruption, an important role in the success of a business project is played by maintaining personal ties with government officials. Due to the large volumes of state interventionism and the aggravated interdependence of the political and economic spheres, the variability of the internal and external political course can either strengthen business through state support or destroy it. If GR is unsuccessful this can lead to a serious conflict with the authorities and significantly complicate the conduct of business. Without any transparent, institutionalized and universal mechanisms for interaction with government agencies, favoritism is actively developing. A significant part of large entrepreneurs, for whom cooperation with the state is most relevant, are not ready for the transition from shadow lobbying to limited and constructive forms of GR. Rather, they prefer to interact directly with the authorities (especially with executive authorities), preventing greater competition.

The almost complete absence of legislative regulation of relations between business and government through lobbying, a large share of corruption, and constant attempts by business owners of different levels to achieve their goals not through regulated procedures, but through personal relations with government representatives - these are the key features that determine the field of GR and its problems in modern Russia. ■

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Organized corrupt network (OCN) in present-day Russia

Expert article • 3037

There was a perception that organized crime and corruption on the decline in Russia since Putin took power. Moreover, decline in Organized Crime (OC) group numbers, turf wars, murder for higher and improving small business function conditions created an image that OC and corruption are defeated. On the conceptual and empirical levels, the existing literature does not capture what we think is new and characterized crime, the state and the economy under Putin. We propose a new concept: Organized Corrupt Network (OCN). Most scholars studied crime and corruption is pre-Putin and decided either not to cover this period or simply failed to notice emergence of new phenomenon. Perhaps, there is another, objective factor. Since Putin acquired power, under pretext of "counter-espionage", western scholars were forced out of Russia or never allowed to Russia; therefore, it was a phase without data collection.

Russia's white collar and organized crime are complex system of social and economic relations for illegal profit extractions through a multifaceted of corrupt networks. Organizing such a network involves professional criminal organizations, or groups consolidated within the region (territory), working with a strict hierarchical structure and division of functions in the process of privatizing profit. These groups infiltrated legitimate business, state authorities, and law enforcement, using violence, corruption, and a monopoly on illegal goods and services to maintain its antisocial activities and obtain immunity from exposure in conspiracy. Criminal activity within the network has increasingly become instrumental in dividing and monopolizing both legal and illegal service markets, as a means of securing market share and higher profits.

In most cases, officials must join a network of shared services where no bribes are received or passed on. In such situations, the obligation to join a corruption network is accompanied with mercenary temptations: as a rule, compensation is a stake in the network profits. The corruption networks formed are both vertical and horizontal. The vertical relationships are informal, illegal interdependences between bureaucrats within one organization. The horizontal ones are between different agencies and other structures. These relationships are used for organized implementation of corrupt transactions that are aimed at: personal enrichment; allocation of budget funds in favor of a network; enhancement of the network's illegal profit; or, receipt of competitive advantages by financial and commercial structures within the corrupt network to generate future earnings. Often, corruption network coordinates the activity of the organized criminal groups or even merge with them.

Structures of corrupt network include groups of government officials; commercial and financial structures that draw off received benefits, privileges and incomes; protection from the Ministry of Internal Affairs, FSB, Offices of Public Prosecutor, tax auditors and judges.

OCN can be defined throughout the following features:

- By activities of key individuals,
- Prominence in network determined by position, contacts, and skills,
- Personal loyalties more important than social identity,
- Network connections unite around one particular leader, and
- Low public profile—rarely known to anyone.

Based on personal observations, members of a family occupy the OCN top and mid-level key positions. This 'family' has high-ranking appointed members in the FSB, MVD, Federal Customs Service, Court, Central Bank and municipal administration in four different Russia's districts. They have businesses, legal and illegal, run by either their relatives or organized crime group, or both. Customs chief officer, for example, controls all transactions in import-export operations and gives preferences in taxes. Huge number of luxury goods imported from European Union, Canada, and the USA registered as humanitarian goods and therefore recorded tax-free. After they are sold through organized crime run retails, profit, including customs tax margin, goes to OCN. Family members control all business transactions as well as protect the network from intrusion and potential legal investigation. Simply, such network has firsthand information on possible complains or inquires. Thus, through its member in the MVD migration services OCN controls illegal labor market, deportation and immigration. District judge makes court's decision favorable to the network or its people charged for crime. The FSB officers assess potential threats and gather intelligence to protect all network members. The network's member at the municipal and regional administration level is in charge for business registration, licenses and favorable for the network economic and financial conditions. District administration OCN's member usually supervises the network's position appointments, promotions and its expansion. The top-OCN leader controls all members' actions and consults on their important decisions; he (mostly it is he) also maintains the OCN contacts with the federal political and law enforcement authorities. ■

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Infrastructure potential of the Russian regions

Expert article • 3038

Infrastructure management is one of the most important functions of territorial administration. Infrastructure provision of the territory is an effective tool for administrative actions in all aspects of the spatial organization of the economy of the region. Infrastructure as a factor of economic development significantly affects the modernization of production and innovative development of territories, the formation of economic clusters.

It is obvious that the low level of infrastructure provision of the territory (at different levels) constrains investment activity and, in general, the process of placing and developing productive forces, leads to additional costs for creating the initial production and technical base.

Nowadays in Russia a whole range of various administrative tools and measures have developed which aimed at overcoming the infrastructure "fragmentation" of the country's territory, for example: a comprehensive plan for the modernization and expansion of the main infrastructure for the period up to 2024, federal and regional targeted investment programs, national projects, etc.

The basis of the assessing the infrastructure potential of Russian regions and identification the spatial differences in the level of infrastructure development, is its representation as a set of the main (production and non-production) funds of the territory. The more fund-saturated a territory (region) is, the higher its infrastructure potential is accordingly (Table 1).

According to the calculations, the macro-regions of Central Russia, the North-West, the European South and the Ural-Volga region demonstrated the highest assessment of their infrastructure provision.

Table 1. Assessment of the infrastructure potential of the macro-regions of Russia by the indicator of the fund saturation of the territory (at the beginning of 2018)

Macro-region	Square of the territory, thousand km ²	Cost of the fixed assets, billion rubles	Share of fully worn-out fixed assets, %	Cost of fixed assets without the cost of fully worn out fixed assets, billion rubles	Fund saturation of the territory, thousand rubles/km ²	Deviation from the national average	Place occupied in the Russian Federation
Russian Federation	17,125.2	194,649.5	17.9	159,807.1	9,331.7	1.0	-
Central	482.5	54,305.6	11.3	47,314.6	98,061.3	10.5	1
Central Black Earth Region	167.8	6,334.6	17.9	5,099.6	30,390.9	3.3	2
North-West	535.7	14,747.5	12.6	12,656.3	23,625.7	2.5	4
Northern	1,151.2	7,094.1	19.4	5,603.1	4,867.2	0.5	10
South	447.9	15,326.9	12.8	13,121.9	29,296.5	3.1	3
North-Caucasian	170.5	4,816.9	17.7	3,887.7	22,801.9	2.4	5
Volgo-Kamsky	534.9	14,907.7	20.4	11,633.3	21,748.5	2.3	6
Volga-Uralsky	502.0	12,209.6	26.6	8,764.7	17,459.5	1.9	7
Ural-Siberian	1,818.5	35,953.4	24.2	26,683.4	14,673.3	1.6	8
South Siberian	989.9	8,045.2	16.4	6,599.9	6,667.3	0.7	9
Angara-Yenisei	3371.8	6,916.6	12.8	5,921.9	1,756.3	0.2	12
Far East	6,952.6	13,991.4	8.9	12,520.8	1,800.9	0.2	11

A relatively low infrastructure potential is inherent to significant number of subjects of the Russian Federation located in the Northern, South Siberian, Angara-Yenisei and Far Eastern macro-regions. For potential investors, these territories are the least attractive in terms of their readiness for entrepreneurial activity.

More than 1/4 of the subjects of the Russian Federation have a lower level of infrastructure development compared to the national average, which indicates that there are significant territorial differences in the infrastructure provision of the Russian economy.

In general, the assessment of the infrastructure potential of the territory is of considerable interest for diagnosing the socio-economic situation of the region, determining its investment attractiveness and competitiveness. ■

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ROMAN ROMANOVSKY & IGOR SERGEYEV

A glass of drinking water for the Baltic Sea

Expert article • 3039

By the early 2000s, the sewage treatment plants (STPs) of the Kaliningrad Region of Russia had suffered excessive wear and technical obsolescence. In some places sewage treatment was basically absent which is why domestic and industrial wastewaters were discharged directly into the sea or nearby rivers that flow into either Vistula Lagoon or Curonian Lagoon and eventually into the Baltic Sea. As a result, the pollution affected the water bodies not only in the Kaliningrad Region but also in other countries of the Baltic Sea region.

In 2006, the Government of the Kaliningrad Region and the European Union signed a Memorandum of cooperation in the implementation of a wastewater treatment project co-funded by the EU. This marked the beginning of the construction of 16 facilities but, despite the EU aid and multi-billion funding from the Russian Government, project implementation reached a dead-end. By the summer of 2019, only 11 facilities were launched. Transparency International Russia has spotted potential risks of corruption during their construction. Constant delays in putting the facilities into operation might have indicated that the authorities were interested in postponing this final step. A step when it may be revealed that the work has not been completed and the new plants could not fully function.

New treatment facilities have also become a source of constant complaints from locals and ecologists. In 2016 and 2019, Transparency International Russia investigated the work of eight such newly constructed sewage treatment plants.

Excessive bureaucracy made an objective official environmental analysis almost impossible. Even the Federal Service for Supervision of Natural Resources (Rospirodnadzor) has to send a 3-days notice to the administration of treatment facilities prior to inspection. Public observers had little chance to get on the territory of the plants at all. This is why we took another way: we collected water samples at the outfalls of STPs and compared the results of the laboratory analyses with maximum permissible concentrations specified in the project's design documents.

We found out that the new STPs were either ineffective or did not provide any treatment at all. The quality of treatment did not meet all eight standards on maximum permissible concentrations in all the municipalities of the Kaliningrad Region. The concentration of oil products in one of the samples exceeded the maximum permissible level 3800 times.

Not all facilities were so bad. For example, in 2016, the facilities in the city of Sovetsk, which is situated across the Neman river from Lithuania, provided exemplary treatment. The mayor of Sovetsk even said he was ready to drink a glass of water purified by the local plant. But in 2019, the new analysis showed that the concentration of nitrogen exceeded the standards 4.2 times.

We also found out that at least in four cities sewage systems were not fully connected to the treatment facilities. In two cases, this

concerned half of the total volume of the wastewater. Local ecologists estimated the daily damage sustained by the water bodies of the region at 500 million rubles based on the findings of our investigation. Meanwhile, according to Rospirodnadzor, which is authorized to fine for untreated water discharges, in 2017 and 2018, municipalities paid only 27.6 million rubles in such fines.

An official reaction to our investigation did not come until our work was noticed by the media in other countries of the Baltic Sea Region. The prosecutor's office of the Kaliningrad Region confirmed faults in water treatment only in three cities. As a result, either the permits for the commissioning of the treatment facilities were withdrawn or the need for modernization of the facilities was acknowledged. The latter would require development of project documents and would obviously lead to new budget expenditures.

The Ministry of Environment of the Republic of Lithuania contacted the Ministry of Natural Resources and Environment of the Russian Federation expressing a concern over the functioning of sewage treatment plants. According to the Lithuanian Ministry, Russia has not provided any information on the state of the environment for several years, despite the obligation to do so under a bilateral treaty.

Our investigation is based on a series of probes taken unofficially and only in places with free access to the public. Nevertheless, it demonstrates the scale of the problem. Transparency International Russia will continue to draw attention to this problem. After all, this is our common sea and our common planet. ■

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KSENIA LEONTYEVA

Overview of the anti-corruption agenda in Russia

Expert article • 3040

Corruption is one of the fundamental Russian problems. It is both a cause and a consequence of economic stagnation, nondemocratic political institutions and underdeveloped courts. Also, it is a tool with which the government exercises authoritarian control over the main areas of life.

It is the topic of corruption that is the most sensitive for society, which is used by the opposition forces, among which the main player is the Anti-Corruption Fund. **Thus, corruption is the engine of the opposition agenda.**

In autocracies state want to be the only agenda setter, and therefore will get rid of anti-corruption politicians and organizations. Typical authoritarian methods are repressions, such as penalizing organizations, police threats and other physical restriction. The word of the year in Russia is "foreign agent": a record number of independent media outlets and NGOs are recognized as foreign agents and are limited in their rights. These include the Anti-Corruption Foundation and Transparency International, etc. Such locality of repressive measures allows minimizing the discontent of the general public and has a positive effect on the survival of the regime. The latter is due to the fact that the physical nature of such measures in the absence of interest of all segments of the population prevents the organization of collective action.

Indeed, Russian President Vladimir Putin, by his decree, approved the national plan to combat corruption for 2021-2024, also he ordered to organize an all-Russian anti-corruption forum.

In general, the new national plan identifies 16 key directions of the state's anti-corruption policy, including: improving the system of prohibitions, restrictions and obligations that are established in different areas of activity; dealing with conflicts of interest and their prevention; confirmation of the accuracy of information about income and expenses; legal regulation of liability for non-compliance with anti-corruption standards; application of administrative and criminal measures; protection of restricted information obtained in the course of the fight against corruption, and others.

These 16 areas are divided into instructions for various departments, which relate to clarification of wording and terminology in legislation, dissemination of anti-corruption information and education, including training business in ethical standards. Also, the legal direction has been determined, in accordance with which the trend is taken to toughen sanctions for corruption offenses.

However, in order to fight corruption, the very measures are needed that will reduce the likelihood that today's elite will remain at the levers of government. Then, is it worth taking this plan as a real guide to action, or will it remain at the level of the intercepted agenda? Opposition experts were divided in their opinion.

Of the positive innovations, the following are distinguished: an order to analyze corruption risks when making decisions on the allocation of subsidies from budgets. The national plan will also prohibit directors of state unitary enterprises from filling positions in

case of convictions for corruption. Finally, it will not be possible to accept for the civil service persons without a criminal record, but with judicial fines for corruption.

These are truly progressive changes, because corruption prevention can be significantly improved by identifying potential corruption risks for a particular area of political regulation. In this approach, corruption is a risk that requires systematic management. This is an important practical function: the perception of something as a risk is one of the main ways in which a problem becomes visible and manageable. Thus, corruption risks will make it possible to identify really important legislative norms that frame existing institutions.

On the other hand, there is reason to believe that all reporting on the implementation of the plan items is unlikely to be public and accessible. In addition, the plan does not address the issue of corruption in public procurement, nor does it include requirements for greater transparency in declarations, such as the mandatory publication of digital assets. With regard to a number of measures, for example, to protect whistleblowers about corruption, there is an instruction only to consider the issue, and not to adopt the draft law. Thus, one should not expect really systemic changes.

Thus, the current situation in Russia can be described as the seizure of the anti-corruption agenda by the state in order to stabilize the existing political regime. This is accompanied by repression by most of the actors who bring information about corruption to the public sphere. However, one should not expect real changes, since the authorities are institutionally interested in preserving the corruption status quo. ■



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Political media consumption of Russian students on social networks

Expert article • 3041

Nowadays information agenda is inscribed in the digital age – there is a growth of new media, based on Internet sources. New media are distinguished by the use of digital technologies to convey information, interactivity, that is, the interaction of the media consumer with the content, and the ability of consumers to reproduce the content. Blogs, YouTube channels, social networks and other platforms within the Internet have replaced the old traditional forms of information transfer. Indeed, with the development of technology and the emergence of new electronic functions, many human interactions have moved to the online format, as evidenced by the dynamics of Internet users since its inception.

At the same time, social networks have “evolved” over the course of their existence, expanding the services they offer. If initially they were created for the transmission of messages to the category of “friends” or for acquaintances, then today there is, first of all, the creation of publics as interest groups in which a public discussion is born. As the authors of the Bavarian School of Public Policy note in their study, users who express their opinions on personal pages are a minority of the total and are characterized as “hyperactive”, since most users are passive and prefer to view the news feed without being marked as a like, repost or comment. But it is precisely this type of “hyperactive” users that plays an important role in the perception of news by passive users, since it matters to them what kind of response and discussion they find in a post that a passive user reads.

As according to some experts, Russia has a hybrid regime, and according to others – electoral authoritarianism, it is worth paying attention to how social media works in a state with a non-democratic regime. According to Freedom House, Russia gains 31 points and receives the status of a not free state in relation to freedom of Internet. Even though social media are not heavily censored, compared to traditional media (for example, on TV), in the Russian context they remain a field with their own limitations.

According to statistics, in 2017 76% of the Russian population uses the Internet, ranking 6th in the world in terms of the number of users. The share of the Russian population registered and using social networks was 48% as of January 2020. Almost half of Russian Internet users are in the social media space for various reasons: from communicating with friends and colleagues to blogging and writing posts.

Douglas Bloom analyzes contemporary Russian youth, describing them as the “Putin’s generation” and, importantly, the “Internet generation”. This interpretation highlights the main difference between today’s Russian youth from the previous ones – receiving political information via the Internet, social networks and blogs, in particular.

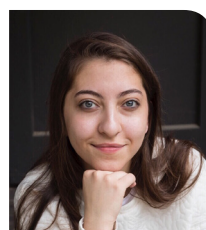
The majority of VKontakte (most popular social network in Russia) users are young people and students. At the same time, according to the results of a survey of Russian youth, it turns out that their level of political awareness is low: they are poorly versed in parliamentary parties, political leaders, and ideological values. Therefore, I would

like to draw attention to that group of young people, or rather students, whose specialization is political science, because they are the ones who have professional knowledge and the potential to create public discourses with expert opinion. The source of empirical data is the results of a survey conducted among Moscow students, in particular, in the faculty of “Political Science”.

Regression analysis based on a survey showed that students receiving political science education turned out to be quite active, which is expressed in such indicators as the degree of participation in political public and especially private discussions, in addition to having a subscription to political communities on VKontakte and common among users’ social networks of reactions in the form of likes, reposts and comments. Even though the proportion of those who enter discussions about political posting was not high, this confirmed the theory of “hyperactive users” even among political science students. Less than a quarter of the surveyed students in political science prefer not to enter a public discussion with unfamiliar users, and still this share is higher in comparison with students of other specializations. Anyway, the fact of political science education increases the likelihood of greater involvement in political activity on VKontakte.

From the general sample, there is a trend towards liberal views and tracking political news and expert assessments (the most popular answers) on VKontakte, but this did not have a strong effect on activity on social networks. Political science students who hold social democratic views are significant because their political orientation influences their social media activity presence so that they are more inclined to engage in public discussions under political posts on VKontakte. Political activity has remained rather moderate, since the majority of political science students take part in the elections as a voter or deliberately boycott in some cases. Participation in rallies and membership in a political party was not popular among respondents receiving political science education.

With the help of regression analysis of the data, it was possible to find out that, in addition to political science education, the political activity of Russian students on VKontakte can be influenced by social democratic political orientations. ■



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The strangling of Russian civil society and independent media

Expert article • 3042

Since 2012, the conditions for non-governmental organizations and associations, including media organizations, have become increasingly dire in Russia. With the introduction of the “foreign agent” registry, and the many revisions of the 2006 Law on Public Organizations, the space for transparent, mutually beneficial educational organizational work has been considerably narrowed. When the term “foreign agent” was introduced in the Law on Media in late 2018, conditions for independent and internet-based media suffered drastically. Both NGOs and the media face financial and other consequences, including termination, for violations concerning funding or issuing publications produced by “agents”.

Ideally, the civic sector in any country—regardless of traditions or political practices—should be a resource for governments: in bridging the gap between a faceless bureaucracy and society; in providing the government with real-time information about the state of affairs in law enforcement agencies; in defending society against the arbitrary use of illiberal legislative acts; in providing readily accessible reports for the general public on how to tackle and counter extrajudicial persecution, and slow-coaching bureaucratic rule—or the *volokita*—as the Russians say; and finally, but not exhaustively, in creating a web of functional organizations with the resources to serve individuals and groups in society, while providing open-access information free of charge. In essence, such organizations are producers of trust and transparency—qualities needed by any society to enter effectively into our era of digitalized modernization and economic innovation.

Although such organizations and independent media channels do exist in Russia, they are gradually being fenced in by the increasing stigmatization of numerous legislative acts. In the past eight years, several of Russia’s most productive and transparent public organizations—such as GOLOS, the Sakharov Foundation, the lawyers’ network AGORA, and the human rights organization Public Verdict, to name a few—have all been enlisted as “agents,” even though they serve Russian citizens, provide legal aid to Russian citizens, and distribute Russian-language public information.

From 2018 and onwards, restrictions have proliferated. The Russian political system seems to have entered a wheel of reaction against societal grievances, spinning out legislative changes at high speed—frequently with poor legal foundations. As of 2021, several amendments have been working in concert, to strangle not only Russian civil society, but also the independent media. The regime can utilize the “foreign agent law”, known as the “Law on Amendments to Legislative Acts of the Russian Federation regarding the Regulation of the Activities of Non-profit Organisations Performing the Functions of a Foreign Agent,” the Law Undesirable Organizations and the Law on Extremism to stifle and paralyze the freedom of speech and open media channels.

Recently, the internet-based television channel, “Rain – the optimistic channel”, as it calls itself (surely ironically), was registered

as a “foreign agent” under the 2018 amendments to the Law on Media, which has been known as one of the most liberal and important laws from the Yeltsin period. In the spring of 2021, the well-informed Meduza news-outlet—based in Riga, and founded by the former editor of Lenta.ru, Galina Timchenko—was forcibly registered as an “agent,” thereby depriving it of the possibility of attracting funding from advertisements.

There is probably no light at the end of this tunnel. As legal amendments and legal practices proliferate, also educational institutions may come under greater suspicion, becoming less attractive in the process. Also, the law can effectively bar media from seeking international expert assistance in legal cases or court disputes. The result may become a reinforcement of what the Russian political scientist, Vladimir Gel'man, has termed “bad governance” (*nedostoinoe upravlenie*)—governance that does not induce respect in the population. Indeed, as the Russian authorities spread concepts of “foreign intervention” into Russian society, this may very well create conditions for the very polarization that they seek to avoid. ■

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NINNA MÖRNER

Baltic Worlds on Russia after the USSR

Expert article • 3043

Baltic Worlds is a multidisciplinary scientific journal with a focus on the Baltic Sea region and Eastern Europe, including the post-socialistic countries in the former Soviet Union and Yugoslavia. In this huge area, Russia is in many ways setting the agenda and acting as an important player in the region. Thus, Russia is obviously of interest to *Baltic Worlds* and its readers.

In 2021, it was 30 years since the dissolution of the USSR. Researchers from various disciplines publishing in *Baltic Worlds* often refer to Russia of today as post-Soviet Russia: to distinguish it from Russia before the revolution, and to underline the “afterness” – the post-state of mind Russia is still supposedly existing in.

A few years ago in *Baltic Worlds*, we saw something of a trend in articles on post-Soviet Russia in relation to socio-economic issues. These articles typically presented disturbing findings of severe poverty, drug addiction, corruption, violence against women, high suicide rates, and illegal activities, for instance cooperate raiding and human trafficking. The findings were often based on data collected a few years earlier, that would mean closer to the transition, and the economic crisis. These kinds of scientific articles presented the typical image of “post-Soviet Russia” then, before Krim and the war in Ukraine.

Since 2014, quite a few articles in *Baltic Worlds* have of course dealt with Russia and the war in Ukraine. This also entails a change of perspective, from looking at the inside of Russian society to looking at Russia’s “outside”, meaning the country’s relations to Europe as well as its liaisons with the authoritarian regimes in the former Soviet republic space.

Simultaneously, numerous articles published in *Baltic Worlds* express concerns on the democratic situation in Russia: for instance, concerning threats against human rights, academic freedom, and independent media. Several articles have connected the authoritarian turn with a backlash for democracy, for gender equality and resulting in restraints in freedom of speech.

Moreover, the past is seemingly vividly present in post-Soviet Russia, according to a large number of texts published in *Baltic Worlds* in recent years, covering topics such as memory politics, nostalgia, master narratives, and the persistent legacy and dealing with historical trauma. Living with the shadows of the past is of course not particular to Russia, but characteristic for all the countries in the region that experienced both WWII and communist rule.

After the fall of the wall in 1989, we were many that thought that this is the beginning of a new era, and for a short moment this seemed to be an opening of something better; not only a copycat of the existing values in the “West” nor the empty grey communist blanket we just thrown away in the East European countries. For a short while it seemed like “civilization and mankind” had received a second chance, and leaders like Vaclav Havel proclaimed moral values to be of utter importance and emphasized the ethical issue of

political leadership. Gorbachev was during this time slot seen, at least from the outside, as the best guarantee that the clock wasn’t going to be reversed and that the transition was a peaceful one. Then he was removed. People were impatient and wanted reforms more quickly.

When the remainder of the USSR ceased to exist, that window of opportunity to create something totally new seemed to be already closed (or was it in fact ever open?). By then we were already living with the experiment of shock therapy and the mantra that private property rights, once created, would give rise to broader demands for the rule of law etc. Fukuyama proposed at the time of the fall of the wall that this was the end of history. The “West”, which he equated with the presence of a functioning democracy and market economy, was the winner. He proclaimed that in 1989 that humanity has reached “not just ... the passing of a particular period of post-war history, but the end of history as such: That is, the end-point of mankind’s ideological evolution and the universalization of Western liberal democracy as the final form of human government.”

According to the articles published in *Baltic Worlds* we have not seen the end of history-point taking place in Russia, nor in the area in large, (or in the “Western” world either). Transition is often discussed as having a direction, indicating that the “post-” era is a period that has a clear beginning, and a priori, also a clear end. But existentially, this “post”-state of mind rather seems to leave men and women disoriented in time and space and left in a void. *Baltic Worlds* believe that science, knowledge, and free debate can be helpful tools in finding common grounds. Consequently, *Baltic Worlds* will continue to publish critical area studies on the region including Russia, or rather, (but for how long?) post-Soviet Russia. ■

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MIKHAIL DENISENKO

Emigration from Russia: its recent past, present and future

Expert article • 3044

Over the past 30 years, after the fall of the Iron Curtain during Gorbachev's rule numerous communities of Russian-speaking immigrants have emerged in the world. Most members of these communities - almost 3 million people at the beginning of 2020 outside the CIS countries - were born in the Russia. Many of them have obtained the citizenship of their new country of residence. However, about 1 million Russian citizens with permanent status of residence in the OECD countries do not have citizenship of their hosting countries. Many of the former residents of Russia have two citizenships: the Russian and the one of the hosting country. The example of Germany is indicative, where in 2016, according to German statistics resided almost 220 thousand Russian citizens, while at the same time 578 thousand permanent residents were listed in the register of the Russian consular. Altogether 2.1 million persons were registered in the consular register of the Ministry of Foreign Affairs of the Russian Federation in 2016, of whom 1.8 million were permanent residents of other countries, 0.2 million were their temporary residents.

The largest part of the former residents of Russia live in Germany (about 1 million), in the United States - over 420 thousand, in Israel - about 300 thousand. From the late 1980s to the early 2000s, almost 95 per cent of migrants from the entire USSR, including Russia, moved to these three attractive countries due to open repatriation programs (Germany and Israel) and the generous support of Soviet immigrants (USA). Over time, the geography of Russian immigration has expanded; new centers of attraction have emerged, including Canada, Spain, Italy, France, and the United Kingdom. This phenomenon was facilitated by economic and political changes both in Russia itself and in the countries of immigration in the 2000s and 2010s.

Pull economic factors started to determine the direction and composition of migration flows. The growth of incomes during the period of high oil prices in Russia expanded the emigration opportunities. Political factors started to play a secondary role. The potential for repatriation of ethnic Germans and Jews has significantly decreased. The outflows were influenced by changes in the immigration policy of the recipient countries regarding the migrants from the former USSR. They have lost most of the preferential conditions (as repatriates, refugees, special professional groups) and became subject to the same migration rules as the migrants from other countries.

Selective migration policy, on one hand, and self-selection of migrants, on the other, have formed the following stimulus for leaving Russia:

- (1) young people - to get higher education and/or work in innovative sectors of economy and science;
- (2) middle-aged people - educated, high-income individuals procuring real estate abroad, and striving to provide a comfortable living for their families, while often keeping their business in Russia;
- (3) Elderly people moving to their children and/or to countries with better medical care and living conditions.

Generally, Russian immigration are relatively young with high levels of education and qualification facilitating their integration into the hosting community.

In the pre-COVID-19 years, the number of long-term migrants from Russia mostly depended on fluctuations in the economic situation and changes in the migration policy of hosting countries, rather than on the internal situation. Therefore, for example, the economic crisis of 2014-2015 did not have a strong impact on migration flows. By our estimates between 2015 and 2019, about 70 to 80 thousand people annually were leaving Russia for the permanent residence in other countries.

The COVID 19 pandemic has slowed down migration from Russia due to the imposed quarantine measures. According to the Russian border service, the departure of Russian citizens to developed countries (excluding the Baltic States) for study and work, as well as for business and private purposes, decreased from 7.2 million in 2019 to 1.6 million in 2020. Statistics of the foreign countries also shows that the inflow of long-term migrants from Russia has decreased significantly. Nevertheless, already in 2021, there were signs of a recovery in this flow.

As by the general rule - migrants move from poor countries to the rich ones - migration outflow from Russia to developed countries will continue. According to economic forecasts, strong economic growth during the coming years in Russia is not expected. The quantitative parameters of Russian emigration will quickly recover to the pre-COVID level following the lifting of restrictions on international travel, but they are unlikely to surpass it. The emigration potential of Russia is shrinking due to demographic aging. However, the degree of its implementation depends on how wide the foreign countries will open their "immigration doors". ■

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Post-Soviet migration and diasporas

Expert article • 3045

Thirty years after the collapse of the Union of the Soviet Socialist Republics (USSR), the Soviet past is still considered to be the most significant and personally relevant experience for millions of its people. Their common origins most visible at an ideological level, a shared history and the idea of Russian as the lingua franca, served as the basic unifying principles of the past for all peoples under the Soviet umbrella. Today these same principles continue on as the basic bonds that bring together the Former Soviet Union's (FSU) migrant communities from all over the world. concerned with processes of identity construction among the variety of post-Soviet diaspora experiences in an increasingly transnational world. Post-Soviet diasporas carry all the specifics of contemporary immigration movements and remain very much relevant to and part of major global trends, including post-colonialism, economic mobility and cultural communication and frequent circulation between homelands and host countries. At the same time, post-Socialist migration processes helped created unique and in some cases new diaspora identities with a strong Soviet nostalgia.

In 1990s term "diaspora" became a generic term for the new minority of 25 million ethnic Russians in the fifteen successor states resulting from the end of the Soviet Union. From 1990 to 1998, more than 2.8 million ethnic Russians, or more than 11% of all ethnic Russians living in former Soviet republics outside Russia, returned to Russia. In contrast to most historic diasporas, the Russian diaspora still has a powerful homeland of its own - that is the Russian Federation, where the external Russian "homeland" is seen as a concrete political agent, whereas the adoption of supportive policies by Moscow are examined as a way to reinforce a sense of identity with Russia, particularly if there exists a sense that the diaspora people have become victims of the new nationalising states.

Ethnic Russian emigration started in Central Asia, comprising 28% of their combined Russian population, and in particular from Transcaucasia. More than 45% of all ethnic Russians previously living in Armenia, Azerbaijan and Georgia left these countries. The ethnic conflicts of the North and South Caucasus impacted migration dynamics, with more than 1 million refugees and asylum seekers leaving the region and settling in neighboring countries and going further to Europe.

Central Asia and Kazakhstan alone together provided two-thirds of the net inflow of ethnic Russians to Russia. A more recent European vector of Russian emigration must also be considered as a direct impact of the Ukrainian crisis when more than a million of ethnic Russians left Ukraine for Russia beginning in 2014.

The growing prominence of post-Soviet diaspora communities around the world has led to increased recognition of the role they play in the domestic affairs in their new homelands in Europe, Asia and North America as well as many other places. A key area of interest is diaspora network development with diasporas functioning through unwritten ground rules (UWGs) that, depending on the kind of relations between home and host state guide their behaviour either outside institutionalized relational frameworks or within them. For

example where relations between home and host state are positive and non-contentious the diaspora may enjoy access to formalized bilateral state mechanisms such as aid, trade and defence.

Where relations are more contentious the diaspora may favour transnational mechanisms with a preference for UWGs. Detailed analysis of the mechanisms, tactics and fundraising that diaspora networks rely on will not only improve our knowledge of these UWGs, it will help us understand how positionality favours some kind of diaspora activity over others. For example around crisis onset, the Ukrainian diaspora engaged in average levels of investment activity and were not contributing significantly to reducing corruption, improving governance or strengthening property rights. The diaspora were at best making modest contributions to capital investment and signalling weak institutional legitimacy to other investors. Over time remittance flows have improved. It is too early to say if other diaspora financial activities are impacting Ukraine governance or stabilising the economy.

At the same time strong linkages between Russia and the Russian-speaking diaspora across Eastern Europe have been one of the fundamental prerequisites for advancing the protection of minority rights and economic-political integration. For example in Estonia, we find sustainable models of regional minority autonomy and firm, yet clearly defined, legal frameworks that mitigate against popular discontent and grievances among the Russian-speaking diaspora. At one time Estonia's social exclusion of its minorities was greater than Latvia's. Today, we observe that while Estonia maintains a relatively balanced position on minority engagement, even amid conflict with Russia, Latvia is experiencing increasing tensions with its minorities.

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ALEXANDER O. BARANOV

Coordination of economic policy goals in Russia

Expert article • 3046

In real life, there may be fewer instruments of economic policy that can be used than the number of goals set for this policy. This situation violates the conditions of the Tinbergen ideal task of economic policy when it is possible to achieve all the goals. This makes it necessary to determine such a set of economic policy instruments and their numerical values that will minimize the losses of society from not achieving the set goals. For this purpose, the concept of the social loss function (SLF) was introduced in the macroeconomic analysis.

Description of the SLF function in the economic literature often fails to take into account the hierarchy of goals, namely their differentiation into final and intermediate ones. Short-term and long-term development goals do not differ. Restrictions in the use of various economic policy instruments are not taken into account either.

To minimize social losses, we believe it necessary to distinguish between long-term and short-term goals of economic policy. For example, pursuing strict inflation targets in the short term by reducing the growth rate of money supply and maintaining high interest rates, economic authorities undermine the foundations for achieving long-term economic growth goals, provoking a decline of investment growth that is negatively related to the interest rate dynamics. Similarly, reducing the investment in fixed and human capital at the expense of budgetary sources in the short term decreases the budget deficit or even ensures its surplus, but reduces the growth rate of fixed and human capital, worsens their qualitative characteristics, which undermine the foundations of long-term economic growth. In the end, the decline in economic growth reduces the possibility of increasing the real incomes of people and postpones a significant increase in their living standards for a longer term.

The actual economic policy in Russia in the last decade provided numerous examples of inconsistency in the use of economic policy instruments. Such as an increase in the key rate by the Bank of Russia, which took place twice in the second half of 2018, in order to combat inflation, and an increase of the VAT rate by the Ministry of Finance of the Russian Federation from January 1, 2019, which had a clear pro-inflationary impact on the economy. The increase of the VAT rate occurred given a federal budget surplus and was not necessary from the point of view of budget revenue security. Nevertheless, the target for inflation (4%) in 2018 was almost reached. The CPI in 2018 was 4.3 %. In 2019 the inflation target was exceeded: the CPI equaled 3%. However, in our opinion, both decisions contributed to a slowdown in economic growth. The growth rate of Russia's GDP decreased from 2.5 % in 2018 to 1.3 % in 2019. In addition, in the long term, the maintenance of high rates in the economy, which took place in Russia in 2015-2019, did not contribute to the acceleration of investment and undermined the foundations of economic growth in the long term. The Bank of Russia acted in the same direction by increasing the key rate twice in the period from January to July 2021

in the conditions when the Russian economy was recovering from the crisis associated with the coronavirus pandemic.

A theoretical conclusion from the above suggests that it is necessary to include in the SLF function not only short-term but also long-term goals of economic policy. Minimization of the SLF function should be carried out not for one year, but a long period – 5-10 years. In the theory of economic policy, a situation when all the goals of economic policy are achieved is called a “point of bliss”. Since in dynamics we are talking about achieving dynamic goals for a certain period, it seems appropriate to talk about a “trajectory of bliss”. Such an ideal trajectory takes place when the economic system achieves all the goals of economic policy in dynamics.

Given the conditions of the Russian economy, we believe that compromise solutions in the field of economic policy may be achieved through a transition to indicative medium-term (for five years) and long-term (for 10-15 years) planning. ■

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Principles of implementation of industrial policy in Russia

Expert article • 3047

Development and modernization of the industrial sector of the economy is one of the priorities of the state policy of the Russian Federation. Currently, many sectors of Russian economy are dependent on imported components, which refer to high-tech products developed and manufactured abroad. The criterion for successful development of the Russian economy is the creation of a developed manufacturing and processing industry with strong export potential, consisting of innovative business units that receive the bulk of income from the sale of high-tech products.

Being the embodiment of breakthrough technologies, the industrial complex finds itself at the core of the industrial revolution 4.0, offering a wide range of economic opportunities and challenges. This is a solid growth point for the global economy, especially in the post-covid age, when many economies are in a period of stagnation.

As the economy becomes more digital, the demand for industry solutions will steadily increase. The digital economy is estimated to be worth more than \$1 trillion by 2040.

The transition to a digital economy is a significant restructuring of the economic system using new digital industrial technologies. It leads to a fundamental rethinking of the current structure and changes in all processes, allows the creation of new formats in working with economic actors, such as consortia, and the adaptation of products and services to the needs of a particular economic agent. The result should be the achievement of key results of economic efficiency, optimization of costs and improvement of the quality of the provided service or produced product.

But unprecedented measures to curb the spread of COVID-19 have corrected the implementation of the transition to the digital economy and had a negative impact on the Russian economy and industrial production. According to the Ministry of Economic Development, Russia's GDP declined by 3.3% in 2020. At the end of the year, the decline in industrial production in Russia reached 2.9%.

It should be noted that the Russian economy and industrial sector had problems with growth even before the epidemic. This was due to both structural problems and the energy crisis. The situation was exacerbated by a drop in demand for energy resources (which make up a significant part of the export income of the Russian economy) and gaps in the supply chain. In the first two quarters of 2020, energy prices fell by 18%. Now the situation has begun to improve, as production is gradually resuming, the lifting of the quarantine has dramatically increased transportation activity, as air transportation accounts for about 7% of total oil product consumption.

The industry has been particularly vulnerable to the current crisis since most workers in the sector are employed directly in production, and work is often difficult or impossible to do remotely. In addition, given the specifics of the industry, it is not always possible in principle to ensure social distance at workplaces in production facilities, warehouses, logistics, etc. The negative consequences of the crisis

are particularly pronounced in the energy, automotive and aviation industries. As the COVID-19 epidemic spreads around the world, manufacturers of automobiles, electronics and aircraft face problems related to the availability of raw materials and components. In the face of the pandemic, the Government of the Russian Federation has developed a few economic mechanisms to support the private sector, namely the introduction of tax vacations, preferential wage credits, etc. All these measures are aimed at increasing business activity and the growth of real incomes of the population. The government is aware of the problem of industrial recovery because it is the stable operation of the real sector enterprises which ensures the course of recovery of the economy. Industry ranks second in Russia in terms of the number of people employed in the economy.

There is no denying that the raw materials sector of the Russian economy is still the income leader. Under the conditions of stagnation, additional revenues from the sale of raw materials are distributed throughout the economy through the budget mechanism, which serves as a kind of basis for the recovery growth. For the speedy recovery of the industrial sector, it is necessary to accelerate the launch of new economic mechanisms for the regulation of innovative industrial technologies. This requires an institutional environment. The existing structure at the regional level has been successfully implemented for several years by development institutions, such as territories of advanced development, innovative growth points, operating across the country (Skolkovo, Tomsk, Togliatti, Khabarovsk, Kaliningrad, etc.).

At the financial level, various support funds are created, such as an industrial development fund, an entrepreneurship support fund, and others. At the international level, state industrial policy includes the creation of additional incentives to attract foreign investment in the real sector of the Russian economy. But we cannot stop there. If short-term measures of industrial policy have been defined, then new sources of growth in industrial production should be found to continue economic growth. ■

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Foresight: Agriculture and rural areas - is there a common future?

Expert article • 3048

Traditionally, agricultural has developed exclusively in rural areas. This is especially true for Russia, where 23% of the area is occupied by rural areas, and 65.8% is forests. These territories provided most of the gross agricultural output. In Russian practice, the term "rural areas" means territories where economic activity is carried out mainly in the form of agricultural, hunting, fishing, etc. However, currently there is a transformation of socio-cultural and economic processes in rural areas. Now you can meet residents who are already engaged in non-traditional activities in the village. For example, a web designer can work remotely in a rural area, or a system administrator. Many urban residents move to the countryside and create new social formations there. They have a positive impact on the socio-economic organization of rural areas. They become a link between the village and the city, local and global space. There is a redistribution of capital.

At the same time, the gross output of agricultural began to be created in agricultural holdings located in suburban areas. That is, production is gradually moving from the village to the city and suburban areas. This allows to minimize the logistics costs of manufacturers, reduce the carbon footprint, etc. An example of such a transformation is city-farmers who grow vegetables, greens, berries in shopping centers, in empty factory premises, roofs and basements. This is also relevant for Russia, where there are 15 cities with a population of more than 1 million people. There is a high demand for fresh and organic vegetables among the urban population. The technologies used by city-farmers (hydroponics, aeroponics) do not require agrochemicals.

Therefore, the question arises more and more often: What kind of future awaits rural areas? In what format will they exist in the future? And will they be?

In my opinion, the following formats of rural areas are possible in the future.

Ecovillage. According to surveys conducted by the Higher School of Economics, 25 million urban residents of Russia, or 15% of the population, are ready to move to rural areas if life there will differ little from urban in terms of income and infrastructure. These are mostly people who are tired of the urban lifestyle. Successful, but exhausted by urban life people. They are changing their value orientations in life towards a more environmentally friendly lifestyle. This is how ecovillage arise. For example, in the Novosibirsk region, the "Mira Village" was built, a project that unites people who choose a healthy lifestyle, self-development and a happy childhood. They produce eco-products. It seems to me that this is one of the most promising forms of organizing rural areas in the future. Especially in the context of an increasing trend for sustainable development. Yes, these will not be huge villages, as it was before. These will be small village scattered over the vast territory of Russia.

Shift settlements. They will be relevant for the territories where large agricultural holdings are located, mainly robotic and automated.

For their maintenance, a staff of specialists will be needed, who will come to work on a shift basis. This form of organization now exists in the northern part of Russia, but over time it will spread to its entire territory. Only 1-2 operators are needed to service unmanned harvesters, milking robots and other technologies of the future agriculture. And not a whole staff of livestock breeders, agronomists and engineers. This will be especially in demand in the context of a reduction in the number of people employed in agriculture (by 40% in last 20 years in Russia).

Agritourism. A less radical form of urban penetration into the countryside is the development of agritourism. When city residents are completely immersed in rural life for a few days. This will allow them to "reboot" and return to work in the city with new strength. In European and some Asian countries, this is a highly developed direction. In Russia, it is still less in demand, but it is gradually gaining momentum. The following situation arises. Agritourism is developed by urban residents who have moved to the village and are engaged in small craft industries (cheeses, meat products, pastries, etc.). They attract other city residents who come to spend the weekend with them. That is, there is a cumulative effect.

Thus, in the future, rural areas will be associated not with traditional agricultural, but mainly with recreation or alternative employment. With the transition of the economy to a new technological order, there will also be a structural transformation of the village. There is no need to be afraid of this. Without transformation, further development is impossible. This "bifurcation point" in rural development will be the impetus for the creation of new forms of rural areas. Agricultural will no longer prevail here. Perhaps the villages will become the growth points of a new generation of people who combine environmental friendliness, economy and innovation. ■



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Modern communication: Barbed wire vs pipeline

Expert article • 3049

Global society is a term that explains not so much institutionalization, but communication. War, treaty, exchange of goods and services, migration, sports, tourism, the World wide web, a pandemic – these are all different types of universal communication. Globality gives communication a fundamentally new character. Everyone becomes the subject of communication and interaction.

I am writing this text in the first person, appealing to the statement of T. Hobbes: “every man is an Author” (*Leviathan*). I happened to be born in a country surrounded by the *Iron Curtain*. Obviously, at that moment I was completely unaware that the great victories of the ancestors were accompanied by serious defeats. Now I’m not talking about the results of military battles, but about political communication in the broadest sense of the word. With each historical epoch, my country has concentrated around itself more enemies than friends (both are called so in the context of K. Schmitt’s reflections).

The enemy always lives in the neighboring village. If we consider the Baltic region, historical Russia fought with the states of the Swedes, Poles, Finns, Germans, and occupied partially or completely other state formations of the contemporary Baltic. Military victories do not automatically turn enemies into friends. The accumulation of grievances in historical memory does not lead to good. Communication, linked by enmity, tied by mutual bloodshed, is not viable either in time or in space. Nevertheless, memory has a special property – forgetting: forgetting the bad and keeping the good.

In the mid-1970s, in the Soviet Union, the country’s leader pronounced a phrase that has since been forever stuck in my memory: “International relations are relations between peoples”. Then this statement looked like a tautology. However, in a global society, peoples really began to communicate in a new way. The irony of the historical moment lies in the fact that in the postcolonial world the response to the *mission civilisatrice* of some is a counter-offensive of others, to put it mildly, not entirely civilized. Boomerang tends to come back.

Here it will be appropriate to use the term “overturned bedding”. In geology, this term describes the process that occurs as a result of intense and prolonged tectonic movements. This metaphor can help to explain contemporary international political processes. Politics ipso facto is controversial. For every ‘yes’ there is always a ‘no’. Gas pipelines can be built to connect economies and meet the needs of those who make a profit, or state borders can be strengthened with additional kilometers of barbed wire. In communication, there is always not only unification, but also division.

In the late 1980s, the first and the last president of the Soviet Union wrote a whole treatise on new thinking for fellow citizens and all of humanity. M. Gorbachev described then a modernist project of “universal” goals and values. But in reality, what should have happened happens. Ultimately, both new thinking and a new image of culture indeed formed that united humanity, which received a common

name - postmodernism. This is the very “final confusion” which the Russian philosopher K. Leont’ev prophetically described more than hundred years earlier.

In 1975, when politicians signed the Helsinki Memorandum, free communication seemed to me (at that time a student of the Faculty of Philosophy of Leningrad University) an absolute utopia. However, any declaration is created for future generations. Today I can say with confidence that it is not peoples who communicate, but real people: everyone with everyone. My intellectual development, already in adulthood, since 1991, was accompanied by acquaintance with customs and culture, and most importantly, fruitful communication with colleagues from the USA, Poland, Czech Republic, Sweden, Japan, Germany, China, Spain, Greece. Joint projects, international conferences, personal friendly contacts – all this is special, *scientific tourism*.

However, this kind of communication was characteristic of the “pre-Covid” era. But there is good news as well. In the modern digital civilization, each person, due to the Internet, has the opportunity to overcome any boundaries and communicate with everyone. In any historical society there are people who take on the mission of political reflection. I believe that one of the most important tasks that the new era assigns to modern intellectuals is to comprehend the forms and content of future communication.

In a *global society*, every country and every individual are doomed to be themselves, to hold on to their own habits and traditions. Society will demand new declarations, new manifestos, new ideologies. To paraphrase the famous *Manifesto of 1848*, my appeal to the scientific community is: Intellectuals of all countries, communicate! ■



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The digital state: the example of Russia

Expert article • 3050

The Russian government pays a lot of attention to IT technologies and the digitalization of state bodies. The budget of one national project "Digital Economy" is 3.5 trillion rubles, or more than \$40 billion. Therefore, it is interesting to see what path Russia has taken to build a digital state, and how this path is consistent, for example, with the OECD Digital Government Policy Frameworks.

The first attempts to build a digital government were made quite a long time ago. Thus, in 2002, the state program "Electronnaya Rossia 2002-2010" was approved, the goals of which were to increase the effectiveness of interdepartmental cooperation and ensure more effective work of state bodies, ensuring full control over the activities of state bodies. The financing of the program amounted to 26 million rubles.

This program faced difficulties in its implementation, including many measures that were severely underfunded (even the funds originally allocated for the program were not allocated). Even internal audits confirmed that most of the implemented interim tasks under the program were narrow and technical in nature, and did not contribute in any way to achieving the goals set. At the same time, thanks to the program, it was possible to launch the "Gosuslugi" platform, which has now become a significant and widely used resource. Also, thanks to the program, it was possible to launch and set up a system of interdepartmental interaction, which, although not very much, but still accelerated communication within state bodies.

One of the disadvantages of Russian digital government is not as high as the other countries, the level of digital infrastructure: only 76% of the population has access to a stable Internet, the population has mobile phones, and the country is provided with secure Internet servers.

Digital infrastructure is an important factor, especially for such a large country as Russia, as it becomes the basis for the introduction of all other digital innovations, and, most importantly, allows the population to use the results of these digital innovations.

Data-driven public sector is also only developing. So far, there are no laws in Russia that would oblige state agencies to conduct a preliminary assessment of the implementation of the policy when implementing any initiatives, or making policy evaluation after policy reforms. However, the situation in this area is gradually changing thanks to the efforts of the Accounts Chamber of the Russian Federation, the Center for Advanced Governance and the Analytical Center for the Government of the Russian Federation.

Government as a platform in Russia is developing quite strongly thanks to the early launch of the portal "Gosuslugi", the transfer of many processes to the online mode. An additional advantage here is that the Moscow Government has actively introduced digital innovations in this area, launching the portal "mos.ru" and encouraging the population to use it to receive household services, such as registering in medical centers, transmitting meter readings, enrolling children in school, and so on.

Russia also has problems with openness. The Open Data program, which was supposed to increase the openness of government agencies, did not lead to the result that was planned. Many government agencies provide minimal or no data at all. Also, the introduction of new systems is not transparent, so it can not be argued that Russia is committed to the openness of data and algorithms.

Considering both proactivity and user orientation, Russia is successful. In any case, in the system of the Federal Tax Service, government has automated and digitalized many services, making access to them fast and convenient. The situation is similar with "Gosuslugi", which provide a fairly large selection of different services.



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Digital media culture as an integral part of everyday life

Expert article • 3051

Digital media is now the dominant influence of peoples' everyday lives and social behavior in the global culture of twenty-first century society. Contemporary media usage is associated with the need for affection and involvement in social and cultural communities and approval and integration into the emerging digital culture. Thus, it is possible to observe signs of such important processes as socialization and self-actualization in media practices of the youth audience in digital media culture. These needs are strongly related to cultural and social processes and have been normally achieved in an individual's cultural and social environments. This becomes crucial for the understanding of new digital media culture.

In today's digital environment, media consumption is changing and transforming people's social practices and daily behavior. Media is now not just a source of information, but also an environment for self-expression, and an opportunity to realize the communicative needs of a person, and a resource for self-education. Media's changing role in modern society is reflected in the younger generations who are the first to perceive new digital practices and are the most integrated into the digital environment of the twenty-first century.

The rapid expansion of Russia's youth audience with broadband internet penetration occurred at a time of great political activity, societal integration and personal self-realization. There was also structural change in the digital environment away from the Western model, which led to changes in media consumption.

The research group of Lomonosov Moscow State University decided to study the motivational factors that determine the media consumption of a youthful audience in Russia. Motivational factors can, once they are identified, reveal profound changes in the structure of media consumption, not only in terms of quantitative indicators but also in terms of changes in social practices.

Self-actualization and socialization acquire special significance for the young audience in the process of media consumption, while the satisfaction of basic information needs to be associated with physiological needs and the sense of security both acquire lesser significance. There is a clear correlation with the ever-growing use of social media, which forms the living environment for contemporary humans. Social media, in possessing the qualities and characteristics of not only the media but also the social system, transforms the ability to satisfy the needs of the audience.

Two key processes of personal development in society – socialization and self-actualization – are the primary motives in the process of media consumption in the digital medium, but who is the subject of these processes, the real individual or a virtual individual? The fundamental distinction of digital media culture from virtual reality is the possibility of being an active participant and creator of social reality, altered by the logic of mediatization. Digital media culture penetrates social reality just as deep as the logic of social order penetrates the media. As a result of this close interaction, the line

between the social system and digital media culture as a generated system is erased.

The digital media culture built by social media and other new media is not an analog of the social environment but is the social environment. Digital culture as a special reality, different from actual reality, does not exist. The digital environment is perceived as inseparable from social reality, which matches the concept of the integrity of the human psyche. Network space exists not as a separate reality, which can be observed from the sidelines, but as an integral part of everyday life. ■

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Innovation in Russia: Business reactions and government response to the COVID-19 crisis

Expert article • 3052

The capability to innovate is a crucial determinant of the nations' global competitiveness, but the COVID-19 pandemic marked a turning point. Everywhere many businesses had to switch from development to survival, and innovation was at risk. The success of overcoming the COVID-19 crisis largely depends on the actions of the state – systemic implementation of forward-looking innovation policies to meet strategic development objectives.

The 2020 data show that Russian business had quite successfully passed through the first year of the pandemic. In the recently published Global Innovation Index - 2021, Russia ranks 45th among the 132 featured economies, rising for 2 steps over the 2020 level. On the five-year horizon, it demonstrates stable middle-ranking positions: it performs better in innovation inputs (43rd position) than outputs (52nd) thus reflecting a potential for improving the efficiency of innovation performance. Strengths of the national innovation system refer to new knowledge generation (scientific publications, patents) and its acquisition (high-tech imports, IPR, employment in knowledge-intensive occupations), as well as to the scale of the R&D sector.

Despite an overall limited propensity of domestic business towards innovation, the COVID-19 pandemic has boosted companies to innovate. In 2020, innovation activity of enterprises approached 10.8%, i.e. 1.7 percentage points above that in 2019. The largest growth rate was recorded in services, particularly in telecom, health, and software. Innovation expenditure-to-sales ratio also increased (2.3% vs. 2.1 in 2019), placing Russia to a comparable level vis-a-vis top-10 EU countries for this indicator.

Russia ranks among the 10-top global leaders for the scale of R&D expenditure which amounted to PPP\$ 45.4 billion in 2020 (9th position in the world). Though the R&D effort is primarily government-funded (the share of government funding amounted to 67.8%), and remains relatively stable compared to GDP over the 10-year horizon: in 2020, GERD-to-GDP ratio accounted for 1.1% vs 1.04% in 2019 and 1.02% in 2011.

Our recent survey data suggest, that besides direct negative effects (lost profits, debt burden, etc.), the COVID-19 crisis has led to changes in business models and innovation strategies with a long-term promise. Overall businesses' expectations are somewhat positive: over a half of the firms surveyed expect intensifying innovation activities, though much fewer (only 47%) envisage the increase of cooperation with R&D performers. This raises an issue of the lasting innovation system transformations, which have to be targeted along with generic economic countermeasures.

The pandemic stimulated an unprecedented increase of policy attention towards innovation, particularly taking measures to strengthen academy-industry linkages, university R&D, IPR framework, and favorable environment for innovative entrepreneurship and start-ups. As a rapid response to the pandemic, the government came up with an earmarked anti-crisis plan for 2020-2021 aimed at

keeping viable companies operating and preserving jobs. The support package comprised predominantly financial instruments, including tax incentives through a refund of previously paid taxes, payment deferrals (e.g., for up to 6 months to SME in hard-hit industries), and loan rate reductions (e.g., soft loans under 2% if companies maintain their personnel).

Positive results have been achieved also through effective system-wide measures. A significant impact on innovation activities was provided by the establishment of a special legal framework ("regulatory sandboxes") that enabled simplifying testing and certification of new technologies and products and their market launch, as well as reducing the administrative burden, including the suspension of administrative business inspections and moratorium on initiating bankruptcy procedures for companies and individual entrepreneurs in hard-hit industries.

The key feature of the ongoing innovation policy is the transition to targeting projects – as the instruments to achieve strategic objectives in science, technology, social and economic development. The new frontal Strategy for Social and Economic Development of the Russian Federation for 2035 implies a shift to a project-based approach to innovation policy support measures. It envisages the implementation of more than 80 national projects in 5 key areas: 'New high-tech economy', 'Rapid infrastructure development', 'New social contract', 'Client-centred state', and 'National innovation system'. The total cost of these initiatives exceeds 4.5 trillion rubles in the form of public-private partnerships. Most of this amount will come from the budget, the rest will be contributed by companies and development institutions. ■

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Russia's STI strategy and geoeconomics

Expert article • 3053

"Artificial intelligence is the future, not only for Russia, but for all humankind [...] Whoever becomes the leader in this sphere will become the ruler of the world."

Vladimir Putin's speech to schoolchildren on 1 September 2017

Global technology development is increasingly intertwined with great power competition and geoeconomics. Technology is seen as one important tool to achieve strategic political objectives. This article shares the view that, while Russia under the current leadership is not going to be a leader in AI or any other field of pioneering technology, it nevertheless has the potential to posit itself as one of the leading states in carefully selected priority fields. However, its weaknesses set limits to its overall performance and competitiveness in the field of technology.

Three S's guide the Russia's Science, Technology and Innovation (STI) strategy: state-control, sovereignty and self-sufficiency. The commercial and strategic goals are intertwined – even in the case of private companies. Close connections with state representatives are *sine qua non* for businesses in strategic fields. While economic profitability is naturally a goal for technological innovation, it is not the only criterion against which potential success is evaluated. Other aspects include enhancement of Russia's national security and key foreign policy interests. These goals include, for instance, the advancement of Russia's great-power status or cementing its channels of influence in strategically important states.

Russia's STI system focuses on selected fields where Russia has a comparative advantage, and which are linked to its national security and economic sovereignty. For example, in the energy industry, Russia has primarily concentrated on hydrocarbon and nuclear industries where it is already leading the race, rather than on exploring the potential of new renewable energy sources. Apart from energy, Russia has focused for the most part on the military, space and IT industries – all of which are considered highly strategic realms. Russia has also selected few cutting-edge fields where it seeks to compete globally, such as artificial intelligence and nano- and biotechnology.

Russia has had some success in creating an 'innovation brand' that supports its geoeconomic might and foreign policy goals. Nuclear power plants, oil and gas pipelines, and military procurements all create long-term dependencies on Russia. Expertise in cyber and space help intelligence gathering and are key also for the military industry. Furthermore, cyber provides an affordable coercive tool that is actively in use in its foreign policy.

In practical terms desire for 'sovereignty' indicates self-sufficiency – namely, decreasing Russia's dependency on other powers in strategic sectors. Self-sufficiency in strategic sectors and import substitution were major goals in the planning documents even before rifts with the US and the European Union (EU) deepened as a result of

Russia's illegal annexation of Crimea and war in Donbas. After 2014, Western sanctions and decreasing foreign investments in Russia further highlighted the need to encourage domestic investment and import substitution.

President Putin has often made the point that Western sanctions have in fact contributed positively to Russia's 'economic and technical sovereignty', and hence to its overall economic success. In reality import substitution has turned out to be very difficult to achieve in high-technology fields. The goal has in practice been downgraded to 'localization' in many fields – that is, replacing the import of foreign products with the locally manufactured products of foreign firms. Furthermore, in recent years, Russia's high-tech dependency on China has been growing.

Among the few cutting-edge fields Russia's STI system lie biotechnology and AI. They are both considered strategically important for Russia's self-sufficiency and sovereignty, as well as for its military capability. There is a link between the biopharmaceutical industry and biological and chemical weapon development. The same logic applies to AI. In AI, Russia has chosen to prioritise facial and voice recognition, imagery and neural networks – that help in advancing internal political control and in strengthening the competitiveness of Russia's defense industry.

Russia's progress in biotechnology became more widely known with the introduction of Sputnik V vaccine. It was a major national achievement: it is the first export product developed in post-Soviet Russia that is globally known. Although to date at least, Sputnik V has not been such a success story that Russia would seek to propagate it internationally, it still demonstrates what Russia is aiming at.

Almost certainly, this won't be the last time that Russia tries to use its innovation capability as a geo-economic tool to shape the international environment. European states should pay more attention to close linkages between Russian innovation policies and its foreign, security and military policies. In Russia, these are not separate silos, but rather build on and support each other. ■



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Drivers for regional development under the ajar innovation strategy

Expert article • 3054

Among the drivers of regional development, innovations are often mentioned, in particular, the emphasis is on innovative products, the use of which is free for the user, in accordance with the concept of open innovation. Nevertheless, there are certain inconsistencies along this path, both in theory and in practical actions of authorities that ensure the development of the region's economy.

Since Henry Chesbrough put forward the concept of open innovation, it has become clear that actually "open" innovations that would be available for copying and use at any stage of their life cycle almost do not exist in the modern economy. There are free and infinitely distributed innovative products (for example, antivirus programs and other utilities that are quickly updated and uploaded to the Network by developers), but at the stage of development and testing, these products are closed to prying eyes. On the contrary, there are products that are open at the early stages of development (such are, in particular, crowdsourcing products), but the final innovative product created with their help is usually not available for wide and gratuitous copying.

In the modern economy, which is bordering between the economy of industrial and information technologies, the so-called ajar innovations are a reality, available for copying and use at some stages of its life cycle and closed at other stages of it.

Robert Nizhegorodtsev and Nina Goridko invented the concept of ajar innovation strategy in 2015. The academicians who contributed greatly the ajar innovation theory are N.Petukhov, Ye.Piskun, L.Gorlevskaya, V.Sekerin (change management and marketing for ajar innovations, their implementation, measurement for openness of innovations), and some others.

The basis of decision-making is the macroeconomic situation in which innovative processes are developing, and theoretical constructions based on implicit assumptions about macroeconomic equilibrium are unsuitable for making practical decisions. Modern macrosystems can be in states of a recessionary gap, when the total price level is fixed in a range above equilibrium values and, consequently, aggregate demand steadily lags behind aggregate supply, or in states of an inflationary gap, when the total price level is below equilibrium, and aggregate demand steadily outstrips supply. Rich and developed countries and regions are in a state of a recessionary gap, and poor, depressed countries and regions are in a state of an inflationary gap.

The described disequilibrium states of macrosystems are stable in the sense that the same macrosystem can remain in the same disequilibrium state for dozens or even hundreds of years, and it does not strive for any macroeconomic equilibrium.

It is important to understand that a more or less high rate of inflation can strengthen or weaken interregional differentiation. Nina Goridko's calculations published in 2018 (Goridko N. P. Influence of the Central Bank's anti-inflationary policy on Russia's economic

development) show that in the modern Russian economy, the inflation rate, at which the dispersion of annual GRP increments of the regions is minimal, is 12.55%, while for the modern Canadian economy this indicator is approximately 5.4%. At higher and lower rates of inflation, the processes of interregional differentiation increase.

The rampant mistake of governments is trying to invent a magic tool of macroeconomic policy, from the use of which the entire economy of the country would blossom exuberantly. The reality is that the regions in a recessionary gap and the regions in an inflationary gap should be managed in different modes. For the first ones, the problem of demand is critical, their competitive advantage lies in the high quality of the resources involved, which they attract from the entire macrosystem (and often from other macrosystems). For other regions, the supply problem is critical: low prices discourage production, undervalued resources flow to other regions (assuming low entry and exit barriers), and spontaneous investments warm up aggregate demand, which is already quite overblown in these regions.

For the regions of the inflationary gap, it is critically important to make targeted and highly effective investments, primarily in the modernization of production processes, and the paradigm of ajar innovations indicates ways how that can be done. The government should make efforts to increase the availability of high technologies for agents working in depressed regions. It is not necessary to do this on the basis of increasing the share of state ownership: various forms of public-private partnership are more effective, in which the efforts of private agents are supported, directed and to a certain extent guaranteed by the government. ■

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Patriots and innovations – incompatible match?

Expert article • 3055

Experts on innovations often talk about “Russian innovation paradox.” This means the fact that despite political rhetoric and even concrete innovation strategies, the Russian performance in innovations remain low.

This paradox has been explained, among other things, by weak horizontal linkages between institutions, inadequate legal provision such as intellectual rights, brain drain, negative effects of natural resources, Soviet-inherited top-down management culture and geography. But are these factor enough to explain the gap in innovations, when the state eagerly promotes them?

In order to answer this question, I talked to eight experts on Russian innovations between June 2020 and January 2021. The interviewees were people with long experience in Russian business life, and also people actively working in Russian enterprises. They explained the relatively low amount of innovations by bureaucracy, by the remains of Soviet-style management style in Russia and also by “fear of failure”: despite officially welcoming innovations, in Russian enterprises there are little real opportunities for trial and error.

One major feature of Russian business environment is the growing role of the state both in terms of government regulation and concrete business ownership. According to different estimates, the state owns up to near 50 percent of enterprises. BOFIT estimated already in 2017 that state enterprises and the state may generate up to 40 percent of Russian GDP.

Officially Russian leadership takes the need for innovations and diversification of the economy very seriously. During Dimitri Medvedev’s Presidency, several strategic initiatives aiming at structural changes in the economy were made. Technology parks, business hubs and innovation-oriented businesses were supported and established, including Skolkovo Foundation that runs Skolkovo Innovation Center, often called “Russian Silicon Valley”.

One interesting feature of the innovation environment has to do with the official political strategies of the state. Development of innovations would require an open society with a mindset open to the outside world. Current Russian leadership shows little such interest. One example of this has to do with my primary scholarly interest, patriotism. Patriotism is a term that has become one of the key terms in Russian political discourse since the leadership of Vladimir Putin.

State programmes of patriotic education were introduced in Russia in 2001, and right now the ongoing programme is fifth one, aimed at years 2021-2025. The budget of the programmes has grown steadily; it has more than doubled in real terms since their beginning. The emphasis of the programmes has also fluctuated within the years. The first programme paid attention to whole society; forther the attention shiften to schools and educational institutions. The current one aims at engaging no less than 24 percent of all Russians, including 600 000 young people to take part in the activities of “Yunarmija”, the military-patriotic youth movement established by Defence Minister Sergei Shoigu in 2016, and three million children are to take part in the children’s movements.

The content of programmes are increasingly militaristic and they underline preparation to a possible war. The Russian foreign policy orientation has for centuries been based on outside threats, and since the 2014 annexation of Crimea the discourse has intensified. However, the impact of the programmes is not very well articulated. According to opinion polls, the amount of Russians considering themselves patriots is relatively high, but the content of patriotism itself remains unclear. Vice versa, ordinary Russians seem to embrace an individualistic and apolitical form of patriotism somewhat detached from the official discourse.

How does the aim for a more diverse economy, better innovation policy and competitiveness fit into the big picture, where society is becoming increasingly militaristic and the state patriotic discourse leans on outside threats?

Not very well, since the two discourses seem contradictory. A country that sees the imaginary “West” as an enemy, and where military spending is fourth biggest in the world despite the moderate size of the economy can hardly transform its internal or external image itself into one of an innovation hub. However, as also demonstrated in my interviews: young generation of Russians are multilingual, business-oriented and believe in change. The programmes of patriotic education might be massive in volume but hardly so in impact. Young professional living in big cities have much more in common with their peers everywhere in the world than with the Kremlin spin-doctors still using the Soviet vocabulary. ■

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Far East Regional Policy: Mission (im)possible?

Expert article • 3056

The Russian Far East (FE) exceeds 10 France in area and stretches from Lake Baikal in the west to the Pacific Ocean in the east, from the subtropics in the south to the arctic deserts in the north. Here, on the 41% of the territory of Russia, 8.2 million people live (less than 6% of the country's population). Moreover, the number of people living in the FE has been steadily decreasing over the past 40 years.

Significant climatic and economic-geographical features of the FE do not allow the federal center to approach the development of FE with uniform standards, forcing to consider the FE as an all-Russian economic laboratory for working out specific measures for the implementation of regional policy, the most significant of which are regional programs and centers of nodal territorial development.

Elements of the program approach have been used in the FE since the 1930s within the framework of the decisions of the Communist Party on the economic development of the region. Since the mid-1980s the target program "Development of the FE" has many variants and became the main instrument of state policy in the region.

All variants of program have a number of common features:

- focused on regional problems of the FE that cannot be solved within the framework of departmental planning and management;
- oriented to economic methods of achieving program goals;
- have the similar nature of the declared goals (increase in economic growth rates, strengthening of regional infrastructure, population growth);
- have the similar structure (solving problems of industrial complexes and social problems of separate territories).

Being an important instrument of regional policy, the programs failed to give a significant impulse to the development of the FE and reverse the trend of depopulation. The reasons for this are the vagueness of targets ("achieving economic growth"); chronic underfunding; problems in the system of organizing the achievement of goals (the program directorate cannot really influence the redistribution of financial flows to eliminate bottlenecks that objectively arise in the process of implementing a development program for such a large region as the FE).

Back in Soviet times, at the turn of the 1990s, attempts were made to supplement the program development of the FE with the practice of creating Free Economic Zones (FEZ) "Nakhodka" in the Primorsky Territory, "Eva" in the Jewish Autonomous Region, "Sakhalin" in the Sakhalin Region. Emerging at the end of the USSR, named FEZs turned out to be unsuccessful due to the lack of an appropriate legislative framework, underfunding, large areas of zones (FEZ "Eva" and "Sakhalin" covered the entire recipient regions). By the end of the 1990s the experience of the Far Eastern FEZs was recognized as unsuccessful in Russia.

Nowadays the FE has seen a renaissance of ideas for the development of "growth poles". It is associated with the stimulation of local development in the form of Priority Development Territories

(PDTs) (2014) and with the regime of the "Free Port of Vladivostok" (FPV) (2015).

In 2021, the number of PDTs in the FE was 22, and the number of resident's enterprises in them exceeded 500. The idea of creating a FPV was an extension of the idea of PDTs. The FPV regime now covers 22 municipalities of the FE and has 1,700 resident's enterprises.

The basic principles of creating PDTs and FPV are similar. The main difference concerned the declarative principle of allocating land to residents in FPV. But in October 2020, the State Duma of the Russian Federation adopted a federal law in which it was proposed to solve the problem of competition between FPV residents claiming the same land plot through an auction procedure, as is done in the PDTs.

PDTs are the most elaborated of modern projects of local zones in the FE of Russia. The PDT regime is based on the application of the best practices of the APR countries, includes tax incentives, low rates for the payment of insurance premiums, a special customs regime and land use procedure, and the creation of infrastructure at the expense of the state. PDTs are formed for large investors who have concluded preliminary agreements with the authorized federal body that determine the type of potential economic activity, the amount of investment and the number of jobs created. PDTs are created for a long period of 70 years. A special tax regime for residents of the PDTs allows to reduce tax payments by 40% in comparison with the current tax system. The most significant PDTs residents in terms of the number of residents are located near large cities - Khabarovsk, Vladivostok, Komsomolsk, but the largest PDTs, uniting 100 resident's enterprises specializing in tourism, agriculture, fishing and fish farming, is located in Kamchatka.

Although the process of setting up effective instruments for regional development in the FE continues, in general, the experience of the FE PDTs has been recognized as successful and is already being replicated in 154 Russian municipalities. ■



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Russia's energy turn to Asia and COVID impact on energy exports

Expert article • 3057

For various reasons energy resources play an important role in the strategy of the current Russian regime. First, they are an important source of the state revenue as they over the past decade have generated up to 50% of the Russian state's budget revenues. Second, these revenues have greatly facilitated achievement of several strategic objectives set by Russian decisionmakers.

One of these is securing the political stability and thus survival of the current regime that was made possible through various social programs funded from the state budget. In addition, these revenues helped Russia to modernize its armed forces which resulted in the return of Russia as a great power other great powers must reckon with.

Finally, energy resources have during the whole Putin's period remained the main export commodity and thus played an instrumental role in Russia's economic and political relations with the outside world. Most of the export revenues have been generated by export of Russian commodities to Europe. This made Russia dependent on access to this energy market that was located geographically relatively close and was connected to Russia through a costly and rigid infrastructure.

However, because of Russia's role in the Ukraine crisis in 2014 political relations between Russia and the West suffered a heavy blow. The question of EU dependence on supplies of energy from Russia has been framed as a serious security challenge. But also in Russia decisions were made to make Russia less dependent on access to the EU energy market as a way of reducing Russia's exposure to possible Western pressure. Russia has therefore undertaken what is sometimes referred to as a strategic turn to the East, to Asia that was to play a far greater part in Russia's trade, also in energy trade. Trade in energy was also to become a backbone of economic and strategic cooperation with China with its almost insatiable appetite for energy. This was important for both political and economic reasons because it was expected that demand for energy in Asia will be growing while the demand for fossil fuels was stagnating in the EU and the EU policy of mitigation of climate change could in the coming decades result in a ban on use and import of fossil fuels.

What are thus the results of this Russian energy turn to Asia? Has Russia managed to redirect flows of its energy from the European market to the Asian one? The results are at least mixed. In 2019, Russia and the EU still depended on each other in terms of energy and the situation did not change dramatically in 2020 that was a very special year due to the impact of the Covid 19 on economic activity and thus demand for energy. In 2019 the share of Europe in Russian oil exports was 53.5%, as against 27% to China. Further, Europe received 64.5% of the export of Russian petroleum products, whereas 14.9% went to Asia and the Pacific (China a mere 1.9%). Also in 2019, 86.5% of the export of Russian piped gas went to Europe; even with the LNG that was developed to redirect supplies of Russian gas to

Asia, Europe had a 52% share and Asia 45.4%. Only in Russian exports of coal did Asia have a higher share than Europe – 50% and 41% respectively

In 2020 Russian energy production and exports were markedly lower than in 2019. Production of gas reached 692.33 bcm, 6.2% lower than in 2019. Production of oil was 512 mt, 8.6% lower than in 2019. Central Bank of Russia reported that export of Russian oil was in 2020 more than 11% lower in terms of volume and more than 40% in value. Export of petroleum products was 1% lower in volume, but more than 32% in value. Also export of natural gas – piped and LNG – was hit, with ca 1% lower volume and more than 32% fall in value for piped gas, and 4.5% higher volume but 15% lower value for LNG. By examining the shares of Asia and Europe in Russian export of oil, petroleum products and natural gas – both piped and LNG – in 2020 we will also be able to assess the impact of COVID 19 on Russian strategy of making Asia more important target of its energy export. According to BP Russia exported 138.2 mt of oil to Europe and 101.9 mt to Asia/Pacific region. Export to Europe represented 53.2% while export to Asia/Pacific 39.2 % of Russian export of oil in 2020. Europe received also 53.8% of Russia's export of petroleum products, while the share of Asia/Pacific region was 17.6%. The share of Asia/Pacific region in export of Russian piped gas that according to BP reached 197.7 bcm increased substantially compared with 2019 but reached only 2% share in total export of piped gas while Europe remained the main export market for piped gas with almost 85% share. LNG export from Russia reached in 2020 40.4 bcm and Asia/Pacific region's share increased to 55%, but Europe remained an important market with 42% share. These data show that the energy turn to Asia has been only partly successful. ■

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Xi Jinping's Chinese dream and Vladimir Putin's energy superpower: Changes and constants in China-Russia energy relations

Expert article • 3058

Chinese officials assert that China's proactive role in global energy politics will bring benefits to all other actors. They describe China's energy consumption as responsible and modest relative to the Global North and showcase its recent achievements in "green" and "clean" energy development. Addressing the 75th session of the UN General Assembly in early 2021, Xi Jinping announced that China plans to have CO₂ emissions peak by 2030 and aims to achieve carbon neutrality by 2060. This pledge demonstrates China's commitment to contribute to climate change mitigation but does not solve its most pressing energy insecurities.

Oil is still the only possible primary fuel that can satisfy the soaring demand of Chinese transportation and industry. China's oil demand remained strong even in 2020 when the coronavirus pandemic hammered global appetites. However, China has already exhausted almost all radical options for the development of domestic oil production capacity and, according to most estimates, in the near to medium-term China's oil imports will increase. Against this backdrop, translating the records and current accomplishments into the future promises of a comprehensive energy transition, China's leadership nevertheless continues to rigorously maintain the principle of "China first" and invests in improving its ability to control the dependence on external sources of oil.

The state's financing and diplomatic backing have opened many doors for China's NOCs in the 2010s and help them today to bring many barrels of overseas produced oil home. CNOOC, Sinopec, and CNPC operate in over 30 countries and have equity production in at least 20 of these countries. Supporting NOCs and expanding the scope of energy diplomacy, China remains largely concerned with the availability of oil and does not plan to revolutionize its approach to supply security. When it comes to oil, China still does not rush to trade its self-reliance for interdependency and avoids strategic alliances with oil exporters.

Petro-states who have a habit of using energy exports as geopolitical leverage have troubles with China. The case in point is the unsteady development of the so-called China-Russia "energy dialogue." Despite the growing demand for oil on China's part, Russia hesitated to enter long-term agreements with it until the end of the 2000s. Back then, many observers predicted that a convergence of outlook between Russia and China in regards to their preference for the state controlling the key sectors of the economy will become a strong foundation for the mutually beneficial energy cooperation. However, the direct pipeline to China was not completed until 2011 and relatively steady energy cooperation between Russian and China started to emerge only after 2013. At the end of 2014, Transneft added three more oil pumping stations to the Eastern Siberia Pacific Ocean (ESPO) pipeline system, increasing the oil pumping capacity

of the stations that were built in 2011. A year later, the initial pipeline was joined by a parallel one. Once the capacity of China's spur of the ESPO pipeline was expanded, China received more than 50 Mtoe from Russia, which constituted 14% of total China's imports and 18% of Russia's total exports. In 2016, this allowed Russia to compete with Saudi Arabia for the status of China's largest supplier of oil, whereas China surpassed Germany as the top buyer of Russian oil.

Russian representatives hoped the ESPO pipeline will "fasten the Chinese to Russia," yet this did not happen. Instead, China balances Russia and Saudi Arabia. Oil price collapses triggered by the Russian-Saudi rivalry deliver significant benefits for China's economy. As the world's second-largest holder of crude storage capacity, China is well-positioned to play the "carry game" – that is to buy and store cheap oil when the prices collapse to resell it at a profit when the market recovers. China also does not rush to accept the oil-linked gas pricing mechanism offered by Russia and drives a hard bargain on contracts for supplies from the Power of Siberia pipeline.

Overall, while the Soviet Union was China's "big brother," Vladimir Putin's Russia is not a member of China's family but merely a business partner. Today, China can buy as much Russian oil as its economic development requires and recognizes that Russia needs China's money much as China needs Russia's energy resources. Consequently, for the Chinese side, a partnership with Russia is a matter of convenience and a rational choice determined by its current economic interests. Xi Jinping's "Chinese dream" does not include a geopolitical coalition with Putin's "energy superpower." Russia is losing (or already has lost) its competitive advantages in relations with China because in the 2020s oil supplies can ensure China's friendship but cannot turn it into a geopolitical ally. ■

This contribution is based on the author's book [China's Energy Security and Relations With Petrostates: Oil as an Idea](#) (Routledge, 2021).

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Russian natural gas exports: changing priorities

Expert article • 3059

There is an increasing concern about potential gas shortage this heating season in Europe. Even with prices at record high the continent has problems with attracting sufficient deliveries of natural gas that would support its demand rebounding from the Covid-19 slump and boost storage levels before winter. Instead, much of the world's discretionary natural gas supply is attracted by Asia, where economic rebound resulted in even more competitive price environment.

Cold, long 2020/2021 winter and high summer gas prices that led to insufficient storage injections are among other, uncontroversial reasons cited as responsible for current situation on the European gas market. Much more contentious is debate about another potential factor: Russian natural gas supply.

While Gazprom has delivered on its contractual commitments vis-à-vis its European customers, it has not heeded all calls for additional deliveries of natural gas that would help with overall gas shortage and alleviate high prices. Instead, Russia has pointed to the need to replenish its own gas storage ahead of the upcoming winter after high demand for Gazprom's gas in the first half of 2021 and insufficient injections over the summer left it at lower-than-average levels.

But some warn against Russia's geopolitical play, where limiting of gas supplies to Europe at a time of an unprecedented gas crunch would be a tactical decision directed at pushing Europeans to streamline the certification and startup of the disputed and delayed Nord Stream 2 (NS2) pipeline.

Whatever the actual reasons for limited Russian supplies to Europe, the country-level distribution of those supplies tells a story that goes beyond current gas market conditions, points to Russian natural gas export strategy and has implications for European gas consumers.

Crucially, Russia has not constrained its natural gas deliveries (to contracted volumes) across the board. In fact, in some cases – for example for Turkey and China- it has increased them rather substantially. Germany has also registered higher gas flows from Russia both, year-on-year as well as in comparison to 2019. Each of these countries has been connected to Russian gas supply directly via a recently built pipeline: Nord Stream 1, Turkish Stream, and Power of Siberia, respectively. In contrast, Gazprom booked only a very modest additional capacity for October via the Yamal-Europe pipeline running via Poland and no such capacity via Ukraine.

The immediate optics of such supply distribution could be troubling, at least from the vantage point of Russia's commitment to security of European gas supply and particularly for countries that have questioned such commitment in the past (e.g., Poland, Ukraine, Lithuania, or the U.S.). And Russia has not shied away in the past from using energy supplies as a tool for applying geopolitical pressure.

At the same time, however, such manipulation strategy would also be quite short sighted, not necessarily effective and even counterproductive as it could provide NS2 opponents with new arguments against Russian gas.

To be sure, Russia's willingness and/or readiness to use energy as a weapon should not ever be discounted or excluded from the realm of possibilities. But today, such behavior has been quite effectively countered and limited by development of more global and

liquid natural gas market. This includes many countries in Europe that used to depend on Russia for majority, if not all, of its gas needs but now have access to other suppliers through new LNG terminals and/or interconnections.

To Russia, the above does not only mean loss of geopolitical influence. It also means loss of a portion of their main export market that is already bound to shrink as the EU pushes for transition away from fossil fuels. Such specter will drive Russia to look for and selectively favor new and/or growing markets where natural gas will play an important role. In Europe, this would be Germany, which not only has a long history of gas-based cooperation with Russia but where transition away from nuclear and coal makes natural gas a critical element in the country's planned transition to renewable energy. Turkey is another spot where gas demand is rising, not only based on the concerns about CO2 emissions but also on the shoulders of robust economic growth. Same considerations, but at a much larger scale, make China a premium market for natural gas for decades to come, one where Russia is hoping to develop more pipeline connections in the near future. As such, one should not be surprised that Russia wants to make sure these markets are well served, favoring them at the time of limited supply.

In this context, Europe in general and the EU in specific needs to reflect on what it expects from Russia and what it can achieve given both parties' long-term energy policy planning. Decreasing EU demand for natural gas of any kind and from any source– for either environmental or geopolitical reasons – will likely insulate Europeans from Russia's ability to use its energy supplies as a weapon but will also decrease the continent's importance for Russia's energy policy and increase the latter's bias in favor of new customers, particularly those in Asia. At the time of a supply crunch akin to the one world is experiencing now, this means that Russia's priorities when it comes to delivery of their gas will lie elsewhere. After all, Russia's support Europe's security of gas supply will only extend as far as it benefits Russia and works with its future energy policy directions. Europe should make sure to account for these new risks as it plans its energy future and sets up Europe-Russia energy relations. ■

Anna Mikulska together with her colleagues Michelle Michot Foss and Gurcan Gullen have recently published an edited volume, [Monetizing Natural Gas in the New "New Deal" Economy](#)



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LNG in Russia: is the status quo enough for the plans?

Expert article • 3060

Almost a decade ago Russia declared plans to become one the leading exporters of LNG in the world by 2020. It was aiming at 12% of the international market, 40-45 mtpa. Success was mixed: by 2021 Russia moved from the 8th to the 4th place in the ranking of LNG exporters, increasing the annual exports from 10.8 mt to 29.6 mt and the global share roughly from 5% to 8%.

In 2021, the new plans are likewise ambitious. The Russian Energy Strategy until 2035 forecasts exports of about 60 mtpa of LNG already by 2024 and 108 mtpa by 2035 – in a cautious scenario. The ambitious one aims at 189 mtpa. Ultimately, this corresponds with 20-25% of future global market. Covid-19 hit LNG industry hard in 2020, but weather and global recovery have made spot prices skyrocket in 2021, rekindling the LNG race.

How feasible are the new plans? The latest developments in Russian LNG speak both for and against them. By the end of 2021 Russia is expected to add only 2.4 mtpa to its capacity, finally launching the 4th train at Yamal LNG (0.9 mtpa) and Portovaya LNG (1.5 mtpa). Compared with the exemplary execution of the initial Yamal LNG project, these both have suffered numerous delays.

Especially humbling has been Novatek's experience with the proprietary "Arctic cascade" liquefaction technology at the 4th train of Yamal LNG. It sought to save as much as 30% of energy in the liquefaction process by taking advantage of low ambient temperatures in the Arctic. Even more important the "Cascade" has been in view of Russia's crucial efforts to build up sovereign technological expertise. The technology would then be used at the Novatek's larger-scale 5 mtpa Ob LNG. Alas, in Spring 2021 Novatek decided to reprofile the Ob LNG to gas processing plant (GPP) with the focus on ammonia, hydrogen, and methanol production.

The second wave of capacity expansion is primarily linked with three projects. First, currently under construction is Novatek's Arctic LNG 2, set to launch in 2023-2026. It is reported to be on schedule and will ultimately add hefty 19.8 mtpa to Russia's capacity. But there is much more uncertainty with the next projects expected to come onstream: Baltic LNG at Ust-Luga and Far East LNG at De-Kastri in Khabarovsk krai. Baltic LNG, co-developed by Gazprom and RusGazDobrycha, is designed be a part of a gigantic gas processing complex planned to process 45 bcm natural gas a year. Apart from 13 mt of LNG it will produce 3.8 mt of ethane and 2.4 mt of LPG. Gazprom has already secured liquefaction technology co-patented with Linde and plans launching the 1st LNG train in the end of 2023 and the 2nd train – in the end of 2024. Due to the volumes unprecedented in the Baltic region, the project raises questions about its marketing model both for the LNG and other chemicals. More certain is the future of Far East LNG, co-developed by Rosneft and ExxonMobil as an extension of a production sharing agreement at the oil and gas fields of Sakhalin I. The final investment decision for this project is still due, but likely to be taken soon.

Beyond these, major projects are either closer to 2030s (e.g. Arctic LNG 1, Sakhalin II-T3) or highly unlikely, such as a 17.7 mtpa-strong Yakutsk LNG by Globaltek, which demands two very difficult conditions to come true: constructing a 1.300 km-long pipeline to Okhotsk Sea and securing permission for LNG exports from the Russian government.

Even the projects due in the next couple of years can still be affected by complex dynamics in the Russian LNG policy. Truly, there is substantial state support to make ambitious plans real. It manifests in partially or fully state-funded infrastructure projects, credits and guarantees from state-controlled financial institutions, extremely low taxes and duties. At the same time, the state-coordinated system is not completely smooth. The state-controlled shipbuilding industry is struggling with the volume and complexity of orders: the resulting delays may endanger the schedules of the largest LNG projects in the Arctic. There is still very limited domestic capacity and expertise available when it comes to liquefaction technologies.

Tight regulation of LNG exports is yet other side of the coordination by state. The rules have not changed much from 2013 and the latest attempts to further liberalize access to LNG exports seem to have been buried again, except those regarding small-scale operations. The resulting LNG policy leads to a certain status quo of "specializations". Gazprom is, in addition to obvious pipelines and pipeline exports, focuses on gasification of Russia, including with LNG; Novatek is the LNG exports champion; Rosneft is a contender for all of gas exports. The strongest blow to this status quo may come from the new green policies in Europe. Some LNG projects have already been repurposed as gas processing plants (Ob LNG, Pechora LNG). Others will combine GPP and LNG functions (Baltic LNG, Amur GPP). ■



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SEPPO REMES

Is something interesting happening in Russia?

Expert article • 3061

It is natural that news from Russia is part of everyday life in Finland. It is mainly about politics, civil rights violations, negotiations with the U.S. president, the Nord Stream pipeline, and Navalny. These topics are well covered by both domestic and international news flows. One may wonder whether anything else is happening in Russia.

It is possible that the real new subject for interesting research, analysis and also governmental follow-up could be Energy Transformation and also elements of Sustainable Development, the most important task being the fight against climate change. As we know, for the time being, Russia is clearly lagging behind in its actions in both areas.

Russia is a hydrocarbon economy. On average, some 40% of the country's budget revenue comes from export duties on oil and gas. These products also largely define Russia's place in a global, political and economic context. Could this change in the future? Or is it already changing?

In his 2021 address to the Federal Assembly, President Putin unexpectedly raised these questions. He set up a target that "for the forthcoming 30 years, the accumulated greenhouse gases in Russia must be less than in the EU". For some reason, this fundamentally important policy statement went almost unnoticed.

Russia's elite has been skeptical towards the effects and even the phenomena of climate change for decades. This is gradually changing. Ecological catastrophes in the Far North caused by melting of the permafrost have caused shock waves - this could be extremely drastic for the Russian oil and gas industry, and also, for example, the whole city of Norilsk. Year-by-year enlargement of areas of forest fires and more recurrent river floods are also improving understanding thereof.

The Russian government approved hydrogen strategy just a few months ago. In essence, it is an export strategy. Until 2035 the focus will probably be the production of hydrogen from natural gas, with gradual increase of emission-free hydrogen using nuclear, hydro and renewables in process. The Russian Union of Industrialists and Entrepreneurs (RSPP) has set up a widely representative working group for questions concerning Sustainable Development. The Ministry of Economic Development has arranged meetings with key Russian companies on the issue. Russia's main gas company, Gazprom, is also studying the possibilities of hydrogen.

One important reason for changes of attitude has been actions outside Russia, especially in the EU. More concretely, the EU Green Deal will cause the reduction of European hydrocarbon demand and specifically, the introduction of carbon border tax in the near future will affect other Russian exports. Russia cannot ignore these developments.

Solar and wind power construction is increasing by special tenders and special state support. For example, companies like Fortum and Enel are actively involved in this area. Russia is also aiming to

produce domestically both solar and wind technology and equipment. The sum of the green megawatts is still modest – only 1.5 MW - but is, however, increasing: previously agreed-upon projects increase the figure to 5.4 MW in 2024 and there are plans to increase it to 12.6 MW in 2035.

In addition, an \$11 bn programme for the development of electric cars has been adopted by Russia's government. Its aim is to support the production of Russia's own electric cars, to build charging stations and give consumers a 25% subsidy to purchase Russian electric cars. By 2030, annual production should reach 217,000 vehicles. Today, there is no production and the figure for of electric vehicles is negligible, only 687 vehicles last year, one-2,000th of the number of electric vehicles produced in China. This year's sales estimate is roughly 1,000 cars. Russia still has a long road ahead.

It is also interesting that President Putin nominated talented reformer and effective businessman and administrator Anatoly Chubais as his representative in international organisations for Sustainable Development. It is a completely new position.

The really important question is whether Russia will choose a defensive approach or a strategy of long-term change. A defensive strategy seems to be supported by big business and their union, RSPP. The Ministry of Energy is also inclined towards it. Its core elements are to negotiate delays, minimise the effect of the EU carbon border tax and in general, wait-and-see. A strategy of change would focus on an active search of alternatives to today's hydrocarbon economy to fulfil a target set up by the president and to find new drivers for Russia's economic growth. This approach is gradually getting more support in Russia's government, for example, in the Ministry of Economic Development and also – in a source of support which is more important – the Kremlin. But when do we see Russia's Grand Sustainable Development Strategy?

These are very fundamental questions currently affecting the whole of Europe and especially Finland. Actions and figures are still minor, but there is a certain breed of progress taking place, as also seen by a critical commentator. Perhaps it would also now be wise to set up a permanent group of Finnish researchers, businesspeople, and government officials to follow, analyse and react to these developments in our neighbouring country. Russia may be changing.

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Sustainable development in the Russian regions

Expert article • 3062

Sustainable development is one of the key issues now, and the Decade of Action has been announced to deliver the Global Goals by 2030. The 2020 and 2021 with their pandemic and economic crisis, have brought social and political instability, vulnerability of the education and health systems, new climate change challenges. All these require an integrated and sustainable approach to development. The localization of Sustainable Development Goals (SDGs) provides the countries with the opportunity to vary national priorities, flexibly adapt the goals and objectives of sustainable development to the needs of individual territories.

The concept of sustainable development has been misinterpreted in Russia for a long time: at the beginning it used to be perceived from the economic perspective, so the sustainable growth was equated with stable economic growth. The impact of this growth on society and the environment was not taken into account, and future generations were not discussed. Later the ecological problems became difficult to ignore and the paradigm of sustainable development became "green". The ecological component of sustainable development used to prevail, shortening the sustainability concept to the environmental protection issues. Only in the last few 3-4 years the sustainable development got close to the international approach with its social, environmental and economic triad.

Still the SDGs are not integrated into the national strategic documents in Russia. No federal law neither federal project is based on SDGs and national goals are not linked to the SDGs either.

However things are changing. The national statistical service (Rosstat) has started to work on the statistics for SDGs and created a web-page with open data. The Russian Ministry of Economics has actively taken up the topic, an in-depth report of the Accounts Chamber has been released, a voluntary national report has been prepared as well as the alternative civil society report on the SDGs.

Yet in the regions of Russia, the situation is more complicated and lags behind a little. The Russian regions are very diverse, the advanced regions have surplus budgets and are better at developing social projects and green technologies. The regional wealth is determined not only by historical prerequisites and natural resources, location, the presence of large backbone enterprises and the regional policy. Some regional success stories have happened due to the system of interbudgetary transfers, which ensures the distribution of part of the oil rent among the regions.

In the last twenty years, when energy prices were growing or remained high, an extensive raw material growth model was implemented in Russia, based on the exploitation of natural resources, mainly of individual regions. As shown in the paper (S.Zemtsov, V.Barinova et al., Ecological efficiency and sustainable regional development in Russia during the 20 years of Resource-based growth// Ekonomicheskaya politika, 2020, vol.15, no.2. pp.18-47)) the ecological efficiency of the average Russian region has been growing

since 2003 (excluding the crisis periods), faster in densely populated regions with a high share of science-intensive services, investment attractiveness and intensive technology upgrading (Moscow, St. Petersburg, Sverdlovsk, Tomsk, Belgorod, Kaliningrad regions, etc.), as well as in a number of agricultural centers. At the same time, the environmental efficiency decreased in most northern and Siberian regions specializing in the primary processing industries.

There is still great potential for improving ecological efficiency in most regions, and thus even more is to be done in terms of sustainability. Regional strategies formally have sections, devoted to education and healthcare, small and medium enterprises (SMEs) and innovations etc., but no SDGs are mentioned. As a result, certain aspects of the SDGs become omitted, especially those stated in the list of tasks and target indicators. The environmental, social and economic issues are managed separately, not being linked into a single system.

To provide the sustainable regional development in Russia it is necessary to update and revise regional strategies, in order to prioritize and localize the SDGs. Moreover, a monitoring system for the SDGs' achievement is needed, which requires an improvement of the national statistical system in Russia. More than that, the information on the implementation of national projects, in particular, the national project Ecology, should be open- accessed, and the site on national projects should be regularly updated. Most of the measures supporting the development of high-tech industries and knowledge-intensive services actually increase the possibilities for sustainable development of the region, as well as SMEs development measures. ■



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TATIANA M. KRASOVSKAYA

Sustainable development of the Russian Arctic: acute problems and basic solutions

Expert article • 3063

The Russian Arctic zone, comprising about 3,7 mln km² with nearly half from the circumpolar Arctic population (only 1,5% from the Russia) occupies an important place in the state modern economic development. In 2020 it contributed to 10% GDP. Several important documents ("The Arctic Doctrine") concerning socioeconomic development of the Russian Arctic zone were adopted in 2009-2020. Among the priority targets mentioned in these documents was sustainable development/revival of 8 "supporting" (basic) zones: Kola, Archangelsk, Nenets, Vorkuta, Yamal-Nenets, Taimyr-Turukhansk, Northern Yakutia, Chuckchi. They were planned to become innovative centers of regional development. The Northern Sea Route commercial use activation was mentioned among the priority targets. These plans are mainly connected with new natural resources exploitation and modernization of old industrial centers as well as transport and communications infrastructure development. Realization of about 150 investments projects was planned by 2030: 48% for mineral resources extraction (from the total investments cost), 16%- for transport infrastructure development, 7% - for geological survey, 2% for environment safety protection, etc. The mentioned social priority goals were: improvement of living conditions, social infrastructure, medical care. The project promoting transition to digital health in the Arctic zone is underway already. The Arctic Doctrine documents contain special references concerning territories of traditional nature use (TTNU) of indigenous population to minimize the impact of new industrial development on traditional economy and social life.

The mentioned above activities of the socioeconomic development enable to outline the arising acute problems and present general approaches for their solution directed at the achievement of regional adaptiveness to provide the resilience of local social-natural systems. The principal acute problems may be presented in several blocks: economic, social, ecological. The economic block includes the following aspects. The region remoteness from the main economic and transport centers possesses obstacles for realization of development projects. Constant disequilibrium of economic development far from traditional models is typical. Partly it is explained by high dynamics of economic and social life, climatic and ecological changes, etc. One of the most acute economic problem is connected with transport development: modernization of coastal infrastructure of the Northern Sea route. Construction of new automobile and railway roads is underway already. The goal is to create the Arctic transport system connected with other regions. All this stipulates the necessity of complex development schemes.

The social block concerns the future development of Arctic cities/urbanized settlements where about 80% of population lives. They are centers of economic development and expansion. Old industrial cities – Vorkuta, Norilsk, etc. originating from the 30th, 20 c. belong to single industry type and diversification of their economic activities alongside

with innovative development process are planned. The single industry cities economic rehabilitation follows the specially developed Federal program but insufficient funding slows down the process. Migration processes: depopulation of some old cities and growth of new industrial /transport centers followed by social adaptation problems are still difficult to control. Prevention of nature management conflicts with indigenous population is being solved by their involvement into the process of economic development.

The ecological block includes the following: biodiversity preservation based on rational nature management schemes, nature protected territories development according to the Arctic Council recommendations; ecological-economic assessment of local ecosystem services (carbon deposition being one of them) for justification of alternative economic development options; climatic risks control based on modernization of the monitoring system, implementation of nature/resource saving technologies, including special Arctic variants, renewable energy sources use in areas of decentralized energy supply (large windfarms and one solar station are in operation already), improvement of air and water pollutants purification systems controlled by the Federal and regional legislation, introduction of municipal programs of green infrastructure development to meet modern ecological demands and improve visual image of Arctic cities, etc.

Principle solutions for the future development are based on modern local and international scientific achievements, including cooperation within the programs of the Arctic Council, Barents Euro-Arctic region, etc. Academic institutes in cooperation with of large industrial companies promote innovations. ■



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HARLEY BALZER

Sanctions are undermining Putin's economy

Expert article • 3064

Debates about the effectiveness of sanctions in response to Russian annexation of Crimea and aggression in Eastern Ukraine have persisted. Russian officials and many analysts proclaim the sanctions a failure. Substantial evidence demonstrates that sanctions are having an impact in ways both expected and unintended.

The quality of Russia's economy is being undermined. It is increasingly less diverse, more dependent on commodities, more state owned and controlled, more concentrated in a few productive regions and enterprises, and more predatory. Flawed policies in response to Covid are exacerbating an already alarming demographic situation.

During the boom years of rising oil prices in 2000-2008, Putin's regime returned to Soviet-era reliance on importing advanced technology. The vast majority of equipment for oil and gas production, electronics and machine building is [imported](#). Successful import substitution in industry remains scarce. Russian oil and gas producers increasingly depend on equipment that is beyond its expected life span.

Oil and gas firms will find their technology capacity [increasingly challenged](#) in the 2020s. Older production sites are tapped out, while new ones are more remote and challenging to exploit. Offshore and arctic drilling requires technology subject to [sanctions](#).

If pledges by leading industrial nations to substantially reduce reliance on hydrocarbons by 2030-35 are realized, the impact on countries relying on oil, gas and coal exports could be massive.

The global shortage of chips has exacerbated an already desperate situation in [electronics](#) and [machine building](#). Russia continues to produce and export basic equipment while importing more costly advanced machinery. By 2019 Russian policy [shifted](#) from developing domestic capacity in these industries to seeking to purchase foreign factories and localize assembly plants, proclaiming them domestic producers.

Sanctions make this approach increasingly difficult and expensive. It is a dubious long-term solution, potentially subject to additional sanctions.

Most of the "super weapons" President Putin showcased in March 2018 have been [delayed](#). Lack of crucial imported components is amplifying the typical bottlenecks in developing sophisticated military technology.

Despite much talk and regular joint military exercises, China is doing little to help Russia offset technology sanctions or modernize its defense industry. China cannot replace the most important sanctioned equipment and components because it does not possess the crucial advanced technologies Russia lacks. China, too, is suffering from the global shortage of computer chips.

While reasonably good macro economic policy has kept Russia's federal debt low, Russian regions, enterprises and consumers are increasingly burdened with the need to repay substantial loans.

Another tremor in the global economy could produce widespread defaults.

Russia lacks outside sources of investment. Enthusiasm for cooperation with China in 2014 was quickly stifled as Chinese enterprises and banks contemplated secondary sanctions.

China has [refused](#) to help finance the export pipelines Russia needs to move oil and gas to Asia, and has used the Coronavirus recession to push for lower prices on oil and gas.

China has failed to provide the anticipated support for developing Russia's Far East. Only two of 20 [joint projects](#) identified in 2009 were realized. Chinese firms operating in Russia bring their own managerial and technical personnel, hiring locals for menial labor.

Agriculture appeared to be a [Russian success](#), but has been seriously affected by Putin's counter sanctions. Russia is again a major grain exporter, with agriculture now second to hydrocarbons in Russian export earnings, ahead of arms sales.

Substituting chicken and pork for beef kept Russian meat production at pre-sanctions levels. Russian producers have replaced some food imports, frequently at higher prices and sometimes lower in quality. Years of declining incomes have left a [substantial share](#) of the Russian population finding it increasingly difficult to manage household budgets.

Despite Putin's claims of having punished Europeans, Russian counter sanctions have not imposed significant costs on former exporters. Global markets have [adjusted](#).

Without changes in Russian policy, the impact in the coming decade will make long-term decline in the quality of Russia's economy increasingly difficult to reverse.

Sanctions could be made more effective by improving cooperation and enforcement among allies, expanding technology sanctions, publicizing damage resulting from Putin's counter sanctions, and targeting Novatek's LNG operations, controlled by Gennady Timchenko, one of Putin's shadow bankers. More extreme options include sanctions against Russia's secondary debt market, and excluding Russia from the SWIFT international payments system. ■

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TIMO VUORI

The EU and Russia – logical trade partners are moving away?

Expert article • 3065

Today the global economy is recovering quickly from negative impacts of the Covid-19 although there are rising geopolitical tensions. In Europe the GDP of the European Union will grow about 4.8% in 2021 and 4.5% in 2022. Surprisingly, Russia's economy is also on track to grow (4.4%) more than expected in 2021 but less (3.1%) in 2022.

In idealistic world Russia as the EU's largest neighbour would be a logical partner for the European Union and its' 27 member states to deepen bilateral trade and economic co-operation when many countries are reforming their economies to become more sustainable and digital. However, at the moment it seems to be obvious that these neighbours are moving in different political directions.

From 1997 to 2014 there were many positive trends in EU-Russia trade relations. However since 2014 the illegal annexation of Crimea and the conflict in Eastern Ukraine have seriously affected the bilateral co-operation. The EU still applies a set of restrictive measures against Russia. Furthermore, Russia has introduced counter-sanctions against the EU, banning imports of some food and agricultural products.

From that moment EU-Russian economic relations have suffered, although sanctions cover directly only part of bilateral trade. Many European companies have left the Russian market because of uncertainty in political and economic development. But still the EU is by far the largest investor in Russia. In 2019, the EU's outward foreign direct investment stock in Russia amounted to €311.4 billion, Russia's FDI stock in the EU was estimated €136 billion.

The EU is also Russia's biggest trade partner, accounting from 37.3 % of the country's total trade in goods with the world in 2020. About 36.5% of Russia's imports came from the EU and 37.9% of its exports went to the EU. Furthermore, Russia is the EU's fifth largest trade partner, representing 4.8 % of the EU's total trade in goods with the world in 2020.

In February 2021 the European Commission launched "the new EU Trade Strategy - An Open, Sustainable and Assertive Trade Policy". This new strategy underlines the importance of closer trade and investment partnership with the USA and China. Even Africa and Balkans are mentioned but no reference to trade policy with Russia at all. It is political reality that Russia does not play relevant role in the official EU trade policy. As the new EU trade strategy is still not adopted by 27 EU member states at the European Council, it will be interesting to see whether any reference to Russia will be added at that level. I doubt about it.

Furthermore, there may be soon new challenges for bilateral EU-Russian trade when the EU is considering new defensive trade policy tools against unsustainable trade and unfair competition from third countries. The Carbon Border Adjustment Mechanism (CBAM) is a case-in-point. The EU is working proposal for a CBAM in order to avoid the effectiveness of EU green economy action being undermined by carbon leakage of third countries.

Naturally Russia is worried about the situation because EU CBAM is likely to hit Russia the hardest. The study by the Sandbag and E3G think tanks estimated that CBAM fees charged on imported Russian products would reach 442 million euros by 2026 and 1.884 billion euros in 2035, when free carbon emission allowances in the EU are reduced to zero. The fees will mainly be imposed on steel, aluminium and fertilizer. Although business understand EU's ambitious climate target it is naturally worried about possible counter-action by Russia and other trade partners.

The future of EU-Russia trade and investment relation does not look very positive due to frozen political conflicts and the latest development. Furthermore the EU is seriously developing modern European green and digital economy in which use of fossil fuels will be restricted. This will definitely hit export of Russia to the EU. The EU plans for better strategic autonomy means that the EU wants to be less depended on imported energy.

Both the EU and Russia would have potential to deepen bilateral economic activities in moving towards to modern, sustainable and digital economy. Both the EU and Russia need to improve competitiveness of industry and infrastructure and tackle aging challenge. Together they would have natural and human resources and innovation for positive transformation. But Russia must first be ready to take ambitious steps to modernise its economy. And after all, conflicts of Crimea and Eastern Ukraine must be resolved. ■



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IGOR KAPYRIN

Together

Expert article • 3066

In September-November 2021 the EU Delegation in Moscow with the support of the Ministry of Economic Development of Russia is presenting in various cities of the Russian North-West an impressive exhibition entitled "Together". This exhibition shows the achievements of the cross-border cooperation between several regions of my country and regions of neighboring EU Member-States – Finland, Sweden, Estonia, Latvia, Lithuania, Poland – and Norway. This effort based on shared objectives is strongly supported by the large-scale transnational Interreg Baltic Sea Region Program, which reflects our reciprocal responsibility for the future of our common heritage – the Baltic Sea.

Through this exhibition the Russian partners show their stories of success achieved together with their colleagues within various projects. Despite the fact that the objectives of these programs are based, for ones, on the EU Baltic sea strategy and, for others, – on the Strategy of socio-economic development of the North-West Russia, they define common priorities and implement their goals looking at the future.

Is it possible to achieve important results acting alone?

The general trend in the Baltics is to act together through multiple instruments of cooperation. We are all different but we share a common principle-based framework elaborated for States, governmental and non-governmental entities in the domain of sustainable development. It is the United Nations Sustainable Development Goals (SDGs) setting forth the 17 goals that are intended to be achieved by the year 2030.

These universal goals resonate in several national programs and initiatives led at different levels.

As for Russia, at the UN Political Forum of summer 2020, the country presented for the first time its Voluntary National Report on the progress in achieving the 17 SDGs of the 2030 Agenda. Moreover, at the end of September 2021, the Russian government adopted the decree "On the approval of criteria for development projects in the Russian Federation and methodological guidelines aimed at achieving the goals and main directions of sustainable (including green) development in the Russian Federation". This document includes specific criteria for "green" and adaptation projects, as well as a set of requirements for the system of verification of these projects in the Russian Federation. These efforts run in parallel with the EU Green deal.

In addition to introducing green taxonomy in Russia, this new legal framework correlates with some of the main global business trends. We see a rising interest in circular economy models. Also, decarbonization leads to structural changes in the global economy, financial flows are directed toward the development of green sectors, low-carbon resource-efficient technologies, and the creation of "green" jobs.

Today, more and more Russian companies are becoming conscious of their responsibility and prioritize the SDGs, forming a new business ecosystem based on the implementation of the UN Global Compact principles. Nevertheless, there is still a lot to do. Among the key leverages, the following ones need to be highlighted: financial, methodological, and legal instruments; collaboration between neighbors; implementation of cutting edge technologies and "know-how".

As mentioned above, to accelerate this process and to become a competitive actor at the international stage the government understands its crucial role in providing financial support, elaborating methodology, and normative rules for Russian businesses. Such reforms are intended to encourage companies to change their business models and to shift their focus on eco-friendly activities, issues related to social corporate responsibility, and "green" investment.

Besides, the federal and regional authorities are prepared to work on the implementation of the SDGs at the regional level. In light of this, a logical question arises "how can one make it possible"? One of the main tools in this process is collaboration with innovative counterparts across the Baltic sea. Within the framework of the cooperation programs for 2021-2027, the participating countries are coping with numerous "green" issues, including the development of circular economy and the government's responsibility towards the environment.

There are already several cutting-edge BSR Program projects in this area, e.g. Baltic Industrial Symbiosis (BIS) (budget: €2.5 Mio) and Cities.multimodal – urban transport system in transition towards low carbon mobility (budget: €3.78 Mio). Within the first project, young innovators from St. Petersburg together with other European partners have created LivingLabBIS in the first eco-industrial park in Russia, established in the Leningrad region on the principles of industrial symbiosis. This project involves the creation of a connection between companies from different industries to use one company's waste, in the form of e.g. energy, ingredients or materials, as a resource for the next company. The main focus is made on elaborating options for recycling and disposal of organic waste. Within the framework of the project "Cities.multimodal" together with partners from 17 Hanseatic cities, the Pskov administration is working on the development of a multimodal transport system of the city and has developed Russia's first Sustainable Development Plan for the city with the integration of the 17 SDGs. In the long run thanks to such local initiatives, it will be possible to achieve visible and tangible results.

At the EUSBSR Annual Forum in September and at the Strategic Forum in St-Petersburg in October 2021 we discuss the ways to become more competitive, green and attractive together for the benefit of our citizens.

In the Baltic area as in other regions partial or unilateral solutions cannot be sustainable.

The recovery of the global economy from the current pandemics will be linked to a green reset, involving active governmental support, stimulation of green investments, and building a low-carbon economy that will be more resilient in the face of the future climate, economic, social shocks. We'll do it together. ■

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MATTI ANTONEN

Neighbouring a World Power – Finland's relations with a 21st Century Russia

Expert article • 3067

During my diplomatic career, I have had the privilege to work in Russia and with questions related to Russia for many years. My first posting abroad was in Moscow in the late 1980s. Later, I served as Ambassador to Russia between 2008 and 2012, in a completely different country.

In the past three decades, also Finland has changed. In 1995, Finland joined the European Union. This meant that Russia became a neighbour to the EU. Finland has actively participated in developing the union's Russia policy. Currently, EU-Russia relations are in a difficult situation. The grave problems date back to 2014, with the illegal annexation of Crimea and the conflict in Eastern Ukraine. Sanctions adopted by the EU in reaction to these events remain in force today. Lately further problems have emerged, including the treatment of Russian civil society and opposition, most notably in the case of Alexei Navalny. Despite our fundamental differences of opinion, the EU has stayed open for dialogue with Russia on key questions, such as combating climate change and many international issues.

Our relationship with Russia is summarized in the latest Government Report on Finnish Foreign and Security Policy from 2020. It states that Finland cooperates and engages in dialogue with Russia on bilateral issues, the international situation and security, global challenges, such as climate and environmental issues, and Baltic Sea and Arctic region issues, and promotes economic relations between the countries.

With over 1300 kilometers of shared border, relations with Russia are based on concrete cooperation and contacts on many levels. President Niinistö and President Putin have a well-working dialogue, and Prime Ministers, Foreign Ministers and other members of the Finnish government have discussions on a broad agenda of questions with their Russian counterparts.

While contacts at the political level are important, it is often the regional level contacts that bring very tangible results. Just one local example of cooperation is the construction of a bicycle lane between the border towns of Imatra in Finland and Svetogorsk in Russia, financed through EU-funded cross-border-cooperation.

Regional cooperation also entails countries or border regions working together in regional formats such as the Arctic Council and the Barents Euro-Arctic Council. The Northern Dimension is a joint policy of the EU, Russia, Norway and Iceland. Successful examples of cooperation are the wastewater plants of Saint Petersburg and Kaliningrad, which have played a big role in the cleaning of the Baltic Sea.

Regional cooperation also promotes people-to-people contacts, which are an important part of Finland's relations with Russia, and one of the EU's priorities as well. We hope to welcome Russian tourists back to Finland soon, when the pandemic allows this. Russians are normally the biggest group of foreign tourists in Finland.

The pandemic has affected trade between Finland and Russia, but this year we are gradually getting back to pre-covid figures. Even throughout the pandemic, trade has continued and cargo has been able to cross the border. This would not have been possible without good cooperation between our border authorities. Joint efforts also encompass maritime security in the Gulf of Finland, where Finland, Estonia and Russia have set up a mandatory ship reporting system.

Russia is Finland's third biggest trading partner, after Sweden and Germany. Imports from Russia consist mostly of oil and gas. How this ratio will evolve in the years to come will be interesting to see, as Finland is aiming to become carbon neutral by 2035 and carbon negative soon after that. Meanwhile in Russia, businesses are starting to look for greener ways to operate, and we hope to share Finnish know-how with them.

We have a long tradition of cooperation in the forest sector between our countries – and the future looks promising as well. Three quarters of Finland are covered with forest and we have excellent expertise in management and sustainable use of our forests. Russia aims to develop its forest sector in the years to come and as the country with the world's biggest wood reserves it is a natural destination for Finnish know-how. Forests also have a central role in mitigating the impacts of climate change.

Culture is another important part of our bilateral relations. In the midst of the pandemic this year, Finns had a unique possibility to admire the masterpieces of Ilya Repin at the Ateneum Art Museum in Helsinki. This exhibition was a remarkable achievement of cultural cooperation between Finland and Russia.

Last year marked the 100th anniversary of diplomatic relations between Finland and Russia. The one hundred years have witnessed very different periods in our relations as well as generations of Finns working on Russia-related questions. It seems clear that also in the years to come the many aspects of our relations with Russia will keep us busy. ■

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ANTON LOGINOV

Russian-Finnish economic relations after the global pandemic and green deals

Expert article • 3068

Economic and trade relations between Russia and Finland have been transforming under the influence of global and regional trends. On the macroeconomic level the COVID-19 pandemic drastically affected and invigorated the tendency to market protectionism, industrial relocation, and critical raw materials self-sufficiency. On regional and national levels, we witness the growing influence of the new European trade policy declaring strategic autonomy and aligning trade and climate issues.

Russia has always emphasized its interest in enhancing mutually beneficial cooperation with Finland based on investments, technology transfer, industrial cooperation and increasing the share of non-resource non-energy goods in turnover. There is an interest in bringing high-tech and high-quality Finnish industrial products and providing them an opportunity to participate in large-scale public industrial projects.

The shifts in bilateral dynamics does not disrupt the state of affairs but supplement it. The amount of investments made by Finnish companies in the last 25 years in Russia exceeded 14 billion USD. About 7 000 of Finnish companies are directly and indirectly involved in trade with Russia, 500 of them have their own productions or subsidiaries, some made investments. Russia is one of the top-3 trading partners for Finland. And Finland holds the 14th place in the list of the most important trade partners for Russia.

Recent statistics support this thesis. In 2020 the global pandemic reflected on bilateral turnover. However, in January-July 2021 it increased by 15.8%. Russian non-resource non-energy export (NNE) was 51% higher than in the same period last year. This growth is mostly explained by the supplies of chemical products, nickel matte and forest industry goods.

The share of NNE in total Russian supplies to Finland has already accounts for 44.8%. 75% of it classifies as low-processed goods. 32.5% of Russian import from Finland consists of technology industry goods: mechanical engineering, machinery and its parts, electronics and transport. During the next years we expect this trend to continue.

At the moment our countries' officials are harmonizing a programme for strategic cooperation in trade and economy for the following five years. This programme could serve as a plan to stabilise bilateral trade and compensate for decreased turnover registered in the previous years. Industrial technologies, including Arctic technologies, non-carbon energy, circular economy, construction technologies, especially wood based, IT and digital technologies, education, science and innovations, biotechnologies, food production, and tourism are the main fields of cooperation. This document should be supplemented with an action plan or a roadmap with certain joint

projects similar to the Declaration on the Partnership for Modernization signed in 2011.

The target of decarbonization of economy set by the EU creates new opportunities for the cooperation between Russia and Finland extending far beyond the traditional format existing in the field of energy supplies. The legislation package Fit for 55 released by the European Commission in July 2021 supported and extended the agreements and roadmaps under the Green Deal by committing to radically reduce its greenhouse emissions and establish the Carbon Border Adjustment Mechanism (CBAM). According to the calculations made by Trade Representation, in 2020 the amount of exported Russian goods that could be potentially exposed to CBAM exceeded 355.5 billion of euro.

However, around these "green" initiatives new high-tech markets emerging in energy, transport, agriculture and energy-intensive industries. These initiatives encourage development of technologies providing for low carbon emission, production of clean energy and healthy food, reuse of resources, energy-consuming construction, smart transportation, and preservation of biodiversity.

They could also boost Russian-Finnish trade relations. Finnish companies are interested in participating in Russian waste management reform that means transition to the best available technologies in the area and creating the elements of circular economy. Some Finnish companies even consider localization in Russia for public tenders and projects.

In times of a green transfer market needs renewable energy, production of hydrogen and new materials, including non-carbon aluminium, hydrogen-based production of steel, nickel and other non-ferrous metals, second generation biofuel and all the bio- goods - for instance, construction materials, wooden houses, bioplastic and even wood-based fabric. Russia possesses significant amounts of resources almost in every sector of renewable energy. Moreover, technical capacity of renewable energy sources exceeds annual energy production by more than 30 times.

Russia and Finland have accumulated tremendous experience in cooperation in the Arctic region especially in shipbuilding, infrastructure projects, environmental protection and scientific activities, including the issue of black carbon. Ministry of transport of Russia has recently launched the project for the construction of a transarctic fiber-optic communication line from Murmansk to Vladivostok "Polar express" and invited Finnish partners to participate in it.

An example of overcoming economic crisis by developing long-term international economic plans, programmes, or strategies can be found in many countries' experience. The implementation of the mentioned programme of strategic cooperation will provide

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opportunities to develop cutting-edge technologies, which will make us feel more confident on new high-tech markets. We do have the necessary capacities and preconditions.

Russia and Finland have experienced many decades of successful economic cooperation. Crises, sanctions, ambitions of the political establishment – they come and go. But states' strategic interests stay. Dialogue and cooperation based on mutual benefit and efficiency are considered the key to preserving our good neighbourhood relations and developing of economic ties. ■

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ILKKA SALONEN

Together we stand, divided we fall!

Expert article • 3069

I am sure that I am not the only one who has with a heavy heart followed Russia isolating itself from the so-called Western world.¹ It is clear, that geopolitics is playing its role in keeping the tendency going on so, as always, there are two parties also in this tango. It is however hard to escape the conclusion that there are in addition strong internal Russian drivers enforcing this process.

As an ex-economist I find it sad when nations do not follow the idea of relative advantage usually credited to the great British economist David Ricardo (1772 – 1823). The basic logic of this principle is very simple: every nation should be engaged with the activity in which it has the greatest efficiency advantage relative to the other nations. This makes the system as a whole better off. This principle is unfortunately often overridden by short-sighted and somewhat populist policies.

For us Finns the Russian unwillingness to be part of the international division of labor – and here I use the word “labor” in its widest meaning – is even more unfortunate as we have opportunities and reasons to work together² in so many areas and on multiple of levels. (I hope our Russian friends feel the same.)

Being also a realist, I do not see, that the situation could get better very soon even though I am positive, that in the long run sense will once again win. The question is, how we should act until we reach the long run? The obvious answer is to find things in which the interests of both parties are aligned and strong enough to keep the spirit of co-operation alive.

Environmental issues come easily to mind in this context. As we have felt and seen in the past air pollution does not recognize borders of states. Same goes for substances spoiling rivers, lakes and seas, our water reservoirs. The only way to turn the tide here is to have joint projects. There is plenty of money around and if the governments agree to go for common goals, the ideas can be transformed into deeds. Even though I am an advocate of usage of market mechanisms where possible, I find it hard to believe that cross-border environmental projects are doable without respective governments being involved.

A shining example of an initiative which at the outset seems practically impossible and then turns in to a huge success is the project realized in the -90s in St.Petersburg. Joint efforts of Russians and Finns as well as other Nordic countries enabled investments into the sewage treatment of St.Pete benefitted greatly all the countries at the shores of the Baltic Sea.

Waste management is something which Finland started later than many other European countries, but once the process started, the people were fast to learn (strict rules helped quite a lot). Today there is a lot of know-how and technology which could be transferred to the Russian municipalities in this area of activity. It is 100 pct. sure that the gaps existing in waste management in Russia today must be closed rather sooner than later and there is no need to invent the bicycle for a second time.

Actually we have here covered the first letter of the three-lettered concept which is becoming more and more important throughout the world: ESG. It has been very interesting to follow how Russian economic agents, after a somewhat slow start, have started to place environmental, social and governance aspects of life higher and higher in their priorities. The push the international customers and investors

create towards the large Russian exporting companies and financial institutions play an important role here, but Russian consumer, especially in the big cities, is also more and more conscious about the impact of the choices they make on the environment when executing purchases.

It is also good to remember that life is not only about the economy. The interaction between the neighboring nations was ruthlessly cut by the Covid-19 pandemic in 2020. The opportunities for Russians and Finns to meet each other just for social contacts have not yet been restored. Especially in times when the international political arena is somewhat tense and uncertain the dialogue between people of neighboring countries becomes not only important but vital. By talking to each other we notice that despite the noise created by the ambitions of the politicians, we, ordinary people, have not changed and can continue the interaction in good spirit. ■

1 As a kind of disclaimer I would like to note that I am not even attempting to evaluate the reasons, let alone looking for the good and bad ones in this process. The aim is just to make some observations how the processes look in the eyes of “an innocent bystander”. It is also appropriate to point out that same kind of isolationistic policies are conducted in many other countries who claim “to put their own country first”.

2 The head-line used here is from a song called “Let’s work together” performed by Canned Heat, one of the best R&B groups of the 70’s.



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Latest trends of Fortum's business in Russia

Expert article • 3070

In July 2021, the Finnish and Russian media published the news that Fortum sold the Argayash power plant to the structures of Rosatom. I worked at this station and still live in Ozersk, for the sake of which it was created. Therefore, in this news, I saw several important trends.

1. Argayashskaya heating plant is one of 2 Fortum power plants in Russia that burns coal. The demand to convert coal to gas was the aim of my proposed one-man protest at the Finnish Embassy in St. Petersburg 2 years ago. The solution turned out to be simple, that is, to sell the station without re-equipment. Carbon footprint will be on the same level. Still, the technology of coal combustion will be exploited up to 2064.

Fortum is a Finnish state-owned company, with over 50% shares. Fortum has more than 10 thermal power plants in various regions of the Russian Federation - Chelyabinsk, Tyumen and Khanty-Mansi Autonomous Area. These are the regions with a developed metallurgic and oil-and-gas industry, the Urals and Western Siberia. The demand for electricity and heat has always been at a high level here, as long as industrial and mining companies operate there.

However, the energy transition and the European Green Deal will inevitably lead to economic crises in these regions. Decarbonization of the world and European economies will mean a decrease in product demand in the regions of the Urals and Western Siberia that is metals, oil and gas in 2025-2035 perspective. Accordingly, the demand for electricity in these regions will also decline.

2. In Russia Fortum has been a modernization leader. The company introduced state-of-the-art and efficient technologies in the energy sector. The company paid special attention to environmental issues so that all emissions requirements meet Russian environmental standards, or even exceed them. However, it was not always possible to comply with these requirements. Russian regulatory authorities proved serious violations in the courts.

In addition, corporate management in the Russian Fortum division was not always efficient. Russian managers committed a number of violations of antimonopoly and tax laws in 2011-2019. The evidence can be found in the court decisions database that contains numerous cases of corruption and misapplication of company funds. The Federal Antimonopoly Service of Russia proved in court the fact of a cartel conspiracy in the procurement of industrial safety expertise (the case of JSC Promtechexpertiza).

Finnish top managers of Fortum and regulatory structures nevertheless ignored numerous cases. The composition of the top management team of the Russian division has remained unchanged for over 12 years.

3. The representative office of Fortum was opened in Russia under the Russian Federation government and Anatoly Chubais' personal guarantee, the head of the Russian Open Joint Stock

Company of Energy and Electrification "United Energy System of Russia". The government guaranteed recovery of money invested within ten years with a return of about 14% to foreign investors. Investors assumed the obligation to build new power units within a certain period and pay fines for failure to meet the deadlines in exchange. Renewal of 15% of the total installed power generation capacity in the country has become possible thanks to the Capacity Supply Agreements. Fortum has built the Nyagan GRES and Chelyabinsk power plant #4 under special "Capacity Supply Agreements". Wind and solar power plants are being built under the "Capacity supply agreements #2".

The mechanism of capacity supply agreement however is being seriously criticized in the professional sphere. The Energy Consumers Community comprising the largest Russian metallurgical plants is ardent opponent of the Capacity Supply Agreements. CSA is considered to be a non-market mechanism that artificially creates incentives for generating companies. If the political situation in Russia changes, the Investment Return Guarantee Mechanism may be seriously adjusted in accordance with market-based models.

In conclusion, decarbonization and possible destabilization of the political system that are inevitable within 15-20 years are the main risks for Fortum in Russia. The political system in Russia is based on fraud. The past parliamentary elections confirm it. Inevitable decarbonization and possible political destabilization pose serious risks to the long-term sustainable development of Fortum in Russia.

My advice to top managers of Fortum's headquarters (Espoo) is to appoint Finns to posts of top managers. It was in the first 2 years of Fortum's work in Russia. In this case, order and no corruption in Russian division is guaranteed. ■



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Lithuania-Russia relationship: why so difficult?

Expert article • 3071

Early optimism in 1990s

Since the break-up of the Soviet Union in early 1990s, the relationship between Lithuania and Russia has experienced significant transformation. There has been mutual support between Lithuania after it re-established independence in 1990 and Russian Federation led by Boris Yeltsin who advocated democratisation reforms. The cooperative relationship was encouraged by a common opposition vis-à-vis Soviet Union authorities, which reacted in a hostile manner to Lithuania's quest for regained independence by imposing economic blockade. Boris Yeltsin supported Lithuania's reforms and condemned killings of civilians by Soviet military forces near TV tower in Vilnius on January 13, 1991. As a result of bilateral cooperation Lithuania and Russian Federation signed Lithuanian-Russian Treaty on the foundation of inter-state relationship signed on 29 July 1991.

The break-up of the Soviet Union, which followed failed coup-d'état in Moscow in August 1991, created a new political context for the evolution of bilateral relationship. For several years it focused on dealing with left-overs from the period of Soviet occupation of Lithuania, such as the withdrawal of Soviet troops from Lithuania by 31 August, 1993. In 1997, bilateral border treaty between Lithuania and Russia was signed, although Russia ratified it only in 2003, when the issue of Kaliningrad transit through the territory of Lithuania – soon to become the territory of the EU customs union and Schengen area – was resolved.

Divergent paths of political and economic reforms

Increasingly the trajectories of political and economic reforms in Lithuania and Russia diverged. After initial democratisation reforms and economic opening up to the outside world Lithuania prioritised accession into the EU and NATO as a way to consolidate political and economic reforms as well as security of the state. Meanwhile, in Russia centralisation of power, especially from the early 2000s under Vladimir Putin resulted in the authoritarian turn domestically and increasingly assertive behaviour questioning the policy choices of neighbouring states.

Lithuania's opening up to the outside world and integration into the EU by removing barriers to trade and joining the common market resulted in the reorientation of trade and investment flows from Russia to other countries. Financial crisis in Russia in 1998-1999 provided additional push for restructuring of external economic relations of Lithuania towards the EU. Besides, in Lithuania there has been a growing concern related to what was seen as manipulation of energy supplies by Russian authorities, for example, shutting down supplies through the Druzhba oil pipeline in 2006 or application of relatively high prices of natural gas around 2012-2014 compared to other EU member states.

This led to prioritising country's integration into the EU's energy market, use of EU regulatory norms to reform electricity and gas sector, upgrading bilateral disputes with Russian authorities onto the EU level, for example, by urging European Commission to initiate cases on the basis of EU competition law with respect to price-setting behaviour of Gazprom, and construction of alternative routes of supply such as LNG terminal, which became operational in the end

of 2014. While in most economic sectors mutual economic relations adjusted in response to market trends, in infrastructural sectors of such as energy and transport there has been a deliberate policy of Lithuania to decouple from Russia and integrate into the EU common market. Even the debate on country's accession into the euro zone, which took place in 2015, had a flavour of geopolitics.

Disagreements over history and current issues

During the 2000s, the political disagreements among Lithuania and Russia on matters such as treatment of mutual history and current issues have become more pronounced. Lithuanian authorities' demands for the compensation of the damage experienced by the country due to the Soviet occupation were met with hostility in Moscow. Also, on views on regional security matters and the relationship between the Western organisations and Eastern neighbours such as Ukraine, Moldova or Georgia diverged significantly. While Lithuania supported the sovereign choice of those countries to conduct their foreign policies and chose their allies, Russia strongly opposed their closer relations with the EU and NATO.

For a number of years, Lithuanian intelligence agencies have been warning about the hostile activities originating from authoritarian neighbours, especially Russia. For Lithuanian authorities, Russia-Georgia war in August 2008, Russia's annexation of Crimea and aggression against Ukraine in 2014 proved that mistrust of authoritarian Russia was justified. After a failed attempt by Lithuanian President Dalia Grybauskaitė in 2010 to address bilateral issues directly with Vladimir Putin and especially after events in 2014, Lithuania became even more vocal advocate of economic sanctions against Russian officials and businesses related to those hostile acts. Lithuania also welcomed opposition activists from Russia (and after 2020, from Belarus). Thus, of the three elements of EU's recently adopted Russia policy – push back, constrain and engage – for Lithuania the first two have been a priority while the latter applied towards opposition activists in Russia rather than official Moscow.

Interestingly, despite these political disagreements and economic sanctions, including Russia's across the board counter-sanctions towards the exporters from the EU, bilateral trade and investment relationship between Lithuania and Russia evolved. Bilaterally Russia remains one of the most important trade partners for Lithuania, as its business take advantage of geographic proximity, brand recognition and other factors facilitating trade, even with a high political risk premium. This is likely to persist in the foreseeable future. ■



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Italy and Russia: what changes is the narrative

Expert article • 3072

Since Prime Minister Mario Draghi came to power, Italy – traditionally described as a country friendly to Russia – is seen as 'returning to West's fold', distancing from Moscow and Beijing. However, despite Draghi's renewed commitment to the Euro-Atlantic alliance, the substance of Italy-Russia relations remains unchanged. Italy's view of Russia remains influenced by energy, economic links and the belief that dialogue with Russia is necessary to tackle important global crises.

Ahead of his 2019 visit to Rome, Vladimir Putin opened an interview to the Italian daily *Corriere della Sera* claiming that Russia and Italy have a "special relationship" that has "stood the test of time". This is also the prevailing narrative most Russian and Italian institutions, companies, and even ordinary citizens put forward. Over the centuries, the Russian Empire, the Soviet Union and later the Russian Federation have enjoyed close cultural, economic and political ties with Rome. But while ideology and culture matter, economics has provided the constant bridge in relations.

Russia and Italy have been enjoying close economic ties, although the international conjuncture considerably limited them. In 2013, before the EU sanctions, the total trade exchange between the countries was 31 billion euros, while in 2019 (before COVID-19) it was down to 22 billion – still far better than the roughly eight billion in 2016 resulting from the sanctions and the economic crisis facing Moscow and consequent reduction in Russians' purchasing power. While Russia keeps being Italy's first source of gas and a major source for oil, Italian exports to the country – based on the '3 Fs model', that is, food, furniture and fashion – suffered greatly. The agri-food sector, for instance, is the only sector still directly affected by Russia's countersanctions, which led to the ban of exports to Russia of blacklisted agri-food products from Parmigiano Reggiano to Parma ham, but also fruit, fish and vegetables. Made in Italy agri-food exports to Russia have lost over 1.3 billion over six and a half years, according to the Italian National Confederation of Independent Farmers (Coldiretti). These affected groups are at the forefront of organisations lobbying for the end of the sanctions regime. Russia's economic importance to Italy's production and export compartments varies significantly according to the geography; the bulk of businesses and organisations lobbying for scrapping sanctions are located in the North-East, especially Lombardy and Veneto. Both regions' presidents have criticised sanctions on various occasions. In 2016, the ruling coalition in Veneto approved a resolution aiming to "promote the establishment of a committee against sanctions against Russia, for the recognition of Crimea's self-determination right, and the defence of Venetian products".

Security is more and more relevant in the Italy-Russia dialogue. Russia's increasingly prominent role in the MENA region increased Moscow's general status in the region; through a show of military might and a savvy defence diplomacy campaign, Russia gained the image of an essential mediator. Libya is probably the regional crisis where

Italy has a bigger stake in light of its colonial past and, especially, current energy and migration interests. In an open recognition of Russia's role in the Libyan crisis, Rome has tried to involve Moscow in its diplomatic initiatives, chiefly the Palermo conference held on 12 and 13 November 2018, despite the countries backing opposite sides. Last August, Draghi and Foreign Minister Luigi Di Maio had talks with Russian Foreign Minister Sergey Lavrov. Di Maio said that Rome was "counting on Moscow" to resolve the crisis in Afghanistan, adding that Moscow is a "fundamental actor" on the global scene.

When it comes to projecting soft power in Italy, Russia's follows two main directions: on the one hand, anti-Americanism and anti-globalisation; on the other hand, conservative and religious values. In Italy and other European countries such as Germany or France, anti-American attitudes are relatively widespread and deeply rooted in some social groups, such as Italy's radical left. Russia's conservative narratives, in turn, attract far-right conservative parties across Europe. Russia frames itself as a key member of the "istinnaya Yevropa" (true Europe) based on a common Christian identity. This narrative is also propagated by politicians such as Matteo Salvini, who previously adopted an outrightly critical stance towards Brussels.

Hence, while political preferences and concrete stakes in the relationship with Moscow determine different depictions of Russia, the relationship's long-standing importance and the necessity of dialogues are recognised across the board – and this is unlikely to change anytime soon. Dialogue and state visits kept happening even when EU-Russia hostilities reached their zenith. Last June, Draghi backed a controversial Franco-German proposal to hold an EU summit with Russia, adding that it was necessary to maintain dialogue with such significant economic power. Over the last ten years or so, Italy has had seven governments. Indeed, all of them have been trying to act as a bridge with Russia, putting forward an image of 'mediators', which is the footprint of Italian foreign policy but is, historically, even more critical in the relationship with Moscow. ■



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U.S.-Russia Strategic Stability Dialogue

Expert article • 3073

Residents Biden and Putin have agreed that the United States and Russia bear “a unique responsibility” for maintaining strategic stability and preventing dangerous escalation between the world’s two leading nuclear powers. Following their June 2021 Geneva summit, they declared that, “a nuclear war cannot be won and must never be fought,” an echo of the famous Reagan-Gorbachev declaration from 1985. Although significant disagreements between the two sides are likely to persist on a range of issues, the leaders agreed to embark together on an integrated bilateral Strategic Stability Dialogue (SSD) that is meant to be “deliberate and robust.” The first plenary level meeting of that dialogue took place on 28 July, once more in Geneva, with a follow-up planned for late September.

From the U.S. standpoint, the goal of such tough engagement with Russia is to move toward more stability and predictability in relations, imposing guardrails on escalatory behavior, while pushing back against what Washington sees as reckless and aggressive actions by Moscow. U.S. officials admit this approach is necessary but untested, and so they have sought to lower expectations for any major breakthrough agreements between the two nuclear-armed adversaries. What, then, may be expected from the dialogue in the coming months?

At the core of SSD are concerns over issues with direct bearing on the two sides’ strategic nuclear capabilities. A foundation is needed for a new arms control treaty architecture that can replace New START, which will expire in 2026. Washington seeks to include in that new architecture all types of nuclear warheads—including both deployed and non-deployed, as well as tactical nuclear weapons, plus a wide variety of strategic delivery systems, ranging from bombers to hypersonic missiles, and intermediate range systems. The last is especially important in the wake of the U.S. and Russian withdrawals from the INF treaty, which had previously banned all intermediate range systems. For the Russian side, core priorities include imposing legally binding limits on ballistic missile defense systems and on non-nuclear weapons with strategic capabilities, such as long-range drones, as well as barring deployment of strategic weapons in outer space.

For several years, the official U.S. position was to insist that China must take part in strategic nuclear arms control, while Russia has said the U.K. and France, as recognized nuclear powers, should be subject to binding limits. But since the SSD talks are strictly bilateral, it is unlikely that any agreement would go beyond Moscow and Washington. Another concern for both sides is the potential for cyber attacks to impact nuclear command and control or otherwise impact strategic nuclear stability. For the moment, this appears to be the main area of intersection between the SSD agenda and that of a separate U.S.-Russian cyber security dialogue that has met at least four times this year.

Below the plenary level, technical working groups will be formed, and will meet informally and alongside plenary sessions. Some discussions, such as on warhead counting rules or on protecting command and control systems, could be expected to progress relatively faster in at least reaching clarity on each side’s positions, and may even identify common ground where agreement is possible. Other discussions, such as on the thorny issues of missile defense or intermediate range missiles, will move more slowly. While recognizing that many issues are intertwined, the sides appear comfortable with the idea that parallel discussions can move at different speeds.

In the medium term, SSD will need to address an even wider range of issues and actions with destabilizing impacts, or that pose unacceptable risks of escalation to direct military and even nuclear conflict. For example, hacking of critical infrastructure, even without targeting command and control systems, could cause significant damage to public trust and confidence and lead to calls for retaliation and escalation. In the physical world, close calls between deployed military forces on land, at sea or in the air, or escalation of regional conflicts, also pose the potential for spillover conflict between Russia and the United States.

U.S. officials say they are open to discussing issues that each side may consider important for establishing more stable and predictable relations, though such discussions may be kept separate from SSD. For Washington, dialogue on ransomware is an important opportunity to build confidence in the principle that each side is committed to communicating concerns in a clear and direct manner and to taking concrete steps to address the other side’s concerns. Reduced frequency and severity of ransomware attacks is seen by Washington as an important condition for continuing with broader dialogue on cyber issues. In case the dialogue does not produce results, U.S. officials have said they will act unilaterally to address ransomware threats. In late July, Russia opened a new front in the debate with its proposal for a United Nations Convention on Countering the Use of Information and Communication Technologies for Criminal Purposes. That draft is unlikely to win U.S. support due to disagreements over so-called Internet “sovereignty,” crimes of a “political” nature, and other sensitive issues.

Another separate, parallel dialogue might consider issues related to improving conditions and restoring greater capacity for diplomatic representation. Reeling from election interference and other reckless and aggressive Russian actions, the U.S. has expelled dozens of Russian diplomats and shuttered consular and other diplomatic facilities in recent years, and each such move has been answered on the Russian side tit-for-tat. Any progress at this point will have to begin from the need for clarity on appropriate treatment and protections for each side’s diplomatic personnel serving in the other country, and the ability of embassies and consulates to maintain basic services needed for their regular operations. Only once such principles are fully

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agreed might the sides be able to contemplate steps for reopening closed diplomatic facilities and increasing the numbers of personnel accredited to each.

SSD is not without precedent. Several such meetings took place during the Trump administration, even though no agreements were reached, while delegations of nuclear arms control experts have worked on negotiating and implementing treaties since the Cold War. Nor is SSD a replacement for the more extensive “commission” type structures established in the more optimistic periods of the 1990’s and the 2009-12 Obama-Medvedev “reset.” It is, instead a more limited effort to restore some stability and predictability to a high-stakes relationship that seems increasingly at risk of unintended escalation.

Leaders are keenly aware that new crises can crop up at any time, and even developments seemingly unrelated to the core agenda of SSD could easily derail the dialogue. To that end, while keeping expectations appropriately modest, both sides say they are prepared to devote the considerable time, expertise and resources necessary to SSD. For Washington, this also means keeping allies and partners informed, as needed, to avoid misunderstanding of SSD’s content and purpose, as well as setting appropriate expectations within the U.S. domestic political context. Still, the U.S. asserts that it will respond to any further reckless and aggressive acts by Russia, and the Kremlin has issued stern warnings about the risks of crossing a “red line” which it alone will define. History shows that such cycles of action and response could easily create conditions in which productive dialogue becomes impossible. ■

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KONSTANTIN KHUDOLEY

Russia and USA: Stabilization at a low point?

Expert article • 3074

Having reached their lowest point in decades, Russian-US relations somewhat stabilized following the Geneva summit between Vladimir Putin and Joseph Biden in June, 2021. It seems both Russia and the US are now going to avoid sudden moves. Yet, there is no sign of improvement either. Their attitudes are conditioned by both the current political environment and long-term considerations. The prevalent view among Russian elites is that the era of dominance of the “historical West” is ending while the future belongs to Russia, China and a few other rising powers. In the US, China is increasingly seen as the main competitor if not adversary, while Russia is seen as a waning power whose strength is mainly based on nuclear arms, oil and gas. Since each party is sure that time is on its side, neither is willing to compromise. US legislation defines Russia as adversary, while the Russian National Security Strategy (2021) repeatedly refers to the US and other Western countries as threats and never as partners.

The Chinese factor will doubtless play an increasingly important role in Russia-US relations. There is no consensus among Russian experts as to how much the US-China rivalry will affect Russia. Most concede that both will seek its support, at least on some issues. Fewer, including this author, believe the rivalry entails more challenges and threats rather than advantages and that it would be wise for Russia to distance itself from it. Currently, Russian policy is largely oriented towards China. However, their privileged strategic partnership is unlikely to turn into a military-political alliance.

Significant difficulties in Russia-US relations are caused by the fact that those are still being built along the same Cold War pattern – its main focus is on global problems, particularly strategic stability, but bilateral relations – trade, economic and humanitarian – are still considered as supplementary. Now this scheme is increasingly malfunctioning. Russia and the US have had over half a century of experience in negotiations on limiting nuclear arms. Yet, the extant system of treaties has entered a stage of disintegration, which, apparently, is irreversible. It is also important that, unlike during the Cold War, talks on these issues have little effect on their overall relations. The extension of the strategic arms treaty in February 2021 did not contribute to any improvement. Moreover, although Russia and the US possess nearly 90% of the world's nuclear arsenal, the issue of strategic stability is becoming ever more global. It is likely that in the next decade several countries will increase their nuclear capabilities and the list of states possessing nuclear arms will expand. In addition, qualitatively new types of weapons are emerging. Further research in Artificial Intelligence could yield weapons beyond our wildest imagination. At the same time, besides states, terrorists will try to gain access to all those weapons. From our viewpoint, negotiations on cybersecurity will now be the primary focus – it is exactly where most risks lie. However, experience in such agreements is virtually absent. Almost all these problems, including that of control, will have to be resolved for the first time. Regarding positive trends one can

surely point to the convergence of Russian and US positions on climate change. However, it is not yet clear what practical steps will result from the Leaders Summit on Climate (April 2021). A very strong obstacle to negotiating these issues is a strong feeling of mistrust. Trade, economic and humanitarian relations between Russia and the US are not as great as to have a positive effect in other areas or to be a stabilizing factor. Trade between Russia and the US is far less than that between the US and China. Significantly fewer Russian students attend US universities than those from China or even Iran, while the number of Americans studying in Russia is miniscule. Of course, sanctions and the pandemic have had a negative impact, but it cannot be the only reason. Unfortunately, neither party accords due weight to these issues.

For all the complexity and acuteness of the problems, the current Russia-US relations are nothing like the second edition of the Cold War – despite the differences in their socio-political systems they are not antagonistic. Their propaganda campaigns are impressive due to the scale and intensity and a widespread use of the latest IT. Yet, it is nothing like the ideological struggle during the Cold War. Thus, reaching a compromise and improving Russia-US relations is in general feasible, but it would take time and considerable effort. ■

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The challenge of US-Russia relations in the Biden-Putin era

Expert article • 3075

For thirty years, every new US president has attempted to improve the US-Russia relationship and has failed to do so. Each US presidency since the collapse of the USSR has ended with relations in a worse condition than they were at the start. Breaking this cycle would be a major achievement for the Biden administration, and even if relations cannot be significantly improved, there is a wish to stabilise them. In order to achieve this, the Biden administration has committed itself to a largely pragmatic approach towards Russia. However, the legacy of past interactions, Russia's continuing destabilisation activities and domestic abuses, and the Biden administration's focus on Russia and China as strategic threats make stability and pragmatic engagement a continuing challenge.

The relationship between the US and Russia – often neglected by analysts and policymakers for the first twenty years after the end of the Cold War – has re-emerged in the last decade as an issue of critical importance for European security and for international stability. Issues including the Russian government's involvement in the Syrian conflict; its 2014 annexation of Crimea and support for separatists in Eastern Ukraine; the growing militarisation of the Arctic; and Russian interference in the domestic politics of NATO states, including the US itself, have all been tied in different ways to the relationship between Moscow and Washington D.C.

After a short-lived attempt by the Obama administration to 'reset' relations with Russia, the relationship had deteriorated dramatically by the mid-2010s, culminating in Russian governmental interference in the 2016 US presidential election in favour of the candidacy of Donald Trump. The Russian political elite hoped and expected that Trump's election would see a significant improvement in relations with the US, and that it would lead to the lifting of Ukraine- and election-related sanctions.

Ultimately, however, despite Trump's stated admiration for Vladimir Putin and his repeated claim that "getting along with Russia would be a good thing", the US-Russia relationship failed to improve and sanctions remained in place. Suspicions about Trump's relationship with the Russian government led Congress to block his ability to lift sanctions, and ultimately to his first impeachment. Nevertheless, on some issues – notably arms control and the Nord Stream 2 gas pipeline from Russia to the European Union – the Trump administration adopted a more combative approach to Russia than its predecessor. Thus, for several very different reasons, by the end of Trump's presidency in January 2021, US-Russia relations were, once again, at a historic low point.

The Biden presidency allows the US to draw a line under the Russia-related difficulties of the Trump years, but it has offered less opportunity for a fresh start than any of its recent predecessors. For the first time since George H. W. Bush's election in 1988, the new president is the former vice president of a previous administration, with significant diplomatic experience in that role. Biden was involved

in the Obama era 'reset' with Russia and had engaged with Putin and other senior Russian government figures in that capacity. There was thus no scope for a 'honeymoon period' in presidential-level interactions – on the contrary, Biden began his presidency with diplomatically unhelpful remarks about Putin having "no soul" and being "a killer".

From the start of his presidency, Biden has been clear that he wants to hold the Russian government to account for its international and domestic failures, to recognise that strategic competition with Russia and China is one of the major foreign policy challenges confronting the US, and to engage pragmatically with Russia on key issues such as strategic stability.

This is a difficult circle to square.

In pursuit of the first objective, the Biden administration has re-engaged with the issue of Russia's democratic and human rights abuses, which were neglected by Trump. The administration has been sharply critical of the treatment of political opposition leader Alexey Navalny, and Biden reported raising the issue of human rights in Russia at his first summit meeting with Putin in June.

The administration has also taken a strong line on Russian destabilising activity outside its borders, including cyber attacks on the US. In April, it introduced new sanctions in response to what it characterised as harmful Russian activities, including the Solar Winds hack discovered in late 2020. Russian cyber attacks were reportedly one of the key issues raised by Biden at the June summit.

The Biden administration has also committed to supporting Ukraine against ongoing Russian aggression, announcing an additional \$60 million in defence aid during Ukrainian president Zelensky's September visit to the White House – in itself, a notable diplomatic show of support by Biden. Given the central importance of the ongoing Ukraine conflict to the collapse of US-Russia relations in and after 2014, this has implications for the administration's engagement with Russia.

At the same time, however, the administration has emphasised that it would like to develop "a stable and predictable relationship with Russia consistent with U.S. interests". Biden has made it clear that he wishes to re-engage with Russia on the issue of arms control – traditionally, the bedrock of Moscow-Washington relations. One of the first acts of his presidency was the extension of the New START treaty, which is almost the last remaining piece of the old arms control regime. In April, Biden and Putin announced their intention to develop a "strategic stability dialogue" and reiterated this aim at their summit meeting. The stated intention is to ensure predictability on nuclear issues, in order to reduce the threat of war.

Given the mistrust and hostility over other issues, it is unclear whether a stable and predictable relationship between the US and Russia is possible, not least because of mutual concerns about destabilization in other areas. Nevertheless, the Biden administration's intention to engage pragmatically with the Russian

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government in areas of shared concern while asserting both its interests and its values in relation to key issues appears to be the only viable path forward. Although the chances of success may seem low, it is important to recognise that other approaches – that either neglect values and allies in pursuit of a better relationship with Russia or that take an unreservedly hostile approach – are likely to be far more damaging to US-Russia relations, to European security, and to international stability. Thus far, the Biden administration approach to relations with Russia appears to be the one most like to offer any chance of improvement in any of these fields. ■

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SHINICHIRO TABATA

Recent Japanese-Russian economic relations

Expert article • 3076

The seven years from 2013 to 2020 was a special or strange period in the history of Japanese-Russian relations. Under the Shinzo Abe administration, the Japanese government took active policies toward Russia to solve the so-called Northern Territorial Issue. No other governments in Japan have adopted such aggressive approaches to the USSR/Russia after WWII. It is, however, difficult to deny that these policies failed and to find anything positive left to the succeeding administrations.

There has been argument that if the Northern Territorial Issue is solved, Japanese-Russian economic relations will make rapid progress. Its contraposition is that if these bilateral economic relations do not develop rapidly, the territorial issue will not be solved. But I think that this proposition is a complete myth.

Let me consider the recent boom in these relations that took place in the period 2003-2008, when the volume of bilateral trade increased by 20-60% every year. In particular, Japan's exports to Russia expanded quite rapidly by automobile exports (annual increase rates were 40-90%). I would like to emphasize that this has nothing to do with the political relations between two countries. Because of considerable increases in household income in Russia fueled by soaring oil prices, Russia's imports of passenger cars increased from 71,200 units in 2000 to almost 2 million units in 2008. Japan accounted for 40% of these imports in 2008. The share of automobiles in Japan's exports to Russia was 76% in that year. Thanks to growing demand by Russia's households, Japan's foreign direct investment (FDI) in Russia's car industry increased significantly as well. Toyota began to produce its cars in 2007 in St. Petersburg, followed by Nissan in 2009, and by Mitsubishi in 2010.

However, due to stagnant economic growth since 2009, Russia's imports of passenger cars have never reached this level and decreased to 303,000 units in 2019. Accordingly, Japan's exports of passenger cars to Russia decreased, resulting in stagnation of Japan's total exports to Russia in the past decade.

The corresponding increase in Japan's imports from Russia was brought about by those of oil and liquefied natural gas (LNG). Japan's crude oil imports from Russia jumped from 0.6 million tons in 2002 to 5.5 million tons in 2007, and to 14.6 million tons in 2015. The share of Russia in Japan's imports of crude oil increased from 0.4% in 2002 to 8.5% in 2015. Accordingly, the share of Japan in Russia's exports of crude oil grew from 0.3% in 2002 to 6.0% in 2015. This was a result of the eastward shift of Russia's oil production. The majority of crude oil came to Japan from Sakhalin Island by tanker and from East Siberia through the East Siberia – Pacific Ocean (ESPO) pipeline, which was put into operation in 2009. Japan's oil imports from Russia, however, have decreased since 2016 down to 6.4 million tons in 2019. This was mainly explained by the decrease in imports from the ESPO pipeline, which was caused by the increase in China's imports from it.

With respect to LNG, Japan is the largest importer in the world. Japan's imports from Russia began in 2009, when an LNG plant in

Sakhalin, the first one for Russia, started operation. Russia already ranked fourth in Japan's LNG imports: its share was 8.3% in 2019. About two-thirds of LNG produced in Sakhalin were exported to Japan. It should be remembered that Japan was one of the few countries that invested in the development of oil and gas in Sakhalin from the 1990s and that a Japanese company joined the construction of the LNG plant in Sakhalin.

Thus, Japan's imports from Russia have been dominated by oil and gas imports, which share increased from 5.2% in 2002 to 46.8% in 2008, and to 76.2% in 2013. Those imports had grown until 2014 after a sharp drop in 2009 and have stagnated since 2015 due to the decline in oil prices. As a result, the share of oil and gas in Japan's imports from Russia dropped to 53.4% in 2019.

Overall, Japan ranked third in Russia's imports in 2008 and eighth in 2020. In terms of Russia's exports, Japan's ranking declined from sixth both in 2013 and 2014 to twelfth in 2020. As you see from the above explanation, these trends are basically explained by several economic, not political, factors. Therefore, I foresee that if oil prices go high causing the increase in purchasing power of Russia's households, Japan's exports to and imports from Russia will increase again. But this forecast assumes that the industrial structure of both Russia and Japan will not change significantly in the near future. In addition, I do not take into account the global decarbonization movement and its impacts on the oil and gas sector in Russia. ■



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“Lukashenomics” and the “Union State”

Expert article • 3077

Moscow, September 9, 2021. During a joint press-conference, the presidents of Belarus and Russia announced that they have approved the [28 “Union Programs”](#) that will lead the countries towards deeper integration within the framework of the Union State. They have emphasized that this fact has no connection to the current political situation in either of the countries.

Although the related media headlines were promising, intriguing or sometimes threatening, the experts were in no hurry to draw any conclusions. Some of them were sharing on the social media a short stand-up video in Russian: “Say something in Belarusian! – Please give us another 20 billion! – No, I expected you to make a joke! – We will give you the money back”. This is a sharp and witty description of the essence of the Union State – almost 22-year-old project, established by presidents Yeltsin and Lukashenko at the very end of 1999. The Program of integration, signed in 1999, contained a detailed plan of cooperation in 19 spheres, with the deadlines mainly in 2002–2003. Only round 30% of those plans were fulfilled by 2015, while Belarus had received, according to some estimations, 120–150 billion dollars from Russia as indirect support, which was never expected to be returned to Russian economy. That situation could not satisfy Russian leadership that faced a huge set of economic challenges by 2015. The idea of the reconsideration of the Union State was in the air, but all attempts to do something in 2018–2019 were effectively blocked by the Belarusian president. His skillful approach is worth examining.

The current Belarusian economic model can be called “Lukashenomics” after the name of Belarusian leader. Although he was not the person who invented and designed it, he contributed a lot to its tuning and development. Generally it is a bright example of Soviet legacy that managed to survive. Briefly, the essence of “Lukashenomics” may be described in five points:

1. Centralization of political power. This was quite easy to maintain in a country that had little experience of the post-Soviet transitions and consciously avoided massive privatization. The Belarusian state remained the main owner of the country’s assets, and the elite – mostly former Soviet “nomenklatura” – took over the “burden” of the central (Union, or Moscow) governance and enjoyed full power in a sovereign state.
2. Relatively high level of social guarantees to avoid public unrest and protests
3. “Soviet” way of economic development: high level of protectionism, low prices on energy resources and the larger part of former Soviet Union as the market for the Belarusian industrial products. Russia had to provide low energy prices and full access to its domestic market without any mutual obligations. That meant that Russia continued functioning as Soviet central authority in terms of resource and demand provision for Belarusian economy, but without any political power over the national political elite. The latter lead to the next core feature.

4. “Political rent” extraction. Russia and Russian political elite had become the source of “political rent” for Lukashenko: financial support and privileges in exchange for endless talks about union commitments. This rent covered everything: from total inefficiency of Belarusian economy to strengthening the political regime.
5. “Statehood over stateness”. Another core feature, inextricably linked to the previous one. The statehood and full national sovereignty is the only guarantee for the political rent extraction, even if this is against the interests of the country’s development and improvement of stateness.

It is obvious that this model is totally incompatible with any firm international obligations, strong supranational institutions and transparent financial procedures, i.e. with the core idea of the “Union State”. Thus, the answer to the reasons of the Union State’s 22-year story of failure lies at the surface. To be close to the partner, but not to be tightly caught; use your opponent’s power against him – those aikido principles were successfully implemented in Belarusian policy towards Russia throughout the years of the Union State’s existence. The Union State and its weak (and empty) institutions served as a facade for this policy.

“Lukashenomics” is totally incompatible not only with the Union State, but with the “Putinomics” as well. This creates challenges for both countries. Obviously, the “Putinomics” is more viable and Russia’s potential in all aspects is incomparable with Belarusian. The new 28 Union Programs and the way they were designed and discussed provide subtle signals of huge changes in Russian approach towards Belarus. Most of them are focused on the routine but fundamental processes of financial management, taxation and related fields of public administration and are aimed at making those processes more transparent and compatible in both countries. This leaves little space for the last three features of the “Lukashenomics”. The first two usually considered the similarities of the two countries. ■



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Common Economic Space - Belarus and Russia: Facts and figures

Expert article • 3078

How are the economies of Belarus and Russia connected?

Belarus ranks No.4 among all trading partners of Russia. According to the results of five months of 2021, the Belarusian-Russian trade turnover increased by 30% compared to the same period of 2020. At the same time, Belarusian exports to Russia increased by 20.8%.

Foreign trade between Belarus and Russia

Russia's share in Belarus' foreign trade with the world is about 48%, with the republic depending on Russia for imports at 56%. The European Union is the second largest trade partner, accounting for 18.1% of foreign trade turnover.

In mutual trade with Belarus, Russia is a net exporter: in 2019, Russian goods worth \$20.8 billion were delivered to Belarus and products worth \$13.1 billion were imported from Belarus.

In 2020, Russia's export advantage sharply decreased: exports to Belarus in the first half of the year amounted to \$6.9 billion and imports amounted to \$5.7 billion due to the fact that hydrocarbons - oil, oil products and natural gas - account for 46% of Russian exports to Belarus (according to 2019 data). In 2020, oil and gas prices fell, and Russia reduced its oil exports under the OPEC+ agreement. In January-June 2020, Russia supplied hydrocarbons to Belarus amounting only to \$2.3 billion, less than a quarter of the total value of the same period in 2019.

With the exception of oil and gas which Russia supplies to Minsk (and meat and dairy supplied to Russia by Belarus), the commodity composition of mutual trade is very similar: in 2019, Russia exported to Belarus goods from the Electrical Machinery, Nuclear Reactors, Boilers and Equipment, Surface Transportation Equipment and Plastics and Plastic Products categories totaling \$3.7 billion, and imported from Belarus products from the same categories for a total amount of \$4.2 billion.

As can be seen from the above, Russia is the main market for many Belarusian goods as well as the main energy supplier. The two countries are united by a common cultural space, the Russian language, territorial proximity, the victory in the Great Patriotic War (WWII) and many other factors.

Direct investment

Russian capital is the largest source of foreign direct investments in Belarus. According to the Russian Central Bank, in 2018-2019 investors from Russia invested \$0.65 billion annually in the Belarusian economy, and by early 2020 the total accumulated investment from Russia in Belarus was \$4.26 billion.

However, these figures underestimate the true amount of investments of Russian origin in Belarus. The Bank of Russia takes into consideration only direct investments into Belarus, and transit investments through other countries (e.g., Cyprus) are not counted. According to the National Statistical Committee of Belarus (Belstat) and the local Ministry of Finance, only in 2019, the country received \$2.87 billion in direct investment from Russia, or almost 40 percent of

the total (\$7.2 billion). This is more than four times the amount listed in the statistics of the Bank of Russia.

Government loans

Russia is the main source of external borrowing for the Belarusian government: according to the Ministry of Finance of the Republic Belarus, the Russian loans amount to about 48% of the external public debt of the republic (at the end of the first quarter of 2020), or \$7.92 billion. The figure includes intergovernmental loans and loans from the VEB.RF state corporation. China that provided Belarus with a loan of \$3.3 billion runs second.

Since 2008, the Russian government and VEB have granted at least eight loans to Belarus (RBC data). By the end of March 2020, Minsk owed about \$7.5 billion to the Russian government and another \$0.44 billion to VEB.RF (loan for construction of the Belarusian nuclear power plant).

Analysts specify the following positive aspects of the integration of Belarus and Russia relevant in 2020-2021:

- for the past 30 years, Russia has provided up to 85% of all fuel and energy resources consumed in Belarus,
- more than 45% of investments in the Republic of Belarus come from Russia,
- Russian companies have set up more than 2,200 production facilities in Belarus,
- More than 65% of Belarusian citizens take a stand in favor of the EEU integration.

The main bonuses that Belarus receives within the Union State are as follows:

- The budget of the Union State is \$100 million, most of which Russia allocates to Belarus (an average budget of a major Belarusian city);
- The Union State is being in development stage: in 2021 the tax systems will be united; single customs policy will be coordinated; common energy policy has already been developed; fuel and energy, industrial, agricultural policies will be more coordinated.

Belarus and Russia face the task to create single markets of oil, petroleum products, gas, electricity, transport, to unify tax and customs laws by January 1, 2022. ■

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Russians' images of their post-Soviet neighbors

Expert article • 3079

Rapid change of countries' boundaries, local and global conflicts, impetuous development of Internet, influence our perceptions of our own and other countries. As for Russia's perceptions of countries that used to be a part of the former USSR, it differs from our perception of those countries that had never been a part of the Soviet Union or the Russian Empire.

We'll focus on only one question among many that we have studied in our project concerning country images: how Russian citizens today see their post-Soviet neighbors. Who are they for us: are they "alien" for us or they are "ours", are they enemies of friends, rivals of allies?

Our neighbors, former Soviet Republics were represented in a study by two Slavonic countries (Ukraine and Belarus), three republics of the Caucasus (Armenia, Georgia and Azerbaijan) and three Asian countries (Kirgizia, Kazakhstan and Tajikistan). Answering to some questions respondents also remembered some Baltic countries.

These countries are mentioned in the Russian strategy as a key course of our foreign policy. But perceptions of rank-and-file people differ from official position of Foreign Ministry. Our citizens do not regard these neighbor countries as a focus of either for the state or personally to themselves. Even if they recognize their importance, they find the USA, Europe or China more important for Russia than them.

Relation to these countries one can call ambivalent due to a transitory character of our relationship: from the Soviet unity and peoples' friendship we have went away and a new type of formal relation with another foreign country did not yet reach.

Perception of this or that neighbor country is strongly influenced by a personal experience of a respondent, his visits of a country, meeting people from there etc. So, for instance contacts with migrants strongly correlated with positive mentions of professional qualities of people from Kirgizia, Tajikistan, Belarus and Ukraine. This differs Russians' relation to migrants from the similar attitudes in many European countries.

It is interesting to note that authoritarian tendencies of political regimes of some of post-Soviet countries are perceived by Russians not as their weakness but rather their advantage. Kazakhstan and Belarus are regarded as countries with a more wealthy future due to their personalistic regimes that are perceived as an important condition for their development.

Identification factor in a different degree manifested itself in Russians' representation of neighbor countries. So, *cultural and historical* similarity determines more closeness with Slavonic Ukraine and Belarus. *Religious factor* defines more emotional commonality with Georgia, Armenia, Belarus and Ukraine as Christian countries.

Respondents' answers have shown deep influence of *communicative factor* on perception of neighbor countries that define their political color and form stereotypes. At the same time, the level of information about neighbor countries was extremely low in comparison with the USA or Europe.

Our images of countries both close and far from Russian borders, all our picture of the world have lived through several serious turns and stresses during last three decades. The concepts, formed by a Soviet ideological system lied on a basis of this picture of an outer world during the first years after the collapse of the USSR and even earlier in the Perestroika period. In this time image of the Soviet republics was a part of our representations of ourselves, of "us".

Destruction of this picture of the world started in the end of the 1980s and continued in the beginning of the 1990s. A formula "they are good, we are bad" replaced the previous formula "we are good, they are bad". Neighbor countries from the former USSR started to be perceived negatively as a part of ourselves.

Parting from the former Soviet stereotypes our citizens naively believed that the world have changed and that it will gladly accept us into its embrace. The so-called civilized world seemed to them friendly and ready to collaborate.

The next decade (2000-2010) and especially events of 2014 have brought some sobering. Facing sanctions and threats from the West Russian society have remembered the old saying that Russia has only two friends: army and fleet. Perception of no only of the West, but also former allies, partners and neighbors have lived through substantial transformation. To the current moment, the majority of population perceives the complicated context of our relation with other countries more realistically. Our distant "partners" resemble rather competitors if not open enemies. As for closer neighbors from the former USSR they are not regarded as totally "ours" though they did not become completely "alien". Russian society started to elaborate a new optics toward the neighbor countries. Some country images preserve the influence of former Soviet stereotypes though one should not overestimate them. These feelings are more salient in the older generation new ones are free from them. Generally, images of all these countries are quite positive except one – Estonia that was perceived as being an enemy.

That complex of "national inferiority" that dominated in Russian society during three decades, as our study have shown, is over for the majority of our population. Though some of its manifestations could be found in the most educated and cosmopolitan strata. The group of the young respondents is most interesting. On the one hand, their view of the other countries is formed by the global networks, being borrowed from outside. But on the other hand, his group is free from any complexes except may be the superiority complex. They are not felling ashamed of anything in comparison with the older generation that is still sometimes see themselves as worse than others. ■

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BRENDAN SIMMS

UK-USSR 1991, the return of the bear

Expert article • 3080

Ten years ago, the story of British-Russian relations seemed easy to relate. The old tension with the Russian 'bear', which had begun in the late eighteenth century, flared during the Crimean War, and endured through the change from Tsarism to communism in the twentieth, appeared a thing of the past. Its last gasp had been the standoff over Kosovo in 1999. Russia complained bitterly about the eastward enlargement of NATO, but seemed to have accepted it. In the early days after 9/11, Russian President Putin was seen as an ally in the war on Islamist extremism. The 2010 Strategic Defence and Security Review was entirely focussed on the new 'complex emergencies' generated by that contest. There was little consciousness that, as some critics pointed out, Britain's front line was not just in the Hindukush, but also in the Baltic along the eastern flank of NATO.

To be sure, there were already warning signs, but they were not taken seriously enough. When the Russian defector Alexander Litvinenko was poisoned in London in 2006 by an FSB assassination squad, British authorities were slow to react. Likewise, the cyber attack on Estonia in 2007, again obviously directed from Moscow failed to register much. A year later, the invasion of Georgia and the effective annexation of part of its northern territory did provoke a reaction but it was fleeting. Surprisingly, given the extensive signalling from the Kremlin, there was very little sense of the extent to which Vladimir Putin's Russia had become a challenger on the international stage.

This is why the events of 2014-2016 came as such a shock to the British. First, Russia annexed Ukraine - the first major breach in the European order established in 1945. This was an embarrassment on London, because it was one of the guarantors of the 1994 Budapest Memorandum which promised the Ukrainians that their borders would be sacrosanct if they gave up their nuclear weapons. Putin also provoked a war in Eastern Ukraine which endures to this day. 'Hybrid' attacks on the Baltic states escalated. Then in late 2015, he intervened in Syria. A year later, he intervened politically in the Brexit referendum and the US presidential election, though there is no evidence that he changed either outcome. No wonder that 2021 strategic Review listed him as a threat. The 'bear' was back.

But all this also represents an opportunity for Britain. Despite her departure from the European Union, she remains the most significant democratic power on the continent this side of the Atlantic. Britain could fill much of the gap left by the weakness of the EU, especially that of Germany, and some of that left by the United States as it 'pivots' to face the threat from the PRC in East Asia. It has already showed its commitment by taking on the important task of 'framework nation' for Estonia (a role for which the UK lobbied intensely behind the scenes).

That said, the UK could and should do more. Keeping Mr Putin bottled up in the Baltic is, next to keeping him out of the North Sea, a vital national interest, because of the critical communications and energy infrastructure located there. It is a matter of holding the threat as far away as possible. In military terms, the key thing is to prevent the Russians from deploying their long-range missile systems now in Kaliningrad further west, thus closing down the Baltic Sea Region even more than is the case already, or worse still extending their reach into the North Sea.

Now that the long deployment in Germany - the British Army of the Rhine (BAOR) - has been wound down, London should investigate the possibility of establishing a British Army of the Baltic (BAOB). Its remit should be the defence not merely of Estonia but the entire Baltic Sea Region. Likewise, the primary area of operations for the Royal Navy should be home waters and Europe - the North Atlantic, North Sea and Baltic Sea (and perhaps the Mediterranean) - rather than the Indo-Pacific.

Despite the rhetoric of 'Global Britain', this should be a greater priority than the Freedom of Navigation Operations in the South China Sea, politically important though these are. It would also make sense in terms of alliance relations, because Washington has frequently indicated that it would appreciate greater burden-sharing in Europe more than symbolic support in East Asia. Besides, there is no need to head to East Asia to contain the PRC: it is already heavily present in Europe including the Baltic, where it held joint naval exercises with Russia a few years ago.

Before doing so, however, there needs to be an open debate about British interests and capabilities in the region. Historically speaking the British commitment is not unprecedented - the Royal Navy was midwife to the emergence of the inter-war Baltic States - but Britain has usually defended a line much further west, for example during the World Wars and the Cold War, at the Danish Sound, or the Kattegat/Skagerrak. If London is break with this tradition, it needs to be sure of two things. First, that these states are doing as much as possible for their own defence, which not all of them are, given that the total GDP of the Baltic Sea Region states comfortably outstrips that of Russia. The UK can support and coordinate their efforts, but it cannot replace them. Secondly, that the area to the west of the line being defended is made up of states friendly to the United Kingdom, not merely militarily but also politically and economically. This requires the states of the Baltic Sea Region not to choose between the UK and the EU, which should not be necessary, but to ensure that the EU - in which they have a significant voice - chooses wisely. ■

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Putin's historiosophy and the Russian Church

Expert article • 3081

In Vladimir Putin's public statements after 2014, we can see the increasing significance of historiosophic messaging. In the Russian media, Putin is portrayed as an expert on history. This picture is not disturbed by the errors he makes regarding historical facts. What is more important is that Putin presents not so much a specific vision of Russian history but rather a historiosophic concept. Historiosophy should be understood here as an ideological interpretation of historical events which gives them a timeless meaning. The best example of such thinking is using the history of World War II to construct the image of Russia as a victorious and heroic country that resists pressure from the West.

Putin's main historiosophic thesis

Although Putin's numerous speeches contain a historiosophic layer, those which serve to justify Russia's imperial policy towards Ukraine are worth noting, because they coincide with the ideology that inspires the Patriarchate of Moscow. The central axis of Putin's historiosophic message is the premise of the cultural and ethnic unity of Russia, Ukraine, and Belarus, which formed the historical Rus'. In 2016, this thesis resonated in his speech at the unveiling of a monument to Prince Vladimir of Kyiv in Moscow, and it has recurred in Putin's many statements on the Russian-Ukrainian conflict following the annexation of Crimea. It was most clearly presented in Putin's article 'On the historical unity of the Russians and Ukrainians', posted on 12 July 2021 on the official website of the Kremlin. According to President Putin, the Rus' preserved its uninterrupted political and cultural existence with the basis of its political identity being the statehood built by Moscow (as the only historical heir of the Kievan Rus') and the foundation of its cultural unity being the Orthodox Church.

What purpose do the historiosophic statements serve?

There is no need to find errors in Putin's statements devoted to history because these are historiosophic texts – that is, they are ideological in principle. Concerning Russian society, they strengthen the belief in Russia's uniqueness and its divergence from the West. The Russian state's symbiosis with the Orthodox Church is emphasised, but it is not a symbiosis of two autonomous subjects, as the state retains priority.

However, the statements regarding Russia's relations with Ukraine not only contain the conviction of the cultural unity of the Rus' peoples but also – by presenting Russia as the only continuator of the Kievan Rus' – lead to the negation of Ukrainian statehood. Consequently, the theses about cultural and linguistic unity aim to undermine the ethnic uniqueness of the Ukrainians. Finally, they are an ideological justification for actions interpreted as the mission of 'gathering the Rus' lands' being completed by Putin. This mission is impossible without questioning the state sovereignty and ethnic and cultural separateness of Ukraine.

The ideology of the Patriarchate of Moscow

The activities of the Patriarchate of Moscow reflect the main thesis of Putin's historiosophy. Regarding Ukraine, the Patriarchate opposes any attempt to restore ecclesiastical independence, referring to the tradition of the Kievan Orthodoxy. This is why efforts to establish an independent Orthodox Church of Ukraine, as acknowledged by world Orthodoxy, met with aggressive reactions from the Patriarchate, which continues to advance the notion that the only authentic Orthodox Church in Ukraine is the Moscow Church. This position caused a rupture in relations with the Patriarch of Constantinople, who granted the Orthodox Church of Ukraine a 'tomo' of autocephaly in 2019, and a condemnation of Patriarch Bartholomew's visit to Ukraine in 2021, which Moscow Patriarch Kirill described as a 'sin'.

The policy of the Patriarchate as a potential model for implementing Putin's historiosophy

Historiosophy is entirely dependent on ideology and inspired by ideological objectives. For this reason, it cannot be limited to interpreting historical events, but tries to reveal their modern meaning and be inspired by them. When analysing Putin's historiosophic theses and the activity of the Patriarchate of Moscow concerning Ukraine, a fundamental convergence can be discerned. This convergence is manifested in the questioning of Ukraine's ability to develop without Russia. It leads to the conviction that the only political centre of the Rus' is Russia and the only religious entity ensuring the Rus' cultural identity is the Moscow Church. This does not mean that this vision of integration with Russia precludes any form of autonomy. It does mean, however, that the condition of such autonomy is the acknowledgement of Russia's primacy. From Putin's historiosophic concept stems just such a vision of the integration of Rus' lands, which the Moscow Patriarchate is already trying to implement in Ukraine and Belarus. ■



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On the modern economic imperialism of Russia

Expert article • 3082

The British liberal economist, John Atkinson Hobson, in his famous book, *Imperialism, A Study* (1902), showed that imperialist policy as a whole should be considered irrational from the point of view of the nation since the costs of wars and armaments far exceeded the economic benefits obtained. At the same time, he singled out the manufacturing which is financially interested in imperialist politics. For the continuous expansion of production in manufacturing, the framework of only one country is insufficient and an increase in the demand for goods produced by this sector of the economy is facilitated by investment and the creation of manufacturing firms in colonial countries.

Modern economic imperialism in Russia is fundamentally different from the Hobson theory. So, a little over a hundred years later (2003), the well-known article of the Russian economist. Anatoly Chubais, "Mission of Russia in the XXI Century," was published, in which the concept of the liberal empire of Russia is offered. According to this concept, Russia should control the post-Soviet and adjacent space not by military means but by using economic tools. In particular, such a tool is the acquisition of economic assets in this space in the course of privatization. Using exclusively economic tools, and excluding the use of military actions, such an empire was created by Russia, one which Chubais called *liberal*.

In building a liberal empire, energy resources, which are used to increase the energy dependence of certain countries from Moscow, are far from the last place.

One of the first post-Soviet countries that fell into the "network" of the liberal empire of Russia since 2002 was Armenia in relation to which Moscow used a variety of economic tools: the acquisition of Armenian economic assets by large Russian companies in the process of privatization, the transfer of the assets of the Armenian companies to the Russian ones and, thereby, paying off part of the Armenian debt to Russia ("Possessions in Exchange for Debt"), the transfer of the assets of the Armenian companies to the Russian ones and obtaining Russian gas at reduced prices as a result. Here, we would like to emphasize that far from all of the economic objects of Armenia, which are under the control of Russian companies, are fully utilized—some of them do not function at all.

Thus, the main distinguishing feature of Russian economic imperialism from Hobson's above-mentioned concept is that if, according to Hobson, the creation of an empire brings economic benefits to manufacturing, then the Russian liberal empire "sacrifices" economic benefits in favor of establishing and strengthening Moscow's political control over the countries involved in this empire.

The most vivid example of the subordination of economic interests to political interests is the Eurasian Economic Union (EAEU), which began functioning on January 1, 2015, and which currently includes five countries—Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia.

The EAEU as a Customs Union establishes restrictions according to which, within the Union, exports are not subject to customs duties. At the same time, the customs duty on exports is levied only when

crossing EAEU borders due to which part of the income (resource rent) owed to Russia is redistributed in favor of other EAEU members. Thus, when creating the EAEU, Moscow deliberately abandoned part of the income from oil and gas in favor of other member states of this Union. Consequently, the main economic interest that determines the integration process in the EAEU is based on the mechanism for redistributing revenues from oil and gas.

By supporting the authoritarian regime of Lukashenko, Moscow increased its influence on Minsk with economic and political instruments as well as military assistance.

In the context of the COVID-19 pandemic, the international oil market is particularly turbulent. At the same time, the supply of food is of paramount importance. As a result, for the Kremlin, Russian grain is becoming a "new oil" which is also caused by the global transition to a "green economy." Due to the increase in grain production in Russia in recent years, the so-called "Wheat Diplomacy" has become a priority for Moscow which naturally fits into the scheme of Russia's economic imperialism.

To realize its imperial ambitions, Moscow does not shy away from using such methods as cyber-attacks, poisoning, etc.

It should be emphasized that building a liberal empire using exclusively economic tools does not in fact exclude the use of military actions, if necessary. The most notable examples are the five-day war with Georgia in August 2008 and Russia's unofficial hostilities in Eastern Ukraine that began in 2014. In 2008, Moscow recognized the state independence of the two Georgian regions occupied by Russia—Abkhazia and South Ossetia and began their gradual annexation. And in 2014, Russia annexed Crimea.

Thus, Russia's modern economic imperialism, if necessary, can be "supplemented" by the use of military force which naturally makes its liberal character very, very conditional. ■

"Becoming European: Challenges for Georgia in the XXI Century" is the latest book of Vladimir Papava.



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ELISABETH BRAW

When it comes to greyzone threats, China overshadows Russia

Expert article • 3083

For years, there has been enormous discussion about Nord Stream 2 and whether it should be seen as primarily a business deal – or whether it is a geopolitical threat because Russia could use it as a tool of greyzone aggression against Europe. In the past year, as President Joe Biden decided to lift US sanctions on Nord Stream 2, allowing the pipeline's construction to be completed, that discussion has grown more intense still. At the same time, China is already systematically practicing the coercion the West worries Russia will engage in. When it comes to greyzone aggression, China overshadows Russia.

On 25 September this year, two Canadians named Michael Kovrig and Michael Spavor were freed from prison in China. They had been in detention for some three years after being arrested, accused of espionage and tried in a court that Canadian diplomats were barred from entering. When Kovrig and Spavor were arrested, what stood out was that they were arrested on highly spurious charges – and that the arrest occurred soon after Huawei's chief financial officer, Meng Wanzhou, had been detained in Canada. The Canadian authorities were acting on an international arrest warrant issued by the United States, which accused Meng of lying to a US bank regarding Huawei's activities in Iran. Her lies led the bank to continue its relationship with Huawei and thus to unwittingly violate US sanctions on Iran. The Chinese authorities responded by arresting Kovrig and Spavor, while denying that the men's detention had anything to do with Meng's arrest. Then, on 24 September, Meng and US authorities reached a deal under which Meng admitted the charges but was allowed to return to Canada. Hours later, Kovrig and Spavor were freed.

This is just one of many episodes in recent years where China has used extraordinarily devious means to try to achieve its goals. When Sweden decided, in late 2020, to exclude Huawei from its 5G network, Chinese officials including China's ambassador to Sweden declared that Ericsson would suffer the consequences. They made their statements despite the fact that Ericsson is fully private while Huawei has close links to the Chinese government – a fact powerfully demonstrated by Beijing in the Meng case. This year it became clear that the Chinese threats regarding Huawei were not idle talk. Ericsson's quarterly results for the second quarter showed that sales had increased around the world – except in China, where they had declined. In addition, in China Mobile's 5G new contract round this July, the carrier awarded only two per cent of the contract to Ericsson, down from eleven per cent in the previous round.

In recent months, China has also imposed punitive tariffs on Australian wine after Australia's government proposed there be an international investigation into the origin of Covid-19. Around the same time, China also suspended imports of other Australian products including beef and barley. A couple of months later, China suspended imports of Taiwanese pineapples, a move likewise interpreted as punishment. In 2010, after the Norwegian Nobel Committee awarded the Nobel Peace Prize to Chinese dissident Liu Xiaobo, China reacted

in a similar manner, suspending imports of Norwegian fish. And for years, the People's Liberation Army and other Chinese government bodies have been conducting cyber aggression against Western and other countries, often with the intent gaining access to intellectual property that Chinese companies can use to build products that compete with Western ones.

Russia has done nothing of this magnitude in recent years. That is not to say that Russia voluntarily abstained from it. The Kremlin may well have wanted to conduct such greyzone aggression against various countries, as aggression in the grey zone between war and peace is a highly effective way of strengthening one's stature at the expense of other countries'. Russia, though, lacks most of the opportunities China has to exercise greyzone aggression against the West. Whereas China has a vast population, a fast-growing economy, and a steadily improving infrastructure that make the country attractive both for manufacturing and as an export market, Russia has a smaller population and stagnant economy. Western companies manufacture little in Russia, rarely use Russian companies in their supply chain, and are not dependent on Russia for their exports. That removes greyzone forms of aggression involving globalisation from Russia's potential arsenal.

To be sure, Russia engages in highly effective cyber aggression, another main area of greyzone aggression. Recent attacks on the Norwegian parliament, the Bundestag, America's Colonial Pipeline, the US government (which was attacked through the company Solarwinds) have all been attributed to the Russian government or criminal gangs seemingly tolerated by the Russian government. Russia also excels at disinformation. But that is it, while China can use the globalisation the West has enthusiastically pursued for at least three decades to strengthen its position and weaken that of the West. Yes, it could try to harm Western companies and individuals, but Russia depends so much on Western business that it would not risk using a couple of random Westerners as bargaining chips. China has no such concerns. ■



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Russian public opinion: The question of support for conflict with the West

Expert article • 3084

Mounting tensions between Russia and the West raise the vital question of whether armed conflict between the two sides may occur. Western observers often assume that Russian public opinion would not act to constrain the Kremlin if it contemplated aggression against its adversaries. The expectation in the West is that Russian society would fully support its government in any protracted confrontation, including inter-state war. However, evidence gathered from public opinion surveys, focus groups, and interviews in Russia over the past five years suggests this perspective is flawed.

It is true that most Russians applaud the official narrative that Russia has re-emerged as a great power under Vladimir Putin, particularly after the annexation of Crimea in 2014. Russians also agree with the claims of the Russian state that America is an unfriendly power. Yet the Russian public increasingly disagrees with the assertions of the Kremlin that the United States is a looming external danger and a subversive force in Russian domestic politics. In line with this stance, many Russians are unwilling to bear the economic burden of an escalating confrontation with the West, demonstrating the initially limited, and now waning, political significance of the "Crimea euphoria" and the "rally 'round the flag" phenomenon produced by ensuing tensions with the West.

Such cautious preferences on the part of the Russian society go to the issue of guns-versus-butter in Russian politics. They also reflect differences over how to define a great power and the future course of Russia's socio-economic and political development. When asked in a March 2017 survey by the respected Levada public opinion firm whether they prefer that Russia strengthen the military power of the state or improve the well-being of its citizens, the overwhelming majority of respondents (74.3%) chose the "well-being of its citizens." This number rose to 80.2% in Moscow. As for Russia's youth, analysts often maintain that a large segment of "Gen Putin" (the 18-24 year old group) has been socialized by the state into anti-American authoritarianism, forming a barrier against the West and its values. While there is some truth in this position, only 22.5% of "Gen Putin" in the 2017 survey favored a build-up of Russia's military strength. In a subsequent Levada survey, two years later (May 2019), 82% of total number of respondents selected "the well-being of its citizens" and only 12.2% favored a build-up of military power.

Surveys reveal that Russian political, economic, and security elites often differ from the general public in their stronger backing for a more assertive foreign posture, including the creation of a sphere of influence in Eurasia which experts in the West often identify as a central goal of the Kremlin's foreign policy. Nevertheless, this preference is not favored to the same extent across all categories of elites. Equally important, the preferences for a forceful foreign policy among elites is often moderated by their preoccupation with socio-economic problems at home and by the apprehension that Russia will neglect domestic modernization indefinitely if its foreign policy is confrontational. As with Russia's mass publics, Russia's elites often view the external environment as dangerous, a perception that is

cultivated by the Kremlin to help produce patriotic "rally" sentiments. Yet this "rally" effect is dulled by the shared belief among a majority of elites and the Russian public that the greatest threats to Russia are rooted in its social and economic underdevelopment. Similarly, analysis of the views of elites and mass publics in Russia also suggests that a majority of Russians define a great power and its priorities more in terms of domestic socio-economic development than in the production and demonstration of hard power.

As the plausibility of the Kremlin's "great power" meta-narrative weakens (and as the "Crimea effect" decays) an important question is whether (or to what extent) the perspective of much of Russian society and its elites will influence the Kremlin's domestic and foreign policy. While several other factors clearly push in the opposite direction and toward an aggressive foreign policy, including the preferences of Russia's military-security elites, it remains true that public opinion matters to the Kremlin and that much of Russian society at the mass and elite level values restraint in foreign policy and greater attention to domestic socio-economic development.

These attitudes are likely to constrain the Kremlin's use of aggression in its foreign policy. Dmitri Trenin, the head of the Carnegie Center in Moscow, observes that Putin and his ruling circle understand that Russia's future, and their own, "depends mostly on how ordinary citizens feel.... Russia is an autocracy, but it is an autocracy with the consent of the governed" (Trenin, 2016). Trenin echoes Hans Morgenthau, who identified "national morale," or the "degree of determination" with which society approves its government's foreign policy, as a core element of state power. For Morgenthau, morale is expressed in the form of public opinion, "without whose support [i.e., consent] no government, democratic or autocratic, is able to pursue its policies with full effectiveness, if it is able to pursue them at all" (Morgenthau, 1967). While most Russians currently back, if often cautiously, the Kremlin's foreign policy, a costly and unpredictable escalation of conflict with the West in the context of Russian socio-economic stagnation or decline could undermine "consent" with uncertain political consequences. The leadership in the Kremlin is almost certainly aware of this potential threat to its power. ■

This article does not represent the views of the United States Government, the Department of the Army, or the United States Military Academy.



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Russian Perspective on War - Implications

Expert article • 3085

The academic and public discussion concerning the changing character of war and non-military threats should be contextualized from the perspective of developments of Russian military thinking and practicalities. The Russian theoretical and political discussion on war has evolved during last decade to include several emerging topics. These topics include an idea that the character of war is changing due to the effectiveness of non-military measures, which are considered comparable with forceful, violent measures. This aforementioned change in the way of political and military thinking is also coded into the Russian national security and military strategy documents in a form of national threat scenarios and the construct of strategic containment (deterrence).

In one of Russian national threat scenarios, a potential regime change causes a need to define the characteristics of war in a way that war could be waged also with other than merely military and violent means. The threat of regime changes by foreign non-military and also military measures can potentially remain topical in the Russian national agenda for a longer period due to the volatility in popularity of the regime. The persistent threat perception legitimizes the requirement for a strong and suppressive internal security regime and for its sufficient resources.

It is worth mentioning some evolving views of the Chief of Russian General Staff concerning future war. His views represent the official, overarching view on the change of the characteristics of war. These views create a picture of an excessive use of various forceful military means in future wars, thus bringing forward a massive employment of precision guided weapons and new type of weaponry. This weaponry includes various robotic systems to be typical for the future wars. The conventional precision weapons are considered to be adapted into the strategic containment (deterrence), which has traditionally been dominated by the nuclear weapons.

Concerning development patterns of Russian characteristics of war, there are clear indicators present for a longer-term stability. The theoretical discussion on war and warfare is holistic and rich in format and it is embedded into societally distinguished cultural military tradition. In coming decades of military-political thinking, military power is considered as one of the key elements of solving global problems. The future is understood as an era of emerging conflicts and a tendency of great powers to prefer the application of the military power over other available options.

The successful Russian military reforms during the last ten years combined with the operations in Ukraine, Syria and in Nagorno-Karabakh have paved the path for the consideration of prospective military problems. Deeply institutionalized armament programs are strongly influenced by the idea of great power conflict and by the ongoing military operations, thus producing an arsenal of heavy equipment for the future battlespaces. Instead of being a short-term reform, the change in the general direction of armament programs

takes more than a decade by standard. Nevertheless, the Russian defense economy incorporates elements of flexibility, thus being able to adapt to volatile economical and to political changes. Contemporary Russian decision-makers seems to have clearly defined aims, well developing theories, credible strategies, and functional programs to be able to pre-empt or manage great power conflicts as well as minor scale military conflicts during the coming decades.

Military has a strong and enduring role in the development of Russian state and its society. Russian defense industry has in-built incentives to produce effective weapon systems regardless of economic, political or geopolitical changes. While developing European policies, an extensive foresight would be desired in the context of Russian military, defense industry and the formation of strategic culture. The many existing heavy armament systems could have over 50 years of life cycle expectations.

A variety of thinkable dramatic changes in the security and political environment of Europe and Russia would in any case leave significant amounts of Russian military know-how, defense industrial capability and effective weaponry on disposal around the global battlespaces. In a variety of scenarios, nuclear weapons could also be included. In the Russian context, the sheer existence of weapon systems and their impact to the persistent characteristics of war are useful to be understood and included into strategic considerations. Russia has a potential to change its military and political character during the next decades, but the resistant culture and institutions have a potential to survive and incorporate themselves into the changing environments.

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Russia's new National security strategy

Expert article • 3086

On 2 July 2021 President Vladimir Putin approved the new National security strategy of Russia, the planning document that defines the national interests and strategic priorities of the Russian Federation, as well as the main threats to national security. The National security strategy is updated every sixth year and the new strategy builds on the previous one from 2015. The previous strategy was prepared in the aftermath of the annexation of Crimea and the outbreak of the war in Donbass. Russia's deteriorated relations with the West were already reflected in the 2015 strategy, according to which the West was trying to contain and pressurise Russia, provoke instability in Russia's neighbourhood and destabilise internal social and political situation in Russia, for instance by encouraging colour revolutions. Still, the overall tone of the previous version of the document seems almost moderate compared to the 2021 strategy. The new strategy paints a picture of the world full of contradictions and instability, characterised by growing geopolitical tensions and weakening international legal norms and institutions. The global confrontation extends to military, political, economic, cultural and ideological spheres alike.

A noteworthy feature of the new strategy is the wide range of both internal and external security threats presented in the document and the securitisation of various aspects of society. Consequently, the 2021 strategy backs up the prevailing view of the Russian leadership, according to which nearly all issues can be viewed through the lens of national security. According to the strategy, foreign countries try to intervene in Russia's internal affairs and stir up discontent. Information campaigns spreading false information about Russian society, domestic and foreign policy and history are threatening Russia's sovereignty. Economic pressure, such as sanctions, is also exerted on Russia.

Regarding the ideological confrontation, the strategy calls for moral leadership amid the crisis of the Western liberal model. It states preserving Russian traditional spiritual, moral, cultural and historical values as one of the main national interests. Emphasising the importance of traditional values in Russia, such as religion, the institution of marriage and family values, as a contrast to 'westernised culture', is part of the conservative turn experienced in Russia during Putin's era. In addition, the Russian leadership has aimed to create a national historical narrative by taking advantage of certain historical events, particularly the Soviet victory over Nazism in the Second World War, to promote patriotism, consolidate national unity and legitimise its power. Interpretations of history that challenge this narrative – for instance studies on Stalin's terror – are not accepted and pressure has been exerted on historians studying these topics.

Consequently, the Kremlin's aim to control the flow and content of information is present in the National security strategy. In fact, one of the main changes in the 2021 strategy compared to the previous one is the emphasised role of information security as one of the strategic national priorities. In general, Russia's concept of information security

is comprehensive. In addition to cyber security – i.e. the security of information and communications technologies and infrastructures – that is the prevailing concept in the West, information security includes the aim to control the information itself, for instance, the content of the Internet. Particularly information originating from outside the Russian borders is often considered information influence and therefore a threat to national security. In the strategy, the Internet is seen as a central tool of information influence. In order to control information, Russian authorities aim to contain online activities considered a security threat. This particularly concerns the activities of civil society and political opposition, for whom the Internet and social media are crucial as the only free arena of civic activity. However, despite several attempts to censor online content and the stated aim to create a Russian sovereign internet, the Russian government's actions to control the Internet have yet proved to be insufficient.

All in all, Russia's new National security strategy reinforces the Kremlin's agenda and is in line with the recent socio-political developments in Russia. Of particular interest are the strategy's emphasis on ideological confrontation and information security, as well as the wide-ranging threat perceptions and securitisation of issues. The latter point is hardly surprising, given the strong role of people with military or security background in the Russian political elite. Moreover, when everything is reduced to threatening national security, it can be used to legitimise the authorities' pressure and forcible measures against anything considered unfavourable for the current leadership. ■

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Describing potential adversaries towards 2045

Expert article • 3087

To ask a question about the title is reasonable: Is it even possible to “describe” the future? My answer is a carefully worded “Yes”. As a starting point, I take a recent report by the Swedish Defence Research Agency (FOI). In the report, I describe a framework for thinking about the future in a 25-year perspective. The aim is to help us think systematically about the great unknown, the future. While using the method does not promise a clear picture of a potential adversary’s military capability towards 2045, it does aim to help us see the forest instead of only the trees. This is where the method’s promise lies, in its ability to help us think in a systematic way. It can be used as a starting point for a discussion about a potential adversary’s future military capabilities.

In a famous remark, John Maynard Keynes aptly describes a key problem in strategic forecasting: We must try to overcome our tendency to prefer the familiar in order to have a chance to imagine what may come. Put differently, when we try to imagine the future, we are often hindered by our own aversion to deviation from our perception of the trajectory we are on. For a long time in post-Cold War Sweden, the perception was that we had entered a never-ending era of peace. This perception hindered some political actors from seeing what was taking place in the world. After the Russo-Georgian war of 2008 and, in particular, after the Russian annexation of the Crimean Peninsula and the war in Eastern Ukraine in 2014, this perception changed. Today, Swedish defence policy assumes that war between states is not, unfortunately, a thing of the past. As a form of preparedness, although a systematic method cannot guarantee that we avoid all the traps of forecasting, it increases the probability that we will.

The simple framework I describe here consists of the following parts:

- Background factor: Societal development
- Background factor: Economic development
- Background factor: Technological development
- Trendbreakers
- Scenario Recapitulation

In order to say something about the future, we should start with the best available evidence of trends in the factors regarding society, economy, and technology. While data always concerns time that has passed, such historical data can help us carefully extrapolate trends into the future; the aim is to create a scenario about the opportunities and obstacles for producing military capability in the future, for instance around 2045. At FOI, we have used this simple framework in our research about the technological factor, in the case of Russia. The results will provide a building block in our ongoing research project about Russian military capability. While the method is not aimed at a specific state actor, it makes sense for Swedish defence analysts to focus on Russia, due to the proximity and activities of the Russian state.

The background factors should be researched using the best available evidence, with the results then used to carefully extrapolate the trends towards 2045. The trends in society, economics, and technology help us create a scenario about the opportunities and obstacles in producing military capability in the future. And the next step is what can be called Scenario Recapitulation, in which one uses the scenario about the production limits in 2045 in order to create scenarios about several possible alternatives in military capability. While this method is not foolproof in any way, one of its main advantages is that it offers a framework for collaborative research.

Last, but not least, is the role of the concept of trendbreakers. A trendbreaker can be defined as a process or event that changes the playing field dramatically. It can be either foreseeable, but with unforeseeable consequences, or entirely unforeseeable. It is epistemologically important to spend time generating trendbreakers that may change, for better or worse, the trends in society, economy, and technology. This is increasingly important the further into the future one tries to see.

In order to test the value of the framework proposed, I applied the method to the case of Russian military capability in 2045. Here, I jump straight to the key scenarios about what Russia’s military trajectory might look like. Since I am focusing on the main scenarios, I of course omit a great deal. The scenarios are (1) “more of the same” and (2) “new military thinking, new equipment”.

The careful trajectory in the first scenario stresses that there will be few dramatically new military-technological inventions towards 2045, and that Russia’s armed forces will continue to rely on the military thinking on tank warfare that emerged during the Second World War. There are signs today, such as extensive up-grading of Soviet-era equipment, which indicate that this might indeed be the case. The trajectory in the second scenario stresses that new military thinking about new technologies, such as autonomous weapons systems, will create a rift with the past, and dramatically increase Russia’s military effectiveness. ■



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EU-Russia in 2030: Alternative scenarios

Expert article • 3088

In November 2020, the EU-Russia Expert Network on Foreign Policy (EUREN), a group of 40 eminent experts from different places in Russia and 14 EU member states, [published](#) four scenarios for the future of EU-Russia relations: A **“Cold Partnership”** in a multipolar world, where Russia and the EU ultimately return to extensive cooperation on issues such as climate change, digitalisation and visa liberalisation, while still facing major disagreements on European security. A **“Descent into Anarchy”** as former allies turn on each other in the wake of the devastating COVID-19 pandemic, backed variously by rivals Russia, the United States and China. Europe **“On the Brink of War”** as a reunited and rejuvenated West approaches military confrontation with a sluggish Russia. A **“Community of Values”** uniting a transformed Russia and a strong EU, in an international environment characterised by progress on conflict resolution in their neighbourhood and resurgent multilateralism.

At the time of publication, most of the 40 members of the network thought the “Cold Partnership” scenario most plausible. Few believed that the EU and Russia were likely to see a “descent into anarchy” or end up “on the brink of war”. In other words, armed conflict was considered unlikely, but not ruled out entirely. Not one EUREN member believed in the possibility of a “community of values”.

However, even for the “Cold Partnership” scenario to become reality in 2030, a lot would need to happen to change the negative dynamic that has been shaping the relationship for more than a decade. This concerns the international context, and in particular the question about whether or not the systemic rivalry between the United States and China will increase tensions on the European continent. According to the EUREN experts, the future trajectory of EU-Russia relations will also, to large degree, depend on internal developments in the EU (will it consolidated or disintegrate?) and in Russia (will the Russian leadership at some point turn to political and economic reforms or not?).

Sadly, little of what happened since November 2020 points in a positive direction. The first visit of EU High Representative for Foreign Affairs and Security Policy, Josep Borrell, to Moscow ended in a diplomatic disaster. This set the tone for the remainder of the year, including for the report on “pushing back, constraining and engaging” Russia, which Borrell presented to the EU heads of states and governments in June. A spat over domestic interference and spying spiraled between the Czech Republic and Bulgaria, on the one hand, and Russia on the other. The Czech Republic, together with the United States, ended up on a list of “unfriendly states” published by Moscow in May 2021. The EU and Russia continued to deeply disagree about the developments in Belarus after the fiercely contested presidential election in August 2020. Frictions kept building up around the Donbas conflict, the Azov Sea and Crimea.

Tensions did not diminish either between Moscow and Washington after the inauguration of US President Joe Biden. The

first meeting between presidents Putin and Biden did not result in tangible steps towards improving relations. The Western withdrawal from Afghanistan was welcomed in Moscow as evidence of the end of US unilateral hegemony. But it also generated serious concerns about security in the Central Asian region and has certainly done nothing to make the situation less complicated. Last but not least, Russia and the EU proved incapable to cooperate on fighting the Corona virus throughout the pandemic. Rather on the contrary, pandemic and vaccination policies added to the long list of issues that are contested between them. On top of everything else, the pandemic has almost completely cut people-to-people contacts between the EU and Russia, which are essential for peace and stability in Europe.

Internal developments do not give much ground for hope, either. Covid-19 and its economic implications will keep both sides busy and inward looking for some time to come. Election results in Russia and Germany indicate continuity in the relationship and are unlikely to have any major impact on the most important points of conflict.

On the more positive side, the EU and Russia have started to talk more seriously about climate change. Political approaches in this field are still far apart. But Russia is facing more and more serious implications not only of the implementation of the European Green Deal, but indeed also of climate change itself. This provides the sides with new starting points for cooperation.

Coming back to the EUREN scenarios, Russia and the EU currently seem to be nowhere near even embarking on a path towards “Cold Partnership”. For the time being the EUREN experts are proven right in their pessimism: At the end of our scenario exercise they were convinced that the EU and Russia will not be able to overcome their fundamental disagreements in the coming decade. Still political leaderships on both sides bear responsibility for the future (not only) of Europe. While values and strategic goals are likely to diverge fundamentally for some time to come, the sides should strive for small steps in specific areas (climate change, mutual recognition of vaccination certificates) to achieve at least some progress. ■

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Russia: The matrix of (un)certainties

Expert article • 3089

In general, we can identify 3 basic scenarios for the future of Russia. The matrix of probable scenarios has many more, but one way or another they can be reduced to three.

Scenario 1: “Long-lasting Putin’s state” (according to V. Surkov’s definition in 2019). Russian Federation is being transformed into a Slavic-Orthodox version of the USSR 2.0. It can be realized under the condition of completion of the creeping Anschluss of Belarus and occupation of Ukraine. This automatically sets a new program of further expansion in the post-Soviet space to eliminate the consequences of “the greatest geopolitical catastrophe of the twentieth century” (according to V. Putin) – the collapse of the USSR. Both the US fiasco in Afghanistan, which demonstrated the weakness of the collective West, and the success in Belarus, are tempting. Moscow has successfully made Minsk its proxy for waging a hybrid war against the EU – so far with migrants and creating a projection of force against the Baltic states and Poland, as well as forming the northern front against Ukraine.

Scenario 2: “Sino-Russian Bicentric”. Russia’s growing dependence on China and the kinship of authoritarian regimes in Moscow and Beijing, plans for geopolitical and geoeconomic expansion lead to synergies between RF and PRC. Both countries use the classic scheme of authoritarian regimes – “uniting the people around the leader in the face of growing imperialist threat and subversive activities of Western agents from within.” Russia’s war against Ukraine and China’s war against Taiwan, if successful, will be an indicator of a new geopolitical reality, where Russia would be a vassal of China and play the role of a global “bad cop”, while Beijing would be a “good cop”. The geopolitical goal of the new Eurasian empire from Hainan to Vyborg is the dispersion of the European Union and NATO, the ultimate separation of Europe from North America through the partnership with Germany and its transformation into a high-tech appendage of Sino-Russian Bicentric.

Scenario 3. “Managed disintegration”. V. Volodin’s famous statement in 2014 “There is Putin - there is Russia, there is no Putin - there is no Russia,” indicates that the authoritarian regime led by Putin is in fact a guarantee of the existence of Russia as a formally federal, but in fact centralized state, where national and regional centrifugal movements intensified. In the event of a critical mass of dissatisfaction with Moscow, it will explode in the most problematic regions. Under such circumstances, the Kremlin can go for a conscious disintegration on the principle of Boris Yeltsin “take as much sovereignty as you can,” separating from Russia its northwestern part. The center of “Russia Light” is transferred to St. Petersburg, Moscow is given the role of the second capital.

“Russia Light” will include energy-rich Arctic regions with pipeline and port infrastructure that brings them to the EU market through the Baltic “window to Europe” cut by Tsar Peter I. Khanty-Mansiysk and Yamal-Nenets regions, Moscow and St. Petersburg - the largest of the 13 contributors to the federal budget, providing more than half of all tax revenues, while 70 other subjects of the federation and the occupied territories of Ukraine (Crimea, Eastern Donbas), of Georgia (Abkhazia, Tskhinvali region) are chronic recipients of subsidies.

This is not just an early Putin’s wish to build two powerful oil pipelines (Baltic Pipeline System-1; 2) with terminals in Primorsk and Ust-Luga near St. Petersburg. It is also about the development of Yamal and Arctic oil fields on the Arctic shelf with the simultaneous construction of gas pipelines Nord Stream 1 and Nord Stream 2 and LNG plants in Yamal. The relocation of Gazprom’s headquarters to St. Petersburg is also not accidental. This is a well-thought-out strategy in case of disintegration, based on the experience of the collapse of the USSR and the internal Russian processes of the 1990s.

Although Scenario 3 seems unlikely today, the oppositional to Moscow national movements of the Ural-Volga region (Idel-Ural), regional centrifugal forces in Eastern Siberia and the Far East, are reviving and gaining strength in Russia. Unlike the Soviet-era Kremlin, Putin’s Kremlin senses threats and tries to calculate a self-preservation algorithm that will provide its ruler with power and money, regardless of the future scenario for the Russian state as such and even in the event of its disintegration.

In mathematics, there is a category of problems that do not have an unambiguous solution. Russia’s future does not seem to have a clear prospect, despite Kremlin propaganda efforts to impose the concept of a “long-lasting state of Putin.” However, the matrix of possible options, as in the case of the USSR, contains scenarios, contrary to the will and intentions of the Kremlin. ■

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The death of “Greater Europe” and the future of EU-Russia relations

Expert article • 3090

EU-Russia relations have not reached a settled state: both actors, as well as the international order that they inhabit, [remain](#) in flux. However, 2021 may be remembered as the year when [hopes](#) for the reversal of the ongoing drift between Brussels and Moscow were finally dashed. The notion that confidence-building measures, effectuated today, could engender the resurrection of the “Greater Europe” vision over the medium-to-long term is dead.

A relationship with Russia on the basis of achieving “sameness” or “like-mindedness” is no longer a realistic goal. This has implications not only for ties between Russia and the EU, but also for EU foreign policy more generally.

High Representative Josep Borrell’s February trip to Moscow, aimed at identifying common ground but resulting in the expulsion of European diplomats and a humiliating press conference, confirmed that the mantra of “more dialogue” is not a panacea for fixing EU-Russia relations. For Brussels, “engagement” with Moscow entails promoting political freedoms and supporting civil society, which Russia now views as infringing on its internal affairs. The simplistic binary of whether the EU should engage or attempt to isolate Russia has been overcome.

Even if more dialogue were a solution, the failed rapprochement effort by Emmanuel Macron and Angela Merkel at the June European Council highlights how more Russia-wary member states remain an obstacle to a collective European approach that transcends the lowest common denominator. Striving to embody a “third way” between Washington and Moscow cannot produce a viable pathway to developing the capabilities and political will necessary for meaningful collective action beyond the continuation of sanctions.

In any event, US President Joe Biden’s efforts to repair transatlantic relations post-Trump has solidified Russia’s view that the EU does not embody an independent power pole. The international order currently appears to be moving away from a “normative” liberal structure toward a more “realist” configuration rooted in great power competition. For all the talk of strategic autonomy in Brussels, the resulting decreasing clout of normative actors could in fact deepen the EU’s dependence on the US.

The EU has therefore become trapped between a superpower guarantor whose primary interests increasingly lie elsewhere and its own inability to pursue a viable rapprochement with Russia. In this context, one might find comfort in the staying power of the European ideal: the Russian political elite may no longer [look](#) to the West as a model to emulate, but Europe nonetheless [remains](#) the primary cultural reference point for much of the Russian population, including as a shorthand for a modern developed society. For its part, “Eurasia” does not [embody](#) a clear and established cultural ideal, suggesting that the regime’s [vision](#) of a “Greater Eurasia” may struggle to maintain traction.

However, the post-Cold War tendency to consider “Europe” as being synonymous with liberal values is misplaced. For centuries, European powers were admired by Russia’s leadership more for their economic development, technological advancement and military prowess than for their ideology. Europe also represents a theatre where Moscow asserts its status concerns, given its centuries as a recognized great power in the continental balance-of-power system. Russians may remain psychologically oriented toward Europe, but this does not guarantee that the Russian leadership – even post-Putin – will be amenable to a relationship with the EU rooted in political and ideological conformity.

The benefits accorded to Russia by the Sino-Russian strategic partnership, when combined with continued [differences](#) between the US and the EU on how to address the China challenge, afford Moscow some degree of strategic maneuverability. Euro-American divergence on “Indo-Pacific” affairs may grow even more pronounced following France’s outrage at the AUKUS deal. As such, Russia will not be inclined to compromise on its core strategic aims for the foreseeable future. The EU therefore finds itself in the tricky position of needing to push back against its “systemic” Chinese rival and [chart](#) a “third way” between Beijing and Washington at the same time, even while it has become unable to forge an intermediate path between the US and Russia.

For the EU, four conclusions must be drawn. First, only a tougher collective posture toward Moscow can enhance European strategic autonomy. This may change with time, but the ongoing Nord Stream 2 saga and the rushed Franco-German rapprochement effort have severely eroded trust among Poland and the Baltics that a more capable Europe represents the best pathway to ensuring their security.

Second, however, efforts to punish or isolate Moscow until its behaviour “improves” have failed to stabilize the relationship between the EU and Russia. Russia has already decided what sort of relationship it wants to have with the EU, the result of structural factors (i.e., Russia’s exclusion from European integration) and the liberal character of EU foreign policy. Doubling down on a sanctions-based approach stands to entrench Russia’s existing posture rather than change it. An [equilibrium](#) must therefore be struck between robustness and restraint.

Third, and relatedly, grandiose frameworks for the EU-Russia relationship should no longer be the aspired end goal. Russia has its own interests, political structures and policy imperatives which, even in the event of regime change, are not going to resemble those of an ordinary European nation-state. This will prove especially challenging for the EU: due to its own internal rules-based structure, it has [historically engaged](#) with third parties through the negotiation of cooperation frameworks. Such a tendency only reinforces Moscow’s view that the EU is not an entity in itself, but rather merely a forum

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through which powerful countries such as France and Germany can multiply their power and exercise hegemony over other European states.

Finally, the [growing interconnectedness](#) of the pan-Eurasian security system, which now boasts a Sino-Russian entente and an EU that wishes to play an outsized role in the “Indo-Pacific”, must become a more prominent [feature](#) of European deliberations concerning Russia. An isolated list of principles to guide Brussels’ ties with Moscow cannot address the multi-dimensional strategic pressures and imperatives that the EU now faces. ■

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KARI LIUHTO

Years of danger in EU-Russia relations

Expert article • 3091

In September 2010, I gave a presentation on the future of Russia. I presented two extreme scenarios: reform and stagnation. The reform scenario had been raised mainly to soften my message. The main message of the presentation was that it seemed possible that Russia was drifting into socio-political stagnation. In the stagnation scenario, I warned about the following dangers: the concentration of power in the hands of the security elite, a return to Soviet-style governance, the repression of free media, the plight of minorities, state capitalism, and the rise of geopolitical goals at the heart of foreign policy.

My presentation received an incredulous reception. I have to admit that 10 years ago, the stagnation scenario did not seem completely certain, which is why I had also included in my presentation the possibility of reform. It must also be remembered that a moment earlier, Russia had enjoyed historically rapid growth, which continued from Yeltsin's last year of presidency until the global financial crisis that hit Russia in the autumn of 2008.

Now, just over a decade later, Russia's future development looks clearer. Socio-political stagnation in Russia is deepening. Examples include the Foreign Agent Law, which restricts civil society, the constitutional reform that allows Putin to rule until 2036, the politically-motivated verdict of Navalny, and the repression of free media on the eve of the September 2021 parliamentary elections.

I predict that the current stagnation will continue and even deepen during Putin's reign. In other words, it is possible that under Putin, Russia will gradually drift in the direction of a hard line. I do not consider it particularly probable that Putin's presidency will be followed by liberal reform. More likely is the continuation of the current line or even the capture of a hard line. I assume that there is a crisis in Russian society ahead, which could lead to a deeper confrontation with the West.

I believe that the five guiding principles of the European Union provide a good basis for the future governance of relations with Russia. These principles are: (1) compliance with the Minsk agreements; (2) closer EU relations with the Eastern Neighbourhood; (3) strengthening resilience (including improving energy security and combating hybrid threats); (4) selective co-operation with Russia for the benefit of the EU (including in the fight against the corona pandemic, terrorism and climate change); and (5) supporting EU-Russia contact between Russian civil society and the people.

Economic interdependence as an instrument of integration is no longer emerging, as it does not seem to work with Russia. Ukraine and Lithuania are illustrative examples of economic relations not guaranteeing effective political relations with Russia. Before the beginning of the war in Ukraine, Ukraine was Russia's fifth most important trading partner, but despite this, Russia seized Crimea from it. Similarly, Lithuania is the most dependent on EU trade with Russia, but despite this, Lithuania's political relations with Russia are freezing. The reason for the ineffectiveness of interdependence is that

Russia is prone to use the dependence of its counterpart to achieve its geopolitical goals.

The EU's overall dependence on trade with Russia is not particularly high. Russia accounts for five percent of the EU's external trade. In comparison, Russia accounts for less than three percent of China's foreign trade and less than one percent of U.S. foreign trade. The difference is highlighted when looking at Russia's role as an energy supplier. For China and the United States, Russia's role as an energy supplier is small, while 50 percent of the EU's imports of natural gas, including liquefied natural gas (LNG), 40 percent of coal, almost 30 percent of crude oil and 20 percent of uranium come from Russia. As a whole, more than a fifth of the EU's primary energy consumption is met by Russian energy. In other words, some 100 million EU citizens are completely dependent on Russian energy supplies. More detailed information in the book [*"The Future of Energy Consumption, Security and Natural Gas: LNG in the Baltic Sea region"*](#).

The EU's dependence on Russia has increased during this millennium. The main reasons for this are the contraction of the EU's domestic energy production and the eastern enlargement of the EU, as the eastern EU is much more dependent on Russian energy than the western EU. Now, through the Green Deal, the European Commission intends to reduce the EU's dependence on external energy supplies. Consequently, the Union's dependence on Russian energy will decrease. The change will be slower than many in the EU hope, but faster than many Russian decision-makers believe.

Finland should follow the EU's general policy on Russia, but it is also wise to send a message to Russian leadership that Finland is a reliable and predictable neighbour. Finland is far-sighted to implement the measures that will keep the bridge open for future co-operation with Russia. But in the event that relations between the West and Russia become even colder, Finland should pay more attention to protecting herself – even militarily, if needed.

A presentation on Russia's economic relations with the world's superpowers and the future of EU-Russia relations can be found via the following [link](#) (open the "More" dropdown menu). ■



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