



Assessing Russia's Power: A Report

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Executive Summary

- In absolute terms, Russian conventional military capabilities in 2016 were considerably better than they were at any point of the post-Soviet period. Relative to the conventional military power of the United States and NATO, Russia's position remains relatively weak. Russian defence spending has seen a steady increase since 2000, but the country's military budget remains but a fraction of that of the US and of the NATO. In terms of the number and quality of high-tech weaponry, Russia continues to lag far behind Western competitors and especially the US.
- Russian military posturing has become more aggressive in recent years. However, preparation for offensive action is not the only plausible explanation for these actions. Another use of conventional military power is 'swaggering' – a conspicuous display of one's military might 'to look and feel more powerful or important'. Russian swaggering has already yielded considerable results. Although Russia's relative conventional military power is nowhere near the strength of NATO, international reactions to the display of its revived armed forces have enhanced its global image to an extent that far exceeds its actual material capabilities.
- Russia sees the possession of a huge arsenal of nuclear weapons, equal to that of the USA, as a central component of its state power that secures it not only invincibility against external threats but also authority in the international arena. Over the last 15 years, Russia has invested a lot of material resources in modernizing its nuclear capabilities. However, in the context of the unfolding economic crisis, Russia is fast sinking into a quagmire of military-economic overstretch.
- Russia pursues a policy of total secrecy regarding non-strategic nuclear weapons. Moscow firmly refuses to enter into any arms control negotiations on these weapons, so the preliminary talks and unilateral initiatives undertaken in the late 1980s have been discontinued.
- After almost two decades of neglect of the military economy Russia once again has a strong defence industry. In terms of employment and the range of weapons systems and other military equipment it produces, the Russian defence industry is one of the largest in the world, second only to the USA and probably still larger than that of China. It is able to develop and manufacture all categories of armament, from nuclear weapons to small arms. As with the USA and China, it also exhibits a marked degree of self-reliance, currently being enhanced further in response to sanctions imposed by NATO and European Union member countries following Russia actions in Ukraine in 2014.
- It has been a central goal of the Putin presidency to restore Russia's military capability to a level considered adequate to ensure the country's security, even though the achievement of the goal has placed a burden on the economy. To a large extent the goal has been fulfilled.
- The recent and ongoing recession in Russia has led many to suggest that Russia is an ailing economic power. But this misses some important developments. Measured at purchasing power parity, Russia's GDP was, despite the recession, \$3.4 trillion in 2015, making Russia the 6th largest economy in the world. Measured at PPP, per capita income is nearly \$25,000, 44% of the US level and 65% of the EU average.
- Russia's proficiency as a producer of technology reveals the uneven nature of Russian economic power. While high-technology exports account for less than 3% of Russia's

total exports, there are several areas in which the country is a world leader. For instance, Russia is one of the leading powers in the sphere of nuclear energy.

- Despite Russia's strengths in the sphere of armaments production, the deficiencies evident across the wider range of civilian technology are likely to serve as a source of economic weakness in the future.
- Natural resources account for the vast majority of Russian exports, as well as making a huge contribution to domestic tax revenues and GDP. In this respect, Russia remains as dependent on natural resources as the Soviet Union once was, with its economic and geopolitical fortunes heavily influenced by movements in global natural resource prices.
- The disparity between Russia's dependence on natural resource exports and its relatively small degree of market power reveals the crucial paradox of Russian economic power: Russia relies to an exceptionally large degree on the extraction and sale of range of goods over which it exerts very little in the way of price-forming influence. In this respect, Russia's real economic sovereignty is severely constrained.
- Moscow has frequently been accused of using its energy resources to gain diplomatic leverage. It has certainly exploited its dominance of natural gas supply to coerce post-Soviet states over the past decade. However, it is very difficult to wield the energy weapon to good effect. Russia's reputation both as a supplier of energy and as an international partner has been tarnished as a result of its apparent willingness to use its energy resources and control over export infrastructure as an instrument of political influence.
- Despite concern about Russia's apparent willingness to use its energy resources as a political weapon, it should not be forgotten that it needs European markets as much as Europe needs Russian oil and gas. Whilst Asia represents a large potential market in the long-term, the pipeline infrastructure is not yet in place. Capturing this market ultimately depends upon maintaining steady supplies of oil and gas to European markets. Wielding energy as a weapon against European states will ultimately be self-defeating for Moscow.
- Over the past decade, Russia has invested heavily in sectors of public policy relevant to soft power. Senior establishment figures start from the assumption that Russia operates under conditions increasingly characterised as 'information warfare' or 'hybrid warfare'.
- Russian soft power seeks to re-shape international norms and values in ways that are conducive to the pursuit of Russian interests. As well as casting Russia as a valuable international player, this should foster an aura of legitimacy and credibility around Russian modes of socio-economic development, particularly by questioning the motivation and consistency of Western policy.
- Russia views the post-Soviet space as an area of great strategic significance and has been frustrated and humiliated by Western integration projects which are seen to have progressed without due consultation with Russia. In the countries of the former Soviet Union Russia projects forward-focused narratives on culture, values and inter-state cooperation due to similarity in political context and lingering economic integration.
- However, Moscow's approach to soft power implementation has tended to be rather declarative, stating broad aims without concrete steps and timelines for their

realisation, or involving activities conducted without evaluating their effectiveness in achieving stated goals. In some cases, soft power initiatives have resembled the living out of imperial nostalgia with the domestic constituency in mind, and have served rather to alienate the wider public abroad.

- It is likely that Russia will become more culturally competitive in the post-Soviet space in the coming years.
- Russia's soft power beyond the post-Soviet space can be understood as its ability to project strategic narratives that resonate with specific audiences, and that amplify or shape their understandings of the world and their political preferences in line with Russia's foreign policy objectives.
- Russia's strategic narratives, disseminated through its propaganda instruments and other overt and covert methods of engaging with civil society actors in targeted countries, are carefully tailored to specific concerns of 'communities of grievances'. These include various anti-establishment sentiments both on the right and on the left ends of the political spectrum, Eurosceptic, anti-American, anti-immigration and anti-globalisation sentiments, grievances related to austerity policies, etc.
- The key advantage of Russia's propaganda outlets is that they can easily penetrate the echo chambers of 'communities of grievances'. Their ability to amplify anti-establishment grievances poses a serious challenge both to the domestic stability of Russia's opponents and to the unity of their responses to Russia.
- Russian discourse on international law has become particularly important in the last decade. For Russia, normative power consists of resistance to US hegemony, at both regional and global levels, and of resistance to what Russia sees as Washington's attempts to overturn existing international norms in the sphere of international law.
- Russia does not necessarily wish to be either 'norm-maker' or 'norm-taker' but rather a co-creator with the West of a normative order. However, this rests also on the assumption of a kind of Monroe Doctrine and acceptance of ideas of spheres of influence in the former Soviet space, which may not correspond to EU or US policies.
- Paradoxically there are few specialists on international law either in Russia's Ministry of Foreign Affairs or in the State Duma. Russia's lack of a 'knowledge bank' of expertise in the area of international law not only puts it at a disadvantage, but leads further to a distancing from the realm of so-called cosmopolitan law.
- Although recent events in Ukraine and Syria have contributed to the perception of Russia as a powerful player in the international arena, most notably in Europe, the domestic challenges that Russia is facing present a different picture. The Russian state suffers from clear structural weaknesses - weak institutions, corruption, huge regional differences and a diverse population in terms of religion and ethnicity.
- Two trends are particularly prominent in Russian domestic politics –building an image of Russia as a Great Power with official patriotism and civilizational arguments; and the securitization of society, especially through the domestic legal framework. However, both trends are slowly distancing society from the political elite, constantly undermining the efficiency of the state, and putting brakes on any fundamental structural changes.

Introduction: Dimensions of Russia's Power

Natasha Kuhrt (King's College London) and Valentina Feklyunina (Newcastle University)

This report seeks to 'measure' or 'assess' Russia's power in multiple dimensions. The impetus came from the sense that we have reached a point in the 'West' where it is difficult to obtain reliable and balanced analyses of Russian power, whether that be economic, military, or 'soft' power. Over the past few years, expert discussions of Russia's capabilities, intentions and ambitions have often produced radically different accounts of Russia's trajectory – from inflated portrayals of an all-powerful rising Russia to pessimistic predictions of Russia's dramatic decline.

Any assessment of Russia's power inevitably suffers from several major problems. First, our attempts to 'measure' Russia's power are often complicated by a lack of reliable data. This is particularly evident in any analysis of Russia's defence industry or of Russia's military power, with crucial data remaining classified.

Second, several key dimensions of Russia's power are difficult to 'measure' in general. For example, while Russia is often assumed to have developed significant advantages over its opponents in the realm of propaganda, evaluating the impact of Russian propaganda remains a methodological challenge. Russia's alleged intervention in the US Presidential election is a case in point.

Third, almost every dimension of Russia's power displays a striking paradox whereby serious weaknesses and significant strengths are observable simultaneously. For instance, Russia's reliance on the export of natural resources provides it with enormous advantages in terms of its international position and its short-term economic wellbeing, while, at the same time, exposing it to external shocks and severely limiting its ability to undertake much-needed structural reforms.

Finally, discussions of Russia's power and intentions have once again become dangerously politicised, which makes any attempt at a balanced analysis ever more difficult.

Written by leading experts in the fields of Russian politics, security and economy, all sections of this report bear in mind the above limitations. At the same time, they, to a large extent, echo a popular saying that 'Russia is never as strong as she looks, nor as weak' (as astutely emphasised by one of the contributors in relation to Russia's economic power).

While this report does not pretend to be providing an indisputable measure of Russian power, it does give a snapshot of the key issues, including Russian capabilities/infrastructure and intentions, in nine dimensions of Russia's power. Although the list of these dimensions is not exhaustive (for example, it does not include the increasingly important dimension of Russia's cyber power), it nevertheless allows us to consider Russia's major weaknesses and strengths, and to provide recommendations for policymakers in dealing with Russia in these multiple areas.

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Russia's Conventional Military Power¹

Bettina Renz (Nottingham University, UK)

A strong military is central to a state's ability to project power on an international level. As Hans Morgenthau noted, as long as anarchy obtains in the international system, 'armed strength as a threat or a potentiality is the most important material factor making for the political power of nations'.² Russia's quest for great power status dates back centuries and did not cease with the end of the Cold War in 1991.³ Military power was central to the making of the tsarist empire and it was also a strong military, above all other tools of influence, which elevated the Soviet Union to the status of a superpower during the Cold-war years. From this point of view, it is not surprising that, after years of allowing the Russian military to fall into disrepair, the country's leadership set out on an extensive programme of military modernisation in 2008.

Relinquishing armed strength and accepting the resulting loss of great power status was never an option for post-Soviet Russia. Although the Russian Federation's first military doctrine issued in 1993 declared that the country no longer regarded any particular state as an enemy, this did not mean that the projection of military power was no longer seen as important. The doctrine envisaged a decrease in force levels and prioritised the development of a military able to deal with regional conflicts.⁴ At the same time, the doctrine indicated serious ambitions in the realm of conventional military power. It envisaged investments in R&D towards the creation of high-tech equipment, including electronic warfare capabilities, stealth technology and advanced naval weaponry – a direct response to the accomplishments of the 'revolution in military affairs' demonstrated by the US coalition in the 1991 Gulf War.⁵

During the Yeltsin years, Russia's *ambitions* for its conventional military forces did not match *reality*. Although central components of the 2008 modernisation programme, such as the need to professionalise, create rapid reaction forces and procure advanced technology, were considered from the early 1990s, no programme for reorganisation up until 2008 led to fundamental transformation. Yeltsin-era plans for reforms faltered not least owing to the country's dire economic situation.⁶ At the same time, the Russian leadership became ever more acutely aware of the fact that a strong nuclear arsenal was not enough to uphold the country's great power status. The belief that the centrality of military power in international relations would diminish after the Cold War had ended was short-lived. Other countries, and the US and China in particular, continued to modernise their armed forces at a rapid pace while Russia fell further and further behind. The poor state of its conventional forces also restricted Russia's options at a time when the West started to show an ever more overt readiness to use war as an instrument of policy.⁷

¹ An expanded version of this paper is available at:

http://strategicstudiesinstitute.army.mil/pubs/parameters/issues/Summer_2016/6_Renz.pdf

² H. Morgenthau, *Politics among Nations*, 5th ed., New York: Alfred A. Knopf, 1973, p. 29.

³ I.B. Neumann, 'Russia as a Great Power, 1815-2007', *Journal of International Relations and Development*, 11 (2008): 128-151.

⁴ W.D. Jackson, 'Encircled Again: Russia's Military Assesses Threats in a Post-Soviet World', *Political Science Quarterly*, 117(3) (2002): 373-400, p. 378.

⁵ R. Pipes, 'Is Russia Still an Enemy?' *Foreign Affairs*, 76(5) (1997): 65-78, pp. 75-6.

⁶ B. Renz, 'Russian Military Reform: Prospects and Problems', *RUSI Journal*, (2010): 58-62.

⁷ H. Strachan, *The Direction of War: Contemporary Strategy in Comparative Perspective*, Cambridge: Cambridge University Press, 2013, p. 22.

Measuring Russia's conventional military power

In absolute terms, there is no doubt that Russian conventional military capabilities in 2016 are considerably better than they were at any point of the post-Soviet period. After almost two decades of neglect when 'reform' equated to little more than to the downsizing of the legacy Soviet mass conscription army and barely any new equipment was procured, the 2008 modernisation programme emphasised the efficiency of command structures, the move from mobilisation to rapid reaction and the modernisation of weapons and technology. The achievements of this programme have been well documented and were also demonstrated, on a limited scale, in the interventions in Ukraine and Syria. Crimea showed an unexpected speed of decision-making and efficiency in command and control, which was replicated in the large-scale exercises conducted along the Ukrainian border as a show of force. These exercises were also evidence that improvements in strategic mobility had been made, and that the Russian armed forces were now able to deploy and sustain a large force over several months.⁸ In Syria, Russia demonstrated that it now had the capability to carry out limited out-of-area operations. This came as a surprise to many observers, who did not believe that Russia had the necessary sea and airlift capabilities. Syria provided further proof that the Russian air force had recovered from years of neglect. Precision-guided munitions were used in combat for the first time, as were unmanned aerial vehicles for the acquisition of target information and battle damage assessment. The launching of cruise missiles against ground targets in Syria from the Caspian and Mediterranean Sea revealed the extent of Russian advances in naval strike capabilities.⁹

Estimating Russian conventional *military capabilities* in absolute terms tells us little about the country's conventional *military power*. This is because a state's military power, like its power as an actor in the international system as a whole, is always relative to the power of other states.¹⁰ Relative to the militaries of the other former Soviet states (except from the Baltic states as part of the NATO alliance), the recent modernisation programme has not substantially altered the power balance. Russian conventional military power in this region was unrivalled even before the latest reforms. Relative to the conventional military power of other great powers, and the United States and NATO as a military alliance in particular, Russia's position remains relatively weak. Although defence spending alone is insufficient as a measure of relative military power, the sheer discrepancy in this respect is significant. Russian defence spending has seen a steady increase since Vladimir Putin's election as president in 2000, but the country's military budget remains but a fraction of that of the US and of the NATO. In terms of the number and quality of high-tech weaponry, Russia continues to lag far behind Western competitors and especially the US. Strides have been made in reforming the Russian defence industry, but serious organisational and structural problems need to be resolved before Russia can start rivalling the West with advanced military technology.

Regarding troop numbers it is generally assumed that Russian military strength in 2016 comprises up to 800,000 personnel. This is sizeable even compared to the US' 1,400,000 active soldiers, but more than half of the Russian armed forces continues to be made up of poorly trained conscripts.¹¹ When it comes to the combat readiness and operational

⁸ K. Giles, *Russia's New 'Tools' for Confronting the West: Continuity and Innovation in Moscow's Exercise of Power*, Chatham House Research Paper (2016). Available at: <https://www.chathamhouse.org/publication/russias-new-tools-confronting-west>, accessed 30.01.2017.

⁹ D. Gorenburg, *What Russia's Military Operation in Syria Can Tell us about Advances in its Capabilities*, PONARS Policy Memo. 424 (2016). Available at: <http://www.ponarseurasia.org/node/8320>, accessed 30.01.2017.

¹⁰ J.J. Mearsheimer, 'The False Promise of International Institutions', *International Security*, 19(3) (1994/5): 5-49, pp. 10-11.

¹¹ Military Balance 2015.

capabilities of Russian conventional forces relative to those of the US, there is little reason to assume that Russia is 'catching up'. Russian troops have trained the fighting of large-scale joint inter-service operations in numerous military exercises in the past few years. However, Russia's reformed ground forces have never been tested in an actual conflict situation, because both Crimea and Syria were so limited in scope and size.¹²

Implications of Russia's conventional military power for NATO and the West

What matters most to Russia's neighbours and the West is not so much whether Russia has the *capabilities* to defeat a variety of potential opponents, but whether it has the *intention* of doing so. Better military capabilities are certainly offering Russia more opportunity for the use of force. Russia's air campaign in Syria was enabled by improvements in conventional capabilities that the country simply did not have ten years ago. At the same time, better capabilities do not necessarily mean that Russia will now use military force indiscriminately, either in pursuit of expansionist policies or in direct confrontation with NATO.

It is beyond doubt that Russian military posturing, especially vis-à-vis neighbouring NATO states, has become more aggressive in recent years. However, preparation for offensive action is not the only plausible explanation for these actions. Conventional military power is routinely wielded for purposes other than the fighting of actual wars, such as deterrence or reassurance. Another use of conventional military power is 'swaggering'. This has been defined by Robert Art as the conspicuous display by a state or statesman of one's military might 'to look and feel more powerful or important, to be taken seriously by others in the councils of international decision-making, to enhance the nation's image in the eyes of others'.¹³ After years of decay during which the West had written off Russia as a global military actor, such swaggering, coupled with the interventions in Ukraine and Syria, has been an effective way of enhancing the international image of Russia's shiny and new military. Given the importance for Russia of being viewed as a great power this makes a great deal of sense. Swaggering can 'bring prestige "on the cheap"', especially in a situation when the country is not in a position to project the image of being a great power by other means.

The revival of Russian conventional military power presents NATO and the West with an uncomfortable reality. Forcing Russia into reversing, or putting a stop, to this process is not an option. Moreover, as long as the right of states to use force persists in international politics, there is no easy way of stopping Russia from resorting to military force in certain situations. However, there are choices to be made in deciding how to respond to these developments, especially when it comes to Russian military posturing vis-à-vis NATO. Potential consequences of any responses need to be weighed up carefully.

Russian military swaggering, used to re-establish itself as a serious actor in global politics, has already yielded considerable results. Although Russia's relative conventional military power is nowhere near the strength of NATO, international reactions to the display of its revived armed forces have arguably enhanced its global image to an extent that far exceeds its actual material capabilities. This should be kept in mind when decisions on NATO force deployments on Russia's western borders are made. Reassurance measures, if not clearly communicated, could potentially lead to more, rather than less aggressive Russian posturing by indirectly inflating the image of its military internationally and amongst the Russian population. Moreover, it is already obvious that Russia is not interpreting NATO's actions in the spirit intended, that is, as defensive measures aimed at reassuring member states in the east. Continuing to interpret NATO's actions as a threat to its national interests and security,

¹² J. Norberg, *Training to Fight: Russia's Major Military Exercises, 2011-2014*, Swedish Defence Research Agency (FOI), FOI Report, FOI-R-4128-SE (2015). Available at: <https://www.foi.se/reports/summary?reportNo=FOI-R--4128--SE>, accessed 30.01.2017.

¹³ R. J. Art, 'To What Ends Military Power?', *International Security*, 4(4) (1980): 3-35, p. 10.

Russia has reacted by stepping up its own military posture. The experience of the Cold War has taught us what an ever-more intense security dilemma can lead to. If current trends of uncompromising rhetoric and posturing on both sides continue, a new arms race will be the likely outcome. Although the West is better placed economically and militarily to win such a race, it would be costly for all states involved. The danger of unintended or intended escalation is also worth bearing in mind. Doing nothing is clearly not an alternative to NATO's current policies towards Russia. The question is whether a middle ground between a policy leading to another arms race, and a weak response that could be interpreted as appeasement can be found.

The Nuclear Dimension of Russian Military Power

Pavel Baev (Peace Research Institute Oslo)

Russia tends to see the possession of a huge arsenal of nuclear weapons, equal to that of the USA, as a central component of its state power that secures it not only invincibility against external threats but also authority in the international arena. It is, in fact, not that easy to define the exact scope of this nuclear component, because, besides the strategic forces (on which we have much reliable data), it includes also the non-strategic munitions (about which we know alarmingly little) as well as the various components of strategic defence, from satellites to anti-missiles, and the research units and enterprises of the nuclear industry. Even if we bracket the latter part out of this analysis (i.e. assuming that the *Rosatom* corporation constitutes an element of the energy complex), we still have to deal with a hugely complex system, which is not organized by a coherent command structure.

Over the last 15 years, which is approximately the timeframe of Vladimir Putin's "reign", Russia has invested a lot of material resources in modernizing its nuclear capabilities. Remarkably, what was in the last decade a key confirmation of Russia's "revival", has become in the last few years a major compensation for its decline. The Russian leadership assumes that sustained investments in nuclear projects help in checking the erosion of its international prestige; yet paradoxically, this commitment has become a significant driver of the decline. This proposition might appear dubious, but in the context of unfolding economic crisis, it is clear that the heavy priority set on nuclear weapon systems in the 2020 Armament program (adopted in 2011), has exacerbated problems with its implementation, and creates major issues with setting the guidelines in the still not approved 2025 Armament program. The nuclear lobby demands prioritization for its half-implemented projects, and this effective pressure prevents the allocation of necessary resources not only toward conventional forces, but also to badly underfunded social programs. While asserting its nuclear might, Russia is fast sinking into a quagmire of military-economic overstretch.

Fine-tuning strategic parity

Maintaining parity with the USA in strategic delivery systems and warheads, as stipulated by the New START treaty (2011), is seen by the Russian leadership as crucially important for upholding strategic stability and own international prestige. Yet, there is a striking difference in the development of relevant programs: while Russia has been undertaking massive efforts in deploying new ICBMs and submarines, the US leadership doesn't plan to modernize its strategic triad until the next decade. It is only China that is presently implementing programmes to upgrade its strategic capabilities, comparable with the Russian effort.

Traditionally, land-based intercontinental missiles constitute the strongest part of Russian strategic forces, and upgrades of this component are generally on track. The delays with the introduction of new "heavy" ICBM *Sarmat* (RS-28 or SS-X-30) are compensated by the prolongation of service life of *Voevoda* (R-36M2 or SS-18) and *Stiletto* (UR-100NUTTH or SS-19) respectively to 2022 and 2019. The retirement of *Topol* (SS-25) goes hand in hand with the deployment of *Topol-M* (SS-27) and its MIRVed version *Yars* (RS-24) in silo-based and road-mobile variants (and possibly even as rail-mobile *Barguzin*). The main advantages of the Rocket Forces are the integrity of command, relatively low cost (despite the wide variety of models), high reliability and low risk of technical failure.

The picture is very different with the naval "leg", where the number of submarines has decreased nearly tenfold since the Soviet era, and the deployment of the new *Borey*-class generation of platforms encounters costly complications. Three submarines of this class are

performing missions despite the fact that the failure-prone *Bulava* missile has not completed the full complement of tests and the one test in 2015 was only partially successful. The huge costs of these projects (four more submarines are under construction) come on top of heavy maintenance, since the Navy command insists on having strategic naval bases on both the Kola Peninsula and the Kamchatka, with submarines of various types in the Northern and Pacific fleets. The high frequency of minor accidents indicates a significant risk of a technical catastrophe similar to the *Kursk* disaster, which marked the beginning of Putin's "era" in 2000.

The airforce "leg" of the strategic triad has traditionally been the weakest and the most underfunded but, rather paradoxically, it has been exploited most extensively in the newly-launched confrontation for various demonstrations of power. Russian strategic bombers approached the airspace of Norway, the UK, Canada and USA during regular patrols and performed a number of combat missions in Syria. This increased intensity of work took its toll on the ageing fleet, and two Tu-95MS (*Bear-H*) bombers crashed in summer 2015, the worst losses on the record. The development of a new PAK-DA strategic platform is encountering delays, so Moscow seeks to resume production of the Tu-160 bombers, which nevertheless cannot be achieved before 2023.

Condemning and upgrading strategic defence

The implementation of US and NATO programs for defence against ballistic missiles is furiously criticised by Russian propaganda and is defined as one of the main external threats in both the Military Doctrine (2014) and the National Security Strategy (2015). Moscow is clearly trying to incite opposition against the European missile defence system and to join forces with China in opposing the deployment of US Terminal High Altitude Area Defense (THAAD) system in South Korea. It is characteristic of this political stance, nevertheless, that while Putin promised an effective response to the opening of the US missile-interceptor base in Deveselu, Romania in May 2016, no practical counter-measures have in fact been taken.

The fact of the matter is that political condemnation of US and NATO plans goes hand in hand with the development of Russia's own strategic defence forces. Historically, the main element of this force has been the multi-layered A-135 anti-ballistic missile defence system around Moscow, which features both short-range and long-range interceptor-missiles with nuclear warheads. The short-range interceptors 53T6 (*Gazelle*) are regularly tested, while the development of a mobile S-500 surface-to-air missile system is encountering delays related to technological problems with the 77N6 missile, which is supposed to have capabilities for long-range interception. At the same time, the S-400 (*Triumph*) surface-to-air missile system is actively deployed, including to create the anti-access/area denial (A2/AD) bubble around the Latakia airbase in Syria. The 40N6 missile for the S-400 system was tested for the altitude range up to 56 km, which gives it limited anti-ballistic missile capability.

Russia is also investing heavily in the upgrades of its extensive early warning system, with new Voronezh-DM/VP radars switched on in Kaliningrad and Irkutsk and under construction in Vorkuta and Olenegorsk. At the same time, there are persistent setbacks with launching and maintaining orbit military satellites, so the space component of the early warning system has effectively ceased to exist. Western sanctions have denied Russia access to crucial technological components for the new *Tundra* generation of satellites, so the program is in disarray. Nevertheless, Russian Space command is moving quickly ahead with testing the *Nudol* anti-satellite system.

Preserving ambiguity about non-strategic weapons

In contrast with the apparent transparency around its strategic arsenal, Russia pursues a policy of total secrecy regarding non-strategic nuclear weapons. Their very existence is ignored in the Military Doctrine (2014) and other official military documents and field manuals;

there is hardly any training for operations on nuclear battlefields. Moscow firmly refuses to enter into any arms control negotiations on these weapons, so the preliminary talks and unilateral initiatives undertaken in the late 1980s have been discontinued. Russia persists with demanding the withdrawal of US non-strategic nuclear weapons from Europe (about 200 B-61 gravity bombs in Belgium, Germany, Italy, Netherlands, and Turkey), and denies the risks associated with the fact that the number of nuclear warheads for various land, air and sea non-strategic weapons systems is greater than the well-documented and verifiable stockpile of strategic warheads.

The main concerns in “frontline” NATO member-states are focused on nuclear warheads for the *Iskander* (SS-26 Stone) short-range ballistic or cruise missile system, which could be deployed in the Kaliningrad region and in Crimea. The range of this system is supposed to be 500 km, which leaves it out of the INF Treaty (1988), but the range with a nuclear warhead is uncertain. In 2011, Russia conducted a test of a long-range cruise missile (possibly identical to sea-launched *Kalibr-NK*) from a mobile launcher, which constituted a violation of the INF Treaty, but no further tests of this sort were conducted. It is unclear whether Moscow still executes the so-called Presidential Nuclear Initiatives (PNIs) from the early 1990s, particularly regarding the removal of nuclear weapons from surface ships and submarines, and destruction of all artillery nuclear munitions. Ambiguity in this part of nuclear deterrence may be politically convenient, but it prevents Russia from exploiting a potential position of strength.

Conclusion: Making nuclear instruments useful

The main problem with nuclear military might, as far as Russia is concerned, is that it generates too little tangible political benefits. Having invested so heavily in the modernization of its nuclear arsenal, Moscow simply cannot afford to continue these investments without any political returns in a situation where its economic power is diminishing, and its conventional military capabilities are overstretched.

There are scant opportunities to use Russia’s nuclear status in order to gain influence in the area of global non-proliferation. Russian diplomacy played a useful, if only generally supportive role in managing the protracted crisis around the Iranian nuclear programme, but the resolution of the problem, however tentative, has left it with no further functions to perform. Regarding the North Korean nuclear and missile tests, Moscow generally follows the lead from Beijing. Fundamentally, Russia’s stance against further cuts of strategic forces is poorly compatible with its obligations in the non-proliferation regime, as is its position on the pivotal importance of nuclear deterrence for national security.

Perhaps the strongest available option for Russia is a resumption of nuclear testing, which would be certain to produce colossal international resonance, and would not amount to a violation of legally binding treaty obligations. Besides propelling nuclear problems to the top of global agenda, such a move would also serve a technical need, since the Soviet-era warheads have remained untested for a long time. Infrastructure at the Novaya Zemlya test site is undergoing repairs. Another option could be a high-altitude nuclear test, perhaps of a small yield, which would not constitute a formal breach of the Outer Space Treaty (1967) but would add a new capability to the Russian anti-satellite programme.

Formal withdrawal from nuclear arms control agreements, such as the INF or the New Start treaties, would hardly answer Russia’s security interests, because it is crucially important to preserve limitations on the US forces in the run-up to their extensive modernization in the next decade. What could be seen in Moscow as a useful option is disclosure of some information on non-strategic nuclear weapons, for instance warheads for short-range missiles, and a propaganda spin on the training of troops for handling of such weapon systems as well as for operations on a nuclear battlefield. Such partial removal of a new category of nuclear weapons

from the “black box” of secrecy and idleness where they have remained for decades, would be certain to make a strong impression on their European neighbours.

In the most general terms, the deeper Russia sinks into the mire of economic stagnation, which erodes the foundation of its state power, the greater becomes the need to rely on nuclear weapons, which constitute a major unused reserve for power politics. Russia’s decline will not be a smooth process, but is certain to involve spasms of political instability, and the ruling regime seeks to pre-empt and manage such challenges by the means of “patriotic” mobilization. The present leadership has little fear of the risks associated with the manipulation of nuclear instruments, but instead has an inflated impression of the political impact to be produced by such manipulations.

Russian Military Economy

Julian Cooper (University of Birmingham and SIPRI)

Assessment of the economic dimension of Russia's military power is concerned above all with the country's defence industry and its ability to develop and manufactures armaments for the domestic armed forces and for export; the institutions and procedures for the acquisition of new weapon systems by the military; and the scale and structure of the state's military expenditure. Appropriate measures include the scale of the defence industry in terms of its facilities, employment, R&D potential, the volume of its output, the scale of military expenditure in terms of its total volume, share of gross domestic product, and structure. Where relevant, comparison with other countries can provide an indicator of relative power.

When considering the power of Russia's military economy, account has to be taken of the fact that many of its features, activities and metrics are covered by the country's comprehensive law on the state secret, placing limits on the availability and reliability of relevant data. The principal sources used here are the author's numerous publications on Russia's military economy and data of SIPRI and other defence-related centres of analysis.

The defence industry

In terms of employment and the range of weapons systems and other military equipment it produces, the Russian defence industry is one of the largest in the world, second only to the USA and probably still larger than that of China. It is able to develop and manufacture all categories of armament, from nuclear weapons to small arms. As with the USA and China, it also exhibits a marked degree of self-reliance, currently being enhanced further in response to sanctions imposed by NATO and European Union member countries following Russia actions in Ukraine in 2014.

Approximately two-thirds of the vast Soviet defence industry in terms of output and facilities were located on Russian territory and the present day industry, much reduced in scale, is based on that inheritance. Whereas in late Soviet times Russia's defence industry employed approximately six million people and accounted for some 12 per cent of total industrial output, today it has a workforce of about two million and is responsible for 5-6 per cent of the output of industry.

The nuclear weapons industry

The core of the defence industry is overseen by the Ministry of Trade and Industry, though managed by separate state controlled entities. One exception is the self-contained nuclear weapons industry, overseen by the state corporation 'Rosatom'. Nuclear devices are developed and produced by 18 enterprises of its directorate for the nuclear weapons complex, seven located in closed cities, a long-standing feature of the nuclear industry, with very high security and strict controls over access. There are three more such cities with facilities producing nuclear materials. The ten closed cities of 'Rosatom' have a total population of 734,000.

Facilities and employment

The official register of defence industrial-complex organisations as of June 2014 listed 1,341 industrial enterprises, R&D establishments and other organisations, of which almost 970 were in sectors generally considered to represent the defence industry as such in definitional terms, excluding the nuclear industry. These core facilities employ 1.3 million at industrial enterprises

and approximately 700,000 at research institutes, design bureaux and other organisation involved in R&D.

The largest single sector, and one of the most capable, is the aviation industry, with almost a fifth of the total number of organisations, followed by the radio industry, the products of which include air-space defence systems, another Russian strength. The smaller missile-space industry also has considerable capability in the building of strategic nuclear missiles.

Large corporations predominate

The Russian defence industry is now to a large extent dominated by a set of very large state-owned holding companies, plus two state corporations, the diversified 'Rostekh' and the newly formed 'Roskosmos', responsible for strategic missiles and space technology. In this respect it is not unlike the Chinese defence industry. Much of the shipbuilding industry, including almost all its naval work, is under the 'United shipbuilding corporation', employing more than 80,000. The building of fixed-wing aircraft is carried out under the aegis of the 'United aviation corporation' (98,800), helicopters 'Vertolety Rossii' (42,000) and aero-engines 'United aero-engine building corporation' (80,000), both by 'Rostekh', and aviation missiles are produced by 'Takticheskoe raketnoe vooruzhenie' (44,000). Most air-defence systems are developed and built by the 'Almaz'- 'Antei' corporation (98,000). The manufacture of equipment for the ground forces is less concentrated, but a significant role is played by the 'Uralvagonzavod' corporation (31,000), Russia's sole builder of tanks, plus much other armoured equipment and the country's largest producer of rail wagons. The 'Rostekh' state corporation dates from 2008, has a total employment of over 440,000, and includes leading companies in electronics, radio and communications, and optical equipment.

The production base and labour

In Soviet times the industrial base of the defence sector was relatively advanced, equipped with modern machine tools, often imported notwithstanding the strict regime (COCOM) limiting access to Western military-related technologies. During the 1990s and most of the 2000s the defence industry was starved of investment and its production equipment became increasingly aged and worn. Since 2010 the rate of investment has increased sharply and many enterprises have been undergoing modernisation, especially those playing a significant role in the implementation, since the beginning of 2011, of Russia's ambitions state armament programme to 2020. Similar processes have been at work with respect to the labour force. During the first fifteen years or more after the collapse of the USSR it contracted rapidly and very few new workers were hired. Rates of pay were unusually high in Soviet times. The average age of personnel grew steadily. During the last ten years these trends have been reversed. The labour force has stabilised in scale, rates of pay have risen appreciably, new shop floor, engineering and managerial personnel have been taken on and once again the defence industry is regarded as a relatively attractive sphere of employment. With new equipment and skills the industry is undoubtedly much more capable than it was only a decade ago.

Low labour productivity

However, there is still a long way to go. A striking feature of the Russian defence industry when compared with its equivalents in the USA and Western Europe is the very low level of labour productivity. Firms tend to be labour-intensive with a relatively low degree of specialisation, to a large extent because sub-contracting is still under-developed, a legacy of Soviet times. So in 2014, sales per worker in the aeroplane building company 'OAK' (\$77,550) were less than 15 per cent of the level of 'Boeing' (\$548,400), and 21 per cent the level of BAE Systems. Taking 'Rostekh' as a whole, its sales per worker in 2014 were \$56,520 which is only 15 per cent of the level of the Italian company 'Finmeccanica' (now known as 'Leonardo'),

a diversified group which to some extent resembles it. One of the best Russian companies by this indicator is 'Vertolety Rossii', a successful producer and exporter of helicopters, with a figure of \$102,225, but this was still one-fifth the production level of 'Boeing'. Notwithstanding considerable progress in recent years, the Russian defence industry has still a long way to go before it becomes truly competitive.

R&D and Civilian Activity

Just as in Soviet times, the Russian defence industry today undertakes a very substantial share of industrial R&D, and employs over half of all the country's scientists. It also plays a significant role in the development and manufacture of civilian high-technology goods, again, as earlier. The share of civilian production in the total output of the defence industry has fallen in recent years as enterprises have focused on work for the domestic armed forces and exports; in 2014 it was 21 per cent compared with almost 34 per cent three years earlier. After 2016 the civilian share is likely to increase.

Arms Exports

Russia is the second largest arms exporter in the world. However, it is not always understood that Russia's own data on 'military-technical cooperation' tends to lead to an overstatement of volume, as does SIPRI's methodology. As acknowledged by the Federal Service for Military-Technical Cooperation (FS VTS), its annual total volume of sales includes not only end-product military hardware, but also systems, components, repairs, military services, including training, and space launches undertaken for some foreign customers. So, according to FS VTS data, in 2014 Russian arms exports were \$15.5 billion and in 2015 \$14.5 bn. The Centre of Analysis of the World Arms Trade in Moscow attempts to present a figure for arms exports not only for Russia, but all other countries, in current US dollar terms. In the author's view its data are dependable. In 2015 Russia exported arms to a value of \$13.9 billion, compared with the USA \$41.5 bn., France \$7.9 bn., Germany, \$5.4bn., the UK,\$2.8 bn. and China \$2.5bn.

Russia arms exports are focused on combat aircraft, helicopters, air defence systems, some naval equipment, tanks and armoured vehicles. Russia does not sell many arms to industrially developed countries or ones with close relations to the USA or other NATO member countries. There is a marked orientation to Asian customers, in particular India and China. The pattern of exports reflects the fact that Russia exports proven weapon systems, not of the very latest technology, and priced competitively, compared with US or major European equivalents. Arms imports are modest, although they have increased to some extent in recent years, totalling \$100 million in 2010 rising to \$328 million in 2014, underlining the commitment to self-reliance in arms supply.

Military expenditure

In absolute terms, Russia ranks in the group of top five countries of the world by volume of military spending, and in the top ten by share of that expenditure in gross domestic product (GDP). In terms of current US dollars (an indicator subject to exchange rate fluctuations), in 2015 according to SIPRI data Russia spent a total of \$66.4 billion (but \$84.7 bn. in 2014 when the rouble was stronger) compared with the USA \$596.0 bn., China \$214.8 bn., Saudi Arabia \$87.2 bn., UK \$55.5 bn., and France \$50.9 bn.. Most major countries of the world had a lower GDP share of military expenditure in 2015 compared with 2005, but Russia was an exception, the share rising from 3.6 to 5.4 per cent, a change driven almost entirely by a large volume of spending under the state armament programme to 2020. Compare this to USA, 3.8 and 3.3 per cent, China an estimated 2.0 and 1.9 per cent, France constant at 2.4 per cent, and the UK 2.3 and 2.0 per cent.

By GDP share, Russia's large 5.4 per cent in 2015 (the same as Israel) was exceeded by five countries. Note that Rosstat is in the process of changing its GDP data, giving a 2015 share of 5.0 per cent and a 2016 budget share of 4.7 per cent. However, Russia's share in 2015 was almost certainly a peak and the signs are that it will fall back to nearer 4 per cent over the next two to three years. This will of course be a much more modest share than the USSR's, estimated at 13 to 14 per cent in the mid-1980s. In spending on the MOD's forces, procurement accounted for 44 per cent of the total in 2015 and R&D 10 per cent. The very high procurement share is likely to moderate soon, as Russia's drive to modernise the stock of equipment of the forces to remedy a famine of almost twenty years, reaches the point that a normal annual rate of renewal again becomes possible.

Some conclusions

After almost two decades of neglect of the military economy, Russia once again has a strong defence industry, is a major arms exporter and is back as one of the world's leading countries in annual spending on defence. It has been a central goal of the Putin presidency to restore Russia's military capability to a level considered adequate to ensure the country's security, even though the achievement of the goal has placed a burden on the economy. To a large extent the goal has been fulfilled. In itself this does not present any threat to the EU or NATO: indeed, a Russia more confident in her ability to defend herself in time may become more accommodating.

Russian Economic Power

Richard Connolly (University of Birmingham and Chatham House)

Any analysis of Russian economic power reveals a series of paradoxes that are evident across other dimensions of Russian power. During this short section, several of these paradoxes - although by no means all - are highlighted to illustrate how Russia possesses a number of sources of considerable economic strength, while at the same time displays a range of weaknesses that threaten Russia's long term social, economic and political vitality.

Size of economy

The recent and ongoing recession in Russia has led many to suggest that Russia is an ailing economic power. The average rate of annual GDP growth over the last five years (i.e. 2011-2015) is just 1.2%. Moreover, the depreciation of the rouble has caused the dollar value of Russia's GDP to shrink by over 40% between 2013 and 2015. At \$1.3 trillion, the Russian economy is the 13th largest in the world in dollar terms (roughly level with Australia and just ahead of Spain), accounting for just 1.8% of world GDP. And in dollar terms, Russia's per capita income is \$9,000, just 16% of US per capita income, and 28% of the EU average, placing Russia behind Mauritius and just ahead of Mexico.

But this misses some important developments. Measured at purchasing power parity, Russia's GDP was, despite the recession, \$3.4 trillion in 2015, making Russia the 6th largest economy in the world. Measured at PPP, per capita income is nearly \$25,000, 44% of the US level and 65% of the EU average.

Natural resources

Natural resources account for the vast majority of Russian exports, as well as making a huge contribution to domestic tax revenues and GDP. In this respect, Russia remains as dependent on natural resources as the Soviet Union once was, with its economic and geopolitical fortunes heavily influenced by movements in global natural resource prices (Bradshaw and Connolly, 2016). Oil and oil products account for the largest share of export revenues, while natural gas is the second most important source of export revenue, although revenues have plateaued since the global recession of 2009, which was caused by slowing demand from Russia's principal gas customers in the European Union (EU). Coal is also an important component of Russian natural resource exports, accounting 2.7% of total exports.

Taken together, hydrocarbons dominate Russia's export profile, accounting for anywhere between 55-75% of total Russian exports in any one year. However, other natural resources have proven to be an important source of export revenues. Non-hydrocarbon natural resources, such as metals, minerals and forestry products, account for around 8-9% of total Russian exports.

Despite the important role that natural resources play in Russia's economy, Russia is a price taker, not a price maker, on global natural resource markets. As illustrated in Table 1, Russia's share of global export markets for most natural resources, while significant, is not so high as to confer exceptional market power to Russian companies. This disparity between Russia's dependence on natural resource exports and its relatively small degree of market power reveals the crucial paradox of Russian economic power: Russia relies to an exceptionally large degree on the extraction and sale of range of goods over which it exerts very little in the way of price-forming influence. In this respect, Russia's real economic sovereignty is severely constrained.

Table 1. Russian share of selected global natural resource exports, 2014 (% of recorded global export sales)

	2014
Gas	14.6
Nickel	12.7
Oil products	11.8
Coal	11.7
Crude oil	10.9
Wood and wood products	5.5
Inorganic chemicals	4.2
Diamonds	3.5
Copper	3.1
Wood pulp	2.6
Platinum	2.4
Ores, slag and ash	1.5
Organic chemicals	1.0
Gold	1.0

Source: UN Comtrade, 2016

It is difficult to overstate the importance of natural resource exports to the functioning of the Russian economy. Those estimates that seek to estimate the importance of resource revenues to GDP growth tend to focus on oil and gas alone, and measure the direct value-added share of the oil and gas sectors in aggregate GDP. These estimates suggest that the oil and gas sectors alone account for anywhere between 10-25% of GDP. If we assume that other natural resources would add an additional 10% of this figure, then total resource revenues might account for somewhere between 12.5-27.5% of Russian GDP.

This, however, does not tell the whole story. As well as the direct contribution of the natural resource sectors to Russian GDP, it is also necessary to take their indirect contribution into account. This includes incorporating the way in which resource rents are shared throughout the Russian economy via an informal rent sharing mechanism, which includes price subsidies, informal taxes, and excess costs.

As a result, the unhealthy dependence of Russia on natural resource export revenues leaves Russia vulnerable to actions beyond its immediate control. The fact that the last three periods of economic distress have been preceded by downturns in natural resource prices offers a stark illustration of this vulnerability.

Technology

Russia's proficiency as a producer of technology also reveals the uneven nature of Russian economic power. While high-technology exports account for less than 3% of Russia's total exports, there are several areas in which the country is a world leader. For instance, Russia is one of the leading powers in the sphere of nuclear energy. Elsewhere, the software industry has grown rapidly in recent years, with exports from the sector growing faster than in all the

other high-tech sectors, at an average annual rate of around 28 percent between 2003 and 2014. By 2015, software was Russia's second largest source of knowledge-intensive exports.

The fact that Russia is not a leading power across most other technology-intensive areas of economic activity has led to the view that Russia is an economy in which only natural resources are important. This, however, ignores the fact that Russia continues to be an important manufacturer by global standards. In 2013, Russia was the 8th largest manufacturer in the world. Russia remains one of the world's largest manufacturers with a broad array of manufactured goods produced in the country. However, this is in some respects a weakness for Russia: a large proportion of Russian manufacturing is not competitive on global markets, is consumed only within Russia's borders, with production highly correlated with performance in the natural resources sector. This is because natural resource export revenues are transferred across the economy to maintain output and employment in manufacturing (and other) sectors.

One area where Russia is a leading global economic power is in the production and exports of armaments. After over five years of a concerted effort to modernize Russia's armed forces, the volume and sophistication of the new equipment delivered to the Russian armed forces since 2011 is impressive. Apart from the United States, no other country is able to produce such a wide array of weapon systems— ranging from ICBMs and nuclear-powered attack submarines to corvettes and APCs — using largely indigenous and therefore sovereign capabilities. Russia is also the world's second largest exporter of armaments, recording well over \$15 billion worth of arms exports in 2015. This position as a leading armaments exporter gives Russia considerable political influence in those countries where it is an important source of weapons deliveries.

Despite Russia's strengths in the sphere of armaments production, the deficiencies evident across the wider range of civilian technology are likely to serve as a source of economic weakness in the future. Economic development – often labelled as modernization and diversification - at home will be shaped much more by rising levels of technology of investment and production across the civilian economy, than by any niche areas of comparative advantage in the military sphere, contrary to hopes expressed by Vladimir Putin that the Russian defence industry might serve as a 'locomotive of technological development'.

People

Russia's population has always been viewed as both a source of, and constraint on, its economic power. In the early twentieth century, a large, rapidly growing but poor population was seen as both a threat to smaller European countries, and also as a weakness. After all, a large and poor population, mainly located in the countryside, was viewed as the principal barrier to socio-economic modernization. Today, Russia faces different problems. The population has shrunk by over 5 million since the disintegration of the Soviet Union, falling from 150 million to little over 144 million in 2016. This population is also ageing rapidly, with the dependency ratio – i.e. the proportion of the population supported by the working age population – forecast to rise to among the highest levels in the world. Indeed, the Russian labour force has been shrinking since 2010. This is likely to weigh heavily on public finances in the years to come.

Nevertheless, Russia retains formidable strengths in the human sphere, despite the negative demographic trajectories described above. First, while the population is likely to shrink over the next decade, it remains the 9th most populous country in the world. Second, of those countries in the ten most populous countries in the world, Russia has the second highest level of per capita income (only the USA has a higher income level), and the second highest score on the UN's Human Development Index. In this respect, Russia is one of a few populous yet developed economies. Third, while Russia is often cited as a source of out-migration (the so-

called 'brain drain'), it is often overlooked that Russia has for the past fifteen years been a net recipient of migration, i.e. more migrants have moved to Russia than have left the country. Millions of migrants have moved from former Soviet states, such as Armenia, Moldova, Tajikistan, Ukraine and Uzbekistan, to Russia. Many of these migrants remit a large share of their incomes back to their home countries, increasing Russia's economic influence over the Eurasian sphere.

Summary

This short section has highlighted the continued pertinence of Chancellor Bismarck's famous observation that "Russia is never as strong as she looks, nor as weak". What held true in the late 19th century is as true today, especially when looking at the economic dimension of power. If the concerned observer focuses on certain aspects of Russia's technological deficiencies, demographic profile and relative low income levels, they will be convinced of Russia's weakness and inevitable decline. If, however, the observer shifts attention to Russia's huge natural resource endowment, its full-spectrum range of military production capabilities, and its ability to engage in cyber warfare, that observer may be persuaded that Russia will remain an important and formidable actor on the global stage. The truth, of course, lies somewhere between these binary views of Russian economic capabilities. Instead of seeing Russia as strong or weak, or destined for decline, or re-emergence on the global stage, we should instead recognize that Russia possesses strengths and weaknesses in equal measure. Dealing successfully with Russia will require an approach that takes both aspects of Russian economic power into consideration.

Russia's Energy Power

Tracey German (King's College London)

A popular image of Russia, prevalent across Europe, is of an energy superpower, a resurgent bear that wields energy as a weapon to coerce its neighbours and restore Russian influence across the globe. Most recently, energy has been categorised as one of the tools of Russia's so-called 'hybrid warfare'.¹⁴ However, like all typecasts, the reality is far more nuanced. There is little doubt that energy is both a vital constituent and instrument of Russian national power, and that hydrocarbon exports have become a major tool of Russia's foreign policy. The 2003 Energy Strategy formally stated that Russia's natural resources should be a fundamental element of Moscow's diplomacy, noting that 'Russia has considerable energy resources and a powerful fuel and energy complex, which is the basis of economic development, an instrument of domestic and foreign policy. The role of the country in world energy markets determines its geopolitical influence in many ways.'¹⁵ This was reinforced in the 2009 National Security Strategy (NSS) which stated that changes in the international system 'together with Russia's resource potential and pragmatic policy for its use, have broadened the possibilities for the Russian Federation to reinforce its influence on the world stage'.¹⁶

This paper explores the role of energy in Russia's national power, both in terms of its key contribution to Russian capabilities and as a lever that can be used to exert influence. It concentrates on Russia's hydrocarbon reserves, as well as its energy transit infrastructure, and how these resources contribute to different elements of the country's national power. The term 'energy' is very broad and frequently misused, particularly as a synonym for oil and gas. It is important to note that it does not just refer to fossil fuels (oil, natural gas and coal); it also covers electricity generation (including nuclear and renewables), transmission and distribution, as well as transnational power grids. As countries have become increasingly reliant upon imports rather than indigenous resources, energy security, particularly the challenge of transporting resources to global markets, has emerged as an issue of great importance.¹⁷ Security of supply impacts on the wider concept of state security and supply disruption can seriously undermine a country's economy, as there is a fundamental need for energy to fuel economic growth. Thus, energy security is no longer exclusively an issue of economic concern; it has become a question of national security and strategy, increasing the power and influence of countries like Russia which have vast reserves and expertise.

Russia's natural resources, particularly its hydrocarbon reserves, constitute a key pillar of the country's economy and are a material resource that contributes to state power. According to one definition, national power can be understood at three levels: (1) resources or capabilities, or power in-being; (2) how that power is converted through national processes; (3) and power in outcomes.¹⁸ This understanding of power views states as 'capability containers', which need to convert material resources into instruments of power, such as combat proficiency, and hence into successful outcomes. Thus power is not just about capabilities (for example, military strength, resources or economic production), but the ability to convert those capabilities into successful outcomes. Natural resources in themselves do not contribute to

¹⁴ For example, see Oscar Jonsson and Robert Seely, 'Russian Full-Spectrum Conflict: an Appraisal after Ukraine', *Journal of Slavic Military Studies*, 28(1) (March 2015): 1-22.

¹⁵ *Energeticheskaya strategiya Rossii na period do 2020 goda*. Uтверждена распоряжением Правительста Rossiiskoi Federatsii No 1234-p ot 28 avgusta 2003, p. 1.

¹⁶ Paragraph 9, Russian National Security Strategy.

¹⁷ For further analysis of the issue of energy security see Daniel Yergin, 'Ensuring Energy Security', *Foreign Affairs*, 85(2) (March/April 2006): 69-82.

¹⁸ Gregory F. Treverton and Seth G. Jones, *Measuring National Power*, Santa Monica, CA: Rand, 2005, p. 1.

national power: a country needs to be able to convert its material resources into capabilities and outcomes. Accepting this view that power is not just capabilities, both tangible and intangible, but also the ability to convert those capabilities into successful outcomes, it could be argued that Russia has become far more powerful under Putin's leadership: the Kremlin has a range of capabilities at its disposal, including its natural resources, and has been able to convert these capabilities into successful outcomes in a range of situations. One of the key drivers behind this is Russia's energy sector, notably oil and natural gas.

The world's largest producer of natural gas and second only to Saudi Arabia in terms of oil production, Russia has an abundance of hydrocarbon resources on its territory: its proven reserves of oil at the end of 2015 stood at 102.4 billion barrels of oil, constituting 6 per cent of the global total, while its output of oil reached record post-Soviet levels, hitting an average of 10.98m barrels per day, over 12 per cent of total global output.¹⁹ However, it is natural gas rather than oil which is much more significant for Russia, both in terms of economy and influence. The country has the world's second largest proven reserves of natural gas (having ceded top spot to Iran in 2015), with 32.3 trillion cubic metres, over 17 per cent of the global total, and production in 2015 totalled 573.3 billion cubic metres.²⁰ Furthermore, Russia supplies 25 per cent of the gas used by the European Union (EU) and accounts for 40 per cent of the gas that the EU imports, a figure that is only going to increase as indigenous reserves decline. However, as mentioned above, resources do not necessarily translate automatically into national power; Russia needs to convert its abundance of oil and natural gas into a source of national power.

Gas and oil have constituted the principal foundation of the Russian (and formerly Soviet) economy for decades. Whilst the proportion of the country's GDP derived from hydrocarbon production is less than 27 per cent (14.5 per cent from the export of hydrocarbons), the economy is much more dependent upon oil and gas than these figures suggest. Energy accounts for about half of Russian export earnings and has played a central role in the revival of Russia's economic fortunes after the 1990s.²¹ Vladimir Putin's arrival in the Kremlin was accompanied by a sustained rise in the price of oil, which has bolstered the Russian economy and also its ability to spend on a range of areas, notably defence. Revenues from the export of oil and gas jumped from US\$53bn in 2000 to US\$330bn in 2014 (although this has dropped with the subsequent fall in oil prices). The increase in energy revenues has been crucial for securing notable growth in the Russian economy, which has supported high levels of defence expenditure. As the country's capabilities caught up with its ambitions, Russia increasingly sought to exert its growing power outside of its borders. Oil and gas have played a central role as enablers and instruments of Russian national power during Putin's time in office, reflecting his long-running interest in Russia's natural resources.²² It is little coincidence that with oil (and gas) prices remaining relatively high during his years in the Kremlin, Putin has also presided over Russia's return to the international stage as a strong state capable of exerting global influence.

However, Russia's rich base of natural resources is a mixed blessing. Whilst economic growth is driven largely by inflows from resource exports and the oil industry, in particular, has been

¹⁹ *BP Statistical Review of World Energy*, June 2013. Available at:

<https://www.imf.org/external/np/res/commod/pdf/ppt/BP0613.pdf>, accessed 30.01.2017. The rise in output levels was partly because the devaluation of the rouble made production more affordable, but was also a deliberate defiance of OPEC's demand for all producers to cut supply.

²⁰ *BP Statistical Review of World Energy*, pp. 20-22.

²¹ For further details see Andrey Movchan, 'Just an Oil Company? The True Extent of Russia's Dependency on Oil and Gas', *Carnegie.ru Commentary*, 14 September 2015. Available at: <http://carnegieendowment.org/2015/09/14/just-oil-company-true-extent-of-russia-s-dependency-on-oil-and-gas/ihq>, accessed 3.08.2016.

²² Towards the end of the 1990s, he reportedly wrote his PhD thesis on the role of strategic mineral resources in the development of Russia's economy at the St Petersburg Mining Institute.

a crucial factor in the country's recovery from the August 1998 financial crisis, the economy is heavily reliant on export earnings from its vast hydrocarbon reserves, making it vulnerable to commodity price shocks. Any significant fall in oil prices has a negative impact on economic growth: it is estimated that Russia loses around US\$2 billion in revenue for every dollar drop in the oil price.

There are some significant differences in terms of how each commodity contributes to national power. Oil is much more significant in terms of raising revenue for the national budget: in 2014, it generated approximately 88 per cent of the federal budget's hydrocarbon revenues and accounted for 82 per cent of hydrocarbon export revenues.²³ Natural gas is more important as an instrument of influence. Ghaleb argues that 'Russia's status as a world power cannot be achieved without the use of oil to increase Russia's national wealth, and without the use of natural gas to promote Russia's national interests in a well-defined sphere of influence'.²⁴ Gas is more potent than oil because of the nature of the market and differences in the flexibility of transporting the two to international markets: oil is much more transportable, and the global oil market is complex and fragmented, inhibiting any manipulation attempts by individual suppliers. By contrast natural gas requires a fixed supply infrastructure, either static pipelines or liquefied natural gas (LNG) terminals, both of which require extensive capital outlays prior to the exploitation of any reserves, as well as long-term contracts. This makes it very difficult for consumers (principally states) to switch suppliers and endows producers with considerable influence, as feasible alternatives are lacking.

Pipeline networks also provide Moscow with a source of influence over other oil- and gas-producing states across the post-Soviet space. During the Soviet era, the routing of pipeline infrastructure was not a prominent issue: pipelines were constructed to serve the needs of the Union, and thus, republics such as Azerbaijan and Kazakhstan were part of the national network, which generally flowed towards western Russia and Moscow. Until a decade ago, countries in the region were entirely reliant upon the Russian network of pipelines to reach European consumers, undermining their political and economic autonomy and giving Moscow substantial leverage. Consequently there has been considerable investment in new international export pipelines that bypass Russian territory (such as the Baku-Tbilisi-Ceyhan oil link), leading to the development of a southern oil and gas corridor between the Caspian and Mediterranean Seas.

Western assessments of Russia's 'energy' power tend to be bleak and Moscow has frequently been accused of using its resources to gain diplomatic leverage. It has certainly exploited its dominance of natural gas supply to coerce post-Soviet states over the past decade: Georgia, Ukraine and Belarus have all felt the impact of a reliance on Russian gas imports, through shut-offs and increased prices. Natural gas is a much more effective instrument of coercion than oil, largely because of the fixed nature of the transit infrastructure discussed above. While gas is often used as a stick, gas imports are also sometimes used as a carrot, with lower prices being offered in return for compliance with other Russian demands. However, it is very difficult to wield the energy weapon to good effect. Russia's reputation both as a supplier of energy and as an international partner has been tarnished as a result of its apparent willingness to use its energy resources and control over export infrastructure as an instrument of political influence. Concern over Russian motives and its already considerable influence over European energy supplies prompted renewed interest in the development of new pipeline infrastructure (and LNG terminals), enabling countries in Europe to diversify their suppliers. Lithuania's offshore LNG terminal at Klaipeda means that the country is no longer reliant on

²³ See US Energy Information Administration, www.eia.gov.

²⁴ Alexander Ghaleb, 'Natural Gas an Instrument of State Power', *The Letort Papers*, Strategic Studies Institute (October 2011), p. 44.

Russian gas imports and has been described as an 'energy-security guarantor' for the entire Baltic region.²⁵

As mentioned above, resources in themselves do not contribute to national power: a country needs to be able to convert its material resources into capabilities and outcomes. Thus there is a mutual dependence between Russia and Europe in terms of energy. Despite concern about Russia's apparent willingness to use its energy resources as a political weapon, it should not be forgotten that it needs European markets as much as Europe needs Russian oil and gas. Within this symbiotic relationship, Europe has an increasing need for Russia's oil and gas, as its indigenous supplies continue to decline, whilst Russia needs markets for its hydrocarbons and the revenues these exports generate in order to be able to fund future field development and transport infrastructure such as pipelines and LNG terminals: in 2014, more than 70 per cent of Russia's exports of crude oil and almost 90 per cent of its natural gas exports went to European countries. Whilst Asia represents a large potential market in the long-term, the pipeline infrastructure is not yet in place. Capturing this market ultimately depends upon maintaining steady supplies of oil and gas to European markets. Wielding energy as a weapon against European states will ultimately be self-defeating for Moscow.

Whilst Russia's hydrocarbon reserves and export infrastructure constitute a long-established lever of national influence, an emerging and overlooked element of Russian 'energy power' is its nuclear power diplomacy. Over the past five years, state nuclear energy company Rosatom²⁶ has signed agreements with approximately 30 countries, increasing its presence across the globe, including South and North America, Europe, the Middle East and Asia. It already operates in 40 countries and has an order book for the next decade worth over US\$101bn, including a number of 'build-own-operate' contracts, which necessitate a long-term Russian presence. There is growing concern that Moscow is using its dominance in the nuclear energy industry for geopolitical reasons to expand its sphere of influence.

Russia's abundance of oil and natural gas is a mixed blessing, as is its position as one of the world's largest exporters of both. Whilst its hydrocarbon reserves constitute a key pillar of the country's economy and are a material resource that contributes to state power, the economy's over-reliance on oil and gas receipts represents a critical vulnerability. The halving of the oil price between July and December 2014 undermined the assumptions of the federal budget and represents a significant threat to growth and stability in Russia in the medium- to long-term. Russia's control of natural gas reserves and export infrastructure to Europe gives it enormous leverage, but its customers are increasingly wary of its ambitions and have been seeking to diversify their supplies.

A key challenge for Western policy-makers is to maintain unity of purpose: it has been clear to Moscow for some time that there was a lack of unity within European organisations and that member-states give priority to the development of bilateral relations over a coherent European foreign policy position. This was demonstrated at the end of 2015 when five European companies (BASF, E.ON, ENGIE, OMV and Shell) signed a deal with Gazprom to add two additional lines to the Nord Stream gas pipeline, which links Russia to Germany under the Baltic Sea. The deal prompted a storm of protest from governments across Central and Eastern Europe who argued that Germany will benefit from the deal at the expense of other member-states and the EU as a whole, undermining European consensus on Russia and ultimately increasing Moscow's influence.

²⁵ Milda Seputyte, 'Lithuania Grabs LNG in Effort to Curb Russian Dominance', *Bloomberg*, 27 October 2014. Available at: <http://www.bloomberg.com/news/articles/2014-10-27/lithuania-grabs-lng-in-effort-to-curb-russian-dominance>, accessed 18.07.2016.

²⁶ Rosatom is a 'full-cycle' company, covering the spectrum of nuclear energy from uranium mining to enrichment, NPP construction, power generation, waste management and plant decommissioning. For more details see <http://www.rosatom.ru/en/>.

Russia's Soft Power in the Post-Soviet Space

Victoria Hudson (King's College London)

Soft power is the ability of a polity to exercise cultural leadership, advancing its own norms, values and worldview so that they become attractive, legitimate and credible in the eyes of the target audience. The resulting shared outlook aids the achievement of foreign policy goals by facilitating cooperation and co-option that may help foster consent and limit resistance in relation to particularly controversial policy directions. Thus, as soft power acts on hearts and minds, strategically significant shifts in power potential occur on a latent level before they are manifested in action, both among elites and the general public.

Russian soft power strategising

Over the past decade, Russia has invested heavily in sectors of public policy relevant to soft power. Senior establishment figures start from the assumption that Russia operates under conditions increasingly characterised as 'information warfare' (Western attempts to incite colour revolutions by undermining Russian public morale, image and self-confidence), or 'hybrid warfare' (where the psychological challenge undergirds the military component).

Russia views the post-Soviet space as an area of great strategic significance and has been frustrated and humiliated by Western integration projects, particularly those involving the Baltic and GUAM regions, which are seen to have progressed without due consultation with Russia. Moscow is determined to ensure its *droit de regard*, even at a heavy cost to its economic and diplomatic standing, as the ongoing Ukraine crisis has shown. The Eastern Slavic areas - particularly Ukraine and Belarus - are of particular import as the perceived cradle of Great Russian statehood, without which Moscow's claims to represent a distinct civilisational centre of global standing would rest on shaky ground. In Central Asia China is making significant economic inroads, though currently with far less cultural ambition.

In the global arena Russian soft power efforts focus predominantly on undermining the pre-eminence of Western interpretations by using media platforms such as RT and Sputnik (see the following section of this report). However, in the countries of the former Soviet Union (FSU) there remains greater scope for the projection of forward-focused Russian narratives on culture, values and inter-state cooperation – this is due to similarity in political context and lingering economic integration. In both contexts one should note the significance of Russia's soft power standing for the domestic audience: perceived success casts a warm affirmative glow over Russian self-identity as leading power in the region, thereby bolstering the regime, while a perception of failure raises doubts about this pre-eminence, which could provoke political challenges to the Kremlin within Russia.

Russian soft power strategy is embodied in official documentation across the foreign, cultural, information, defence and educational policy domains, and must be seen as an integral component of the Kremlin's broader intention to reposition post-Soviet Russia as a regional hegemon and recognised global great power. Such a dignified role demands that Russia shake off the image of a mere supplier of hydrocarbons and raw materials, and re-emerge as a competitive agent on the international marketplace of ideas.

Russian soft power seeks to re-shape international norms and values in ways that are conducive to the pursuit of Russian interests (e.g. re-interpretation of human rights and issues of state sovereignty). As well as casting Russia as a valuable international player, this should foster an aura of legitimacy and credibility around Russian modes of socio-economic development (e.g. so-called sovereign democracy and the upholding of cultural identities,

spirituality and traditional social mores), particularly by questioning the motivation and consistency of Western policy.

Russia's intentions

Cultural attraction confers a wide range of legitimately desirable socio-economic advantages on the state in question. Yet Russia's strategising exceeds the norm in the extent of its ambition.

- Russian and Russian-speaking communities in the FSU are seen to offer grounds for Russian intervention, ranging from diplomatic statements aiming to embarrass the EU with regard to minority rights in its member states, to, as President Putin has publicly declared, potentially providing 'politically plausible' grounds for material intervention in defence of those rights at strategically opportune moments. Such 'compatriots' are thus a primary target of government policy, with an estimated 17 million across the region, with particular concentrations in Kazakhstan, Ukraine, and the Baltic States.
- Soft power overtures aim to counter geopolitical shifts in favour of the West by socialising elites and populations in ways that render them more open to Russia's political projects, (e.g. Eurasian Economic Union), or garner support for Kremlin positions in international organisations.
- The cultivation of pro-Russia sentiment (understood as 'loyalty') should encourage lobbying for Russian political and economic interests within the host country by well-placed compatriots.
- Among the post-Soviet generation the Russian language has, to varying degrees, been deprioritised in favour of the national language or English. Russian policy seeks to restore the language as *lingua franca* in the region, seeing it as a significant factor of cultural and political influence, not to mention an indicator of prestige.

Capabilities and infrastructure

Cultural centres and foundations

Since 'grey cardinal' Vladislav Surkov declared the need to 'recover the conquering charm of Russian culture' in 2006, numerous channels of public diplomacy have emerged. Among the better funded and most relevant for the post-Soviet region are *Rossotrudnichestvo* (the 'Federal Agency for the Commonwealth of Independent States, Compatriots Living Abroad, and International Humanitarian Cooperation'; \$95.5m of funding), the *Russkiy Mir* Foundation (Russian World; \$15m), and the Gorcharkov Foundation for Public Diplomacy (\$2m). Although their emphases differ somewhat, all three essentially aim to promote Russia's culture, language, image and worldview abroad, whilst cultivating relationships that may result in some useful 'service' to Russia, whether that be lobbying, business investment or reproducing the Russian worldview in politically useful settings. Data suggests there is relatively greater potential in the Baltic States, Ukraine, Kazakhstan and Moldova in this regard. However, while these may constitute useful fora aiding interaction between those already sympathetic to the concept of the Russian World, the capacity of these outlets to effectively reach out to, and communicate with, the wider population, is limited by perceptions of neo-imperialism and, moreover, by the fact that participants are self-selecting and may have other calls on their attention.

Grant provision for multiplier effects

Russia seeks to augment the effect of its soft power effort by providing funds for third-party organisations to conduct activities in support of Russian culture, language and spirituality

abroad. Grant providers include the Russkiy Mir Foundation, which received over 400 applications for the 2015-2016 cycle, and the 'Orthodox Initiative' of the Russian Orthodox Church, which has disbursed 567.5m roubles, mostly since 2010. Likewise the Gorchakov Foundation for Public Diplomacy has funded 58 international educational gatherings since 2012. While meeting a real need for funding among interested parties, such initiatives also have potential to strengthen networks among Russians and Russian speakers abroad, and in providing a platform for civil society actors, may increase the effectiveness and credibility of Russia's soft power work.

Russian higher education

International mobility in the higher education sector is a potent source of soft power, with 3.5 million people globally crossing international borders for tertiary study in 2013. Russia claimed almost 4% (up from c.2% in 2000) of that market, with 138,496 students, of whom 87% were from the former Soviet Union. Additionally, there are approaching 60 branches of Russian universities elsewhere in the region. As Russia remains the primary destination for students from many of the former union republics (with the exception of the Baltic states and Georgia), Russian higher education constitutes an important vehicle of socialisation among the new generation of leaders in the region. There are ambitions to significantly increase the Russian share of this market in the coming years, since it is reasoned that educational services not only provide a diversified source of revenue, but also that the experience will motivate highly-qualified graduates to work in Russia, thereby reversing 'brain drain', and will cultivate 'pro-Russian' sentiment among participants. To increase the appeal of Russian universities, the government set the target of having at least five Russian HEIs in the globally ranked top 100 by 2020 (<http://5top100.com/>) and, as of 2015, supported 15,000 full scholarships for international students.

Media

Russia media outlets are potentially a very significant tool of transborder cultural influence in so far as Russian is still widely understood across the region. However, Russian broadcasting and press tends to occupy a relatively small section of the respective markets, even among ethnic Russians. Rather, as local newsmakers are often under-funded and lack resources to carry out first-hand reporting and analysis, they often pick up on stories and cues from better resourced Russian news agencies. Likewise, for local entertainment media producers, it frequently makes better economic sense to purchase Russian products rather than to invest in local programming or purchase more expensive Western equivalents. If local media products are made, it is often with a view to their subsequent export to the far larger Russian market, and thus reflect the cultural preferences of Russian audiences and buyers. This enables the reproduction of Russian cultural values and worldview which underpin political perspectives in a broader sense.

Russian Orthodox Church

It remains controversial to what extent the Russian Orthodox Church is directly influenced by the Kremlin, particularly in the countries with a higher number of Orthodox believers and greater powers of ecclesiastical self-government: i.e. Ukraine, and to a lesser degree the Estonian, Latvian, Lithuanian Orthodox churches. However, the church retains a high degree of societal trust, and is seen as a transnational bearer of civilisational values that may unite Russians and Russian speakers abroad. As an institution it is seeking to raise professional standards among the clergy and lay members, and become more involved in pastoral service. It also tries to work closely with both religious and secular media in the region to amplify voices supportive of the Russian cultural outlook, rather than the Kremlin's political positions per se.

United Russia support to political parties

Russia's ruling party has signed a number of cooperation agreements with political parties abroad, including with the "Concord" Social Democratic Party of Latvia, which gained 24/100 seats in 2014 elections, and the Estonian Centre Party, which has 27/101 seats in the Estonian parliament, which are both favoured overwhelmingly by the respective Russian minorities. The agreement is said to facilitate channels of communication on issues of education, culture, economy, bilateral relations and public administration experience with United Russia.

Probability of success

Russian soft power is currently in a state of transition between old and new ways of thinking, both on the part of Russians involved in projecting national culture abroad, and audiences whose responses may be variously conditioned by Soviet nostalgia, rejection of anything hinting of Russian neo-imperialism or interest in the opportunities that closer cooperation with Russia could provide.

Moscow's approach to soft power implementation has tended to be rather declarative, stating broad aims without concrete steps and timelines for their realisation, or involving activities conducted without evaluating their effectiveness in achieving stated goals. Indeed, in some cases, soft power initiatives have resembled the living out of imperial nostalgia with the domestic constituency in mind, and have served rather to alienate the wider public abroad (e.g. the cultivation of marginal compatriots groups in Ukraine, even well before the ongoing crisis). Further, particularly in the early years, initiatives under the soft power rubric often proved to be mere vehicles for the transfer of funds among pre-existing supporters, although there is greater movement towards fiscal accountability now.

Success will depend on Russia's capacity to go beyond reliance on Soviet legacies to construct a forward-looking basis for 'ties that bind', and to ensure coherent, effective implementation by continuing to improve the quality and scope of its soft power resources, and building trusting relations. Much Western media attention focuses upon Russian gaffes and failures, but this should be seen in the context of an overall, if imperfect, campaign to strengthen Russia's informational and cultural influence. Research has shown that Russian narratives do resonate among general audiences, although balanced by wariness of Russian leadership. The pursuit of Western values is potentially destabilising for incumbent regimes in the region and thus the Russian model is perhaps more likely to have a certain appeal to established elites.

Implications and recommendations for policy-makers in the West

It is likely that Russia will become more culturally competitive in the post-Soviet space in the coming years. Concretely, Western policy may respond by:

- Monitoring capacity building and audience reception by longitudinal studies in the most strategically significant areas;
- Refuting robustly any misinformation or disinformation emanating from Russian propaganda sources;
- Continuing to engage students and young elites from the region through HE and cultural exchanges and scholarships to next generation of young elites;
- Working with Western production companies to encourage affordable, high quality media products for the market;

- Inviting Russian public diplomacy practitioners to participate in joint projects to enhance cooperation and understanding, and reduce 'othering';
- Engaging with some of the key ideas of Russian soft power, at least behind the scenes, to devise more robust, progressive responses to its more salient critiques.

Russia's Soft Power beyond the Post-Soviet Space

Valentina Feklyunina (Newcastle University, UK)

Soft power is an important dimension of Russia's overall power. Following the onset of the crisis in and around Ukraine, and Russia's annexation of Crimea, Russia's overt and covert influence in and over other international actors has been at the centre of policy debate in the 'West'. Russia's alleged interference in the UK Brexit campaign, and the US presidential elections, together with its alleged role in the rise of nationalist and populist sentiments across Western countries, have highlighted the growing role of Russian propaganda, and have led to the current propaganda panic.

Russia's soft power can be understood as an ability to project strategic narratives that resonate with specific audiences, and that amplify or shape their understandings of the world and their political preferences in line with Russia's foreign policy objectives. While in its immediate neighbourhood Russia's strategic narratives target primarily ethnic Russians and Russian speakers, designed to appeal to common cultural and historical legacies (see the previous section in this report), Russia's soft power beyond the post-Soviet space works differently.

In order to assess the extent of Russia's soft power, it is important to consider (i) which audiences are particularly sensitive to Russia's strategic narratives; (ii) which narratives and which means of projecting these narratives are used; and (iii) what is the 'added value' of Russia's soft power (in other words, to what extent Russia's soft power amplifies or transforms the political preferences of target audiences). The latter question about added value is particularly difficult to answer. At the same time, it has become dangerously politicised, with numerous Western policy-makers and analysts warning of the exceptional threat from Russian propaganda.

How does Russia view soft power?

Russia's view of soft power, to a significant extent, stems from its experience of witnessing the so-called 'colour revolutions' in the post-Soviet space, particularly the 2004 Orange Revolution in Ukraine. Seeing these revolutions as engineered by Western actors with the help of soft power, the Russian authorities understand soft power as a disruptive force that works through civil society to undermine a state's sovereignty. For example, President Putin, addressing Russia's Security Council in July 2014, warned of attempts by other international actors 'to weaken Russia', and speculated about their use of 'modern information and communication technologies, [and] channels of dependent, 'pocket' NGOs – the mechanisms of the so-called soft power'.²⁷

Fearing that it was losing in a soft power competition against the 'West', Russia has invested significant resources in its own soft power ambitions over the past decade. The important place of soft power in Moscow's arsenal is emphasised in Russia's most recent Foreign Policy Concept that was approved by President Putin on 30 November 2016. This document describes soft power as 'an integral part of efforts to achieve foreign policy objectives'. It also specifies that soft power, according to Moscow's understanding, 'includes the tools offered by civil society, as well as various methods and technologies – from information and communication, to humanitarian and other types'.

²⁷ V. Putin, 'Zasedaniye Soveta Bezopasnosti', 22 July 2014. Available at: <http://www.kremlin.ru/events/president/news/46305>, accessed 23.01.2017.

The Foreign Policy Concept further mentions that one of Russia's main objectives is 'to bolster the standing of Russian mass media and communication tools in the global information space and convey Russia's perspective on international process to a wider international community'.²⁸ Thus, we can expect that Russia is likely to intensify its propaganda efforts. The ongoing propaganda panic in the 'West' is likely to inflate the perception of Russia's soft power success in the Kremlin's eyes, and to encourage Russia to invest more efforts in developing this success.

How does Russia's soft power work?

To understand how Russia's soft power is exercised in the 'West', we need to look at distinct audiences that are particularly sensitive to Russia's strategic narratives. These audiences can be described as 'communities of grievances'. Their grievances exist independently from Russia, but they are amplified and shaped with the help of Russian propaganda. They include various anti-establishment sentiments both on the right and on the left of the political spectrum: Eurosceptic, anti-American, anti-immigration and anti-globalisation sentiments, grievances related to austerity policies, etc. As correctly noted in a recent report on information warfare, 'the Kremlin does not need to itself create movements against immigration or the EU. All it needs is to fan the flames of existing campaigns'.²⁹

Many 'communities of grievances' function as echo chambers. Often connected through social media, they circulate those messages that are consistent with their views and reject any messages that can potentially challenge their opinions. Russia's strategic narratives, disseminated through its propaganda instruments and other overt and covert methods of engaging with civil society actors in targeted countries, are carefully tailored to specific concerns of these 'communities'. They appeal to and amplify their feelings of distrust towards the political establishment, mainstream political parties and mainstream media. For example, RT – one of Russia's key propaganda outlets – prides itself on 'cover[ing] stories overlooked by the mainstream media, provid[ing] alternative perspectives on current affairs, and acquaint[ing] international audiences with a Russian viewpoint on major global events'.³⁰ By adapting its messages to specific concerns, Russia's strategic narratives are able to penetrate the echo chambers.

A recent report published by the RAND Corporation describes Russia's propaganda as a 'firehose of falsehood' – because of both its intensity and 'a shameless willingness to disseminate partial truths or outright fictions'.³¹ Depending on the outlet, Russia's narratives vary in the extent of their anti-Western or anti-establishment focus, and in the extent of their use of fake news. At the same time, they often openly challenge the ideas of balanced reporting, objectivity or impartiality, and promote the view that all media reporting is fundamentally biased – a narrative that aims to undermine the audiences' trust of the mainstream media even further.

By amplifying existing grievances, Russia's narratives aim to weaken its opponents and to create more favourable conditions for achieving its foreign policy goals. As convincingly

²⁸ Foreign Policy Concept of the Russian Federation, 30 November 2016. Available at: http://www.mid.ru/en/foreign_policy/official_documents/-/asset_publisher/CptlCk6BZ29/content/id/2542248, accessed 7.12.2016.

²⁹ E. Lucas and P. Pomeranzev, 'Winning the Information War: Techniques and Counter-Strategies to Russian Propaganda in Central and Eastern Europe', Center for European Policy Analysis and Legatum Institute, 2016. Available at: <https://lif.blob.core.windows.net/lif/docs/default-source/publications/winning-the-information-war-full-report-pdf.pdf?sfvrsn=2>, accessed 17.01.2017.

³⁰ RT, 'About RT'. Available at: <https://www.rt.com/about-us/>, accessed 17.01.2017.

³¹ C. Paul and M. Matthews, 'The Russian "Firehose of Falsehood" Propaganda Model', Santa Monica, CA: RAND Corporation, 2016. Available at: <http://www.rand.org/pubs/perspectives/PE198.html>, accessed 17.01.2017.

argued by an expert in Russian propaganda, 'the Kremlin's overall goal is to insert divisions between the Western allies that have imposed sanctions against it and in doing so, erode support for continuing such measures'.³²

The reach of Russia's soft power

The channels through which Russia disseminates its strategic narratives vary in the extent of their visibility. Some (including Russia's alleged financial support of various political parties and civil society actors across Europe, or numerous pro-Kremlin websites) operate in a covert manner.³³ Others, such as the RT television network or its sister multimedia service Sputnik, are open about their Russian origin (although the former did change its original name of 'Russia Today' to the less conspicuous name of 'RT', which can be interpreted as an attempt to mislead some audiences).

RT has received most attention in the ongoing debate on Russia's soft power, particularly since the publication of the declassified version of the report on Russian influence prepared in the US by the Central Intelligence Agency (CIA), the Federal Bureau of Investigation (FBI), and the National Security Agency (NSA) in January 2017.³⁴ Created in December 2005, RT network at the time of writing includes news channels in English, Arabic and Spanish. In addition, it includes a documentary channel RTDoc (in English and Russian), a video news agency RUPTLY, and online news platforms in Russian, German, and French.³⁵

The size of the RT weekly audience, according to the network's own data based on the findings of a 2015 Ipsos survey, exceeds 36 million people in 10 European countries, 8 million viewers in the US, and additional 11 million across the Middle East and Africa.³⁶ Its on-line audience appears even more significant. According to RT's official webpage, it is 'the #1 TV news network on the platform [YouTube] with more than 4 billion views across its channels and 4.5 million subscribers'.³⁷

Yet the actual size of RT audience remains disputed. For example, according to the weekly viewing summary of the UK's Broadcasters' Audience Research Board (BARB), during the week of 5-11 December 2016 the share of RT in average weekly viewing among residential households in the UK was only 0.05%.³⁸ Compared to mainstream TV channels, this share is very small. RT's on-line reach is significantly more important. However, the overall YouTube numbers can also be misleading if taken as an indication of the reach of Russia's strategic narratives. For example, at the time of writing, the most popular videos on RT's YouTube channel are: 'Meteorite crash in Russia: Video of meteor explosion that stirred panic in Urals region' (more than 39 million views), 'Golden Voice' homeless man finds job, home after viral video success' (more than 37million views) and 'Japan Earthquake: Helicopter aerial view video of giant tsunami waves' (more than 35 million views).

Moreover, measuring the impact of Russia's strategic narratives remains problematic. The size of audiences cannot tell us much about the extent to which these audiences have actually changed their understandings of the world or their political preferences. While public opinion

³² R. Orttung, 'Russia's Foreign Propaganda Curbed by Recession', *The Moscow Times*, 4 Feb 2015.

³³ P. Foster and M. Holehouse, 'Russia Accused of Clandestine Funding of European Parties as US Conducts Major Review of Vladimir Putin's Strategy', *The Telegraph*, 16 January 2016.

³⁴ ICA 2017-01D 'Assessing Russian Activities and Intentions in Recent US Elections', 6 January 2017. Available at: https://www.dni.gov/files/documents/ICA_2017_01.pdf, accessed 9.01.2017.

³⁵ RT, 'About RT'. Available at: <https://www.rt.com/about-us/>, accessed 17.01.2017.

³⁶ RT, 'About RT'. Available at: <https://www.rt.com/about-us/>, accessed 17.01.2017.

³⁷ RT, 'About RT'. Available at: <https://www.rt.com/about-us/>, accessed 17.01.2017.

³⁸ BARB, 'Weekly Viewing Summary'. Available at: <http://www.barb.co.uk/viewing-data/weekly-viewing-summary/>, accessed 24.01.2017.

surveys can give us some insight into the changing distribution of positive or negative views of Russia in other countries, and, for example, the extent of public support for sanctions against Russia, it is significantly more difficult to trace whether these views are indeed shaped by Russian propaganda. Despite wide-spread alarmist warnings that ‘Russian propaganda wins EU hearts and minds’,³⁹ we need significantly more evidence to establish in what way it may or may not have affected distinct audiences.

At the same time, the key advantage of Russia’s propaganda outlets, including RT, is that they can easily penetrate the echo chambers of ‘communities of grievances’ discussed above. Thus, while their overall audience may be significantly smaller than what alarmist reports often suggest, their ability to amplify anti-establishment grievances poses a serious challenge both to the domestic stability of Russia’s opponents and to the unity of their responses to Russia’s international behaviour.

Addressing the challenge of Russia’s soft power

- We need to gain a significantly deeper understanding of how distinct audiences across the world engage with Russia’s strategic narratives. We should pay particular attention to various ‘communities of grievances’ in order to establish how they consume and spread Russia’s narratives through their echo chambers. A more difficult task is to establish how their engagement with Russia’s narratives affects their political preferences and shapes, or does not shape, their behaviour.
- The rapidly changing mass media and social media environment makes it increasingly important to raise the standards of fact-checking by media outlets, to strengthen the quality of media regulation, to publicise examples of any disinformation campaigns and to invest more resources in improving the levels of media literacy among media consumers.
- While the above measures are critically important, they are unlikely to be sufficient in relation to those ‘communities of grievances’ that are particularly sensitive to Russia’s strategic narratives. Due to their distrust of the mainstream media and the political establishment, they are highly unlikely to be persuaded by any attempts by mainstream media or official bodies to expose the biases or falsifications in Russia’s narratives (and in narratives amplified by Russia) with the help of fact-checking.

Thus, counteracting Russia’s narratives targeted at these ‘communities of grievances’ is unlikely to work through purely communication means. Instead of treating it as a communication problem, it is extremely important to address those grievances that lie at the foundation of their dissatisfaction with the political establishment.

Yet, this much bigger issue is often downplayed if not ignored in the policy debate, with most recommendations on how to counteract Russia’s propaganda being purely communicative. For example, the European Parliament’s resolution of 23 November 2016 ‘on EU strategic communication to counteract propaganda against it by third parties’ emphasises that ‘the EU needs to put out its positive message about its successes, values and principles with determination and courage, and that it needs to be offensive in its narrative, not defensive’. At the same time, the resolution speaks of the need of ‘combatting the prejudices of local populations’.⁴⁰

³⁹ A. Rettmann, ‘Russian propaganda wins EU hearts and minds’, 23 June 2015, *EU Observer*.

⁴⁰ European Parliament, ‘European Parliament Resolution of 23 November 2016 on EU Strategic Communication to Counteract Propaganda against it by Third Parties’, 2016 (2016/2013(INI)). Available at: <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2016-0441+0+DOC+XML+V0//EN>, accessed 17.012017.

- It is increasingly important to encourage a more inclusive expert debate on Russia. The ongoing propaganda panic creates an exceptionally difficult environment for a healthy debate. Those experts who attempt to undertake a balanced analysis, are often accused of being part of Russian propaganda. This is a dangerous tendency which can have a negative effect on the ability of 'Western' countries to assess Russia's power and ultimately on their ability to find adequate responses to Russia's international behaviour.

Russian Normative Power: The Legal Dimension

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Defining normative power

Over the past decade the normative dimension of Russian power has acquired increasing importance. 'Normative' is here understood as being strongly based on international law and institutions, and a universal yardstick for measuring foreign policy. Russia has promoted itself as a guardian of international law, demonstrating strong continuity between both Soviet and Tsarist practices.⁴¹

Normative power can also be seen as 'setting the standard' or laying down the law. For Russia, normative power consists of resistance to US hegemony, at both regional and global levels, and of resistance to what Russia sees as Washington's attempts to overturn existing international norms. Furthermore, the issue of intervention has become increasingly intertwined with domestic development – an increasingly significant dimension in the Russian case.

Normative power can also be understood as the ability to change the 'rules of the game'⁴² through persuasion, argumentation, and deliberation, based on norms which others can see have greater validity beyond simply national interest or European values. This argumentation and deliberation dimension to normative power in the form of legitimation can also be seen as a discourse.

Unsettled international environments often see multiple states engaging in actions that challenge existing norms. Arguably the international environment has been particularly 'unsettled' since 9/11. As far as policymakers in the Kremlin are concerned, this has led to chaos and instability, and a failure to adhere to norms that were agreed upon in the Helsinki Final Act, enshrined in the Conference of Security and Cooperation in Europe (CSCE, later OSCE). In Russia's view, the West, and the US in particular, has attempted to overturn this order on a number of occasions. The intervention in Kosovo was the first attempt, although the bombing of Yugoslavia in the mid-1990s was already seen as going beyond the scope of the United Nations Security Council (UNSC) resolutions/mandate.

Moscow saw the 'illegal yet legitimate' assessment of the Independent commission on Kosovo as the slippery slope, which arguably prepared the ground for the US to take action in Iraq without explicit UNSC authorization. While Russia condemned the intervention in Iraq as illegitimate, the US did in fact attempt to construct a legal argument via the so-called 'revival argument', rather than simply one based on legitimacy. Where legal arguments were not accepted, legitimacy was invoked to plug the gap: many legal scholars supported this. The very need to invoke legitimacy implies that existing international law is in some sense deficient or nonresponsive to a perceived urgency. One of the US' prime arguments for the intervention in Iraq in 2003 was that the UNSC had itself failed in its role as a guardian of international order and that there was law 'outside the Charter' that allowed Permanent 5 (P5) members to enforce UNSC resolutions where the UN had failed to uphold them.

The blurring of legality and legitimacy that began to be observable even before Kosovo, has introduced a more subjective notion of what international law means. This has not gone unnoticed by Russia which has 'also started to widely use the term "legitimacy" instead of

⁴¹ Lauri Malksoo, *Russia and International Law*, Oxford: Oxford University Press, 2014.

⁴² Anonymous Russian policymaker's explanation of soft power given in 2012.

“legality”.⁴³

Capabilities

Despite the strong emphasis in global discourse on international law, paradoxically there are few specialists on international law either in Russia’s Ministry of Foreign Affairs or in the State Duma, what has been termed ‘illiteracy in international law’, suggesting a disjuncture between policy and discourse.⁴⁴ Crimea was annexed by Russia via a stage-managed referendum to give the *appearance* of legality: no actual force was used, and so Russia was able to state that all legal processes had been followed. Further, in case of any doubt regarding the legality requirement, Russia invoked legitimacy arguments based on Kosovo and referred explicitly to the International Court of Justice (ICJ) opinion on Kosovar independence.

Yet, establishing to what extent Russia’s ‘subversion’ of accepted norms has gained widespread acceptance is a difficult task. For example, President Trump praising Putin is not necessarily evidence of Russia’s normative power even if some might present it as such. It is in all likelihood more a side effect of Russian public diplomacy or propaganda.

Where one might look for normative power is in the UN, for example, by examining voting patterns. Yet, here we see relatively little inclination on the part of states to support Russia. This is significant given that Russia sees its role within the UNSC as the symbolic consolidation and concentration of Russian global power.

At the same time, many non-Western states have viewed the weakening of sovereignty norms in global practice as internationally destabilising and threatening to their own autonomy in international affairs. Therefore, it could be suggested that Russia can use this constituency to its advantage. For example, several states have resisted the institutionalisation of emerging norms such as the Responsibility to Protect (R2P) or intrusive economic and trade regimes.

Thus, while Russia may indeed be disadvantaged in terms of international legal discourse due to it being a ‘non-native speaker’⁴⁵ (quite literally that the lack of lawyers fluent in English means a lack of access to scholarly articles relevant to public international law), its role as a P5 member gives it ample opportunity to push back against UNSC resolutions which, while not law, nevertheless perform a legislative function of sorts.

Russia’s lack of a ‘knowledge bank’ of expertise in the area of international law not only puts it a disadvantage, but leads further to a distancing from the realm of so-called cosmopolitan law. Russia’s failure to ratify the International Criminal Court (ICC) statute is further demonstration of this (although it should be noted that the US also ‘unsigned’, i.e. failed to ratify the statute).

Intentions and Strategy

Successive Russian Foreign Policy Concepts have warned that Russia would ‘counter the attempts by individual countries or groups of countries to revise the universally accepted norms of international law enshrined in universal documents such as the UN Charter’. The 2013 concept further stressed that ‘attempts to portray violations of international law as its

⁴³ Rein Mullerson, ‘Ukraine: Victim of Geopolitics’, *Chinese Journal of International Law* 13(1) (2014): 133-145.

⁴⁴ George Ginsburgs, ‘From Soviet to Russian International Law: Studies in Continuity’, Volume 48 (1998) (Martin Nijhoff Publishers).

⁴⁵ Anna Dolidze, ‘The Non-Native Speakers of International Law: The Case of Russia’, *15 Baltic Yearbook of International Law*, 2015.

“creative” application, are especially detrimental to international peace, law and order. Such actions erode the basis of international law and inflict a lasting damage to its authority.’

There are three possible positions on Russia as a normative power. Firstly, that it does not respect or it rejects Western norms, i.e. that we are living in an order based on global norms which have been largely constructed by the West. Secondly, that it wishes to create different norms, its own normative order. Or, thirdly, something in-between, i.e. that it wishes to be co-creator with the West of a normative order.

This report argues that the latter is closest to the reality, i.e. that Russia does not necessarily wish to be either ‘norm-maker’ or ‘norm-taker’ but rather a ‘norm buddy’. However, this rests also on the assumption of a kind of Monroe Doctrine and acceptance of ideas of spheres of influence in the former Soviet space, which may not correspond to EU or US policies.

Probability of success

While less a result of Russia’s normative power as such, Russian disquiet regarding Western normative pressure is not a cry in the wilderness. For example, the growing dissatisfaction with the use of the ICC by some African states is a case in point. As one scholar notes, ‘[A]n analysis of UNSC action which focuses entirely on Russia and China misses the justifications they give for their positions, which are based on some fairly widely shared beliefs about P3 abuses of R2P and the ICC.’⁴⁶

In response, many have resisted the institutionalisation of emerging norms such as R2P. As a result of the selectivity with which western powers have chosen to use R2P, as argued by an Indian ambassador, ‘the noble idea of R2P will come into disrepute. Indeed, the Libyan case has already given R2P a bad name.’⁴⁷

Tracing the success of Russia’s normative power in its immediate neighbourhood is more difficult. As Russia has acted as regional hegemon, the emerging hierarchical order makes it harder to see a convergence of norms between Russia and the states here.

Implications and Recommendations

It is important to engage Russian diplomats and academics, in particular those working on international law, in regular discussions in order to understand better their outlook. It is also important to promote academic exchange in areas such as public international law, as Russia’s aversion to normative and ethical developments in international law has kept its lawyers sealed off from Western colleagues.

Moreover, there is a lack of clarity in concepts such as self-determination, argues legal scholar Thomas Grant⁴⁸, suggesting that Russia, ‘in working to keep us from responding to its aggression, exploits our failure to understand and to apply international law’, concluding that Russian interventionism ‘heralds a defeat in terms of the law’. Thus, developing clearer legal arguments will be the best way of countering Russia’s normative challenge. This is particularly

⁴⁶ Kirsten Ainley, ‘The Responsibility to Protect and the International Criminal Court: Counteracting the Crisis’, *International Affairs* 91(1) (2015): 37-54.

⁴⁷ *India Post*, ‘R2P Being Selectively Used to Bring about Regime Change: India’, 22 February 2012. Available at: <http://www.indiapost.com/r2p-being-selectively-used-to-bring-about-regime-change-india/>, accessed 03.07.2016.

⁴⁸ Thomas Grant, ‘Russia’s Invasion of Ukraine: What does International Law Have to Say?’, *Lawfare*, 25 August 2015. Available at: <https://www.lawfareblog.com/russias-invasion-ukraine-what-does-international-law-have-say>, accessed 18.05.2016.

important because Russia tries to challenge what it views as subjective moralizing with 'objective' and 'impartial' legal arguments.

Situations such as the Kosovo advisory opinion in 2010, when the ICJ refused to pronounce on what it called 'the unfinished business of politicians', do not help. Many states, in their depositions to the ICJ on Kosovo, failed to base any of their argumentation in international law. This simply feeds Russian criticism. We must continue to use international legal arguments at our disposal where they are available, rather than quasi ethical-legal arguments, and to be as clear as possible about the sources of international law.

There are clear dangers of associating 'normative' with ethical considerations in particular as values and norms can be interpreted differently by different actors: take self-determination. There is still no agreed objective definition of what self-determination means in practice. Arriving at such a definition would necessitate the production of sound legal arguments.

Although Russia's actions in Crimea have been condemned and the creation of a new legal norm has been resisted, it may be easier for some actors now to 'undermine the old law'. Relying only on arguments based on legitimacy dislocates legality and invites non-liberal states to fill the vacuum by producing legal arguments. Legitimacy can be viewed as comprising moral, and political standards as well as legal ones, making it an inherently flexible and malleable tool for policymakers. Russia's deployment of this 'language' is an essential component of its bid to *contain* attempts to revise the 'results of the Second World War'. In this sense, contrary to some views, Russia is emphatically an anti-revisionist power.

As suggested by a Russian expert Andrey Kortunov, Russian analysts are not completely wrong to argue that the Kremlin has opted to "depriv[e] the West of the monopoly over breaching the norms of international law". The West's outrage regarding Russian breaches of law carries less weight and authority in large part because of the widespread sense that the global legal structure has been delegitimized after Iraq. Even amongst UK lawyers and policymakers this is acknowledged: "[T]he current discourse that accepts unlawful actions because they are 'legitimate' is having a detrimental effect in allowing illegal forms of use of force. The danger was that in using the term 'legitimacy', moral approval was extended to actions that were illegal."⁴⁹

Ultimately Russia is concerned by these developments because they underline the uncertainty regarding the prevailing international norms and bring into question the locus of authority in international society, thus questioning the notion of Great Power Management and sovereign equality, and the UNSCs' primary role in maintaining international peace and security, and therefore Russia's role within this. In a way, what Russia is saying is that legitimacy holds only to the extent that everyone has had a say in or participated in discourses or discussions around rules.

⁴⁹ 'Closing Comments of International Law Discussion Group Summary', *Syria and International Law: Use of Force and State Responsibility*, Chair: Elizabeth Wilmshurst Associate Fellow, International Law Programme, Chatham House, 30 September 2013. Available at: <https://www.chathamhouse.org/sites/files/chathamhouse/public/Research/International%20Law/300913summary.pdf>, accessed 20.12.2016.

Russian Power: Domestic Challenges

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Recent events in Ukraine and Syria have contributed to the perception of Russia as a powerful player on the international arena, most notably in Europe. Russia's "hybrid warfare" operation to annex Crimea, military involvement in Eastern Ukraine and military support for Bashar Al-Assad's regime in Syria all emphasize Russia's strengths. Growing nationalism in Western countries, the immigration crisis in Europe, Brexit, the election of Donald Trump as President of the United States, and the manipulation of information by various means including through lies have also made Russia appear stronger and enjoying substantial advantages over Western countries and their democracies. But the domestic challenges that Russia is facing present a very different picture from that of a strong, capable or efficient Russia.

The Russian state suffers from clear structural weaknesses - weak institutions, corruption, huge regional differences and a diverse population in terms of religion (around 15 per cent of the population is Muslim) and ethnicity (81 per cent of the population is Russian according to the 2010 census, but some minority groups can be rather influential. A Russia Forbes study in 2014 on the 200 wealthiest business groups people showed that only 44.5 per cent out of the 200 wealthiest were ethnic Russians). This means that if Russia wants to be portrayed as a strong state, it is essential for Moscow to deploy narratives and strategic myths which reinforce Russia's standing as a Great Power. This trend has always been present in the Russian domestic political context, but at times when Russia's internal situation and the position of power elites have been unstable, it has played an even stronger role. The quest for recognition as a Great Power, inherited from Russia's past, plays an important role in its foreign policy but also features in domestic policy as a screen for other weaknesses.

When Vladimir Putin began his third presidential term, the popularity of the power elite was very low. Russians felt let down by their leaders. Another factor, from the Russian political elite's perspective, was that the world around Russia appeared to be becoming more competitive and threatening. There were challenges to the power elite from both inside and outside. The policy implication was that more effort needed to be devoted to security provision both domestically and externally. Although some measures addressed both sets of challenges, this report focuses on the domestic side.

These uncertainties resulted in two different trends in the domestic arena: the securitization of Russian society and a more active process of building a strong state. The securitization of the state – meaning it exerts more control over society – has mostly been executed through legislation. In 2014 President Putin signed a law that introduced substantial fines and/or a sentence of up to several months in prison for taking part in demonstrations, holding meetings and rallies multiple times during a six month period. Another law increased prison terms for calling publicly for anything that might "violate the territorial integrity of the Russian Federation". Individuals can receive up to four years in prison, instead of three, while appeals made via the media and the Internet can lead to a five-year prison term.

A further law will force any Internet company operating in Russia to store Russian clients' personal data. Other legislation has restricted foreign ownership of Russian media, and the controversial "foreign-agent" law forced any NGO receiving foreign funding and engaged in political activity to be branded as a foreign agent. According to Amnesty International this led to 27 NGOs closing their doors. New laws relating to the Internet oblige companies to provide the Federal Security Service (FSB) with keys to their encryption, and also allow the FSB access to any user's messaging data without a court order. All metadata on websites must be stored for one year, while other forms of metadata need to be stored for three years. Under

the banner of the war against terrorism several existing laws have been amended and new laws grant the authorities the power to monitor, gather information, limit freedom of movement or restrict actions like missionary activities if seen as necessary. This is only the peak of a vast mountain of legislation that allows the state to penetrate people's everyday lives. The aim is to ensure that the state is able to exercise control and has the legal means to act, should civic unrest occur in Russia.

The second trend of building a strong state image and presenting Russia as a Great Power is not a new one. Yet it has accelerated since 2012 and has risen to new heights since the 2014 annexation of Crimea.

When Putin first came to power in 2000, he was seen as the first post-modern Russian leader as he rejected ideology as a guide to policy and instead appeared to take a pragmatic approach.. However Putin's view as to whether Russia needs an ideology as evidenced by his increasing emphasis on a 'national idea' appear to have changed over time, demonstrating a certain inconsistency. In 2004, Putin said at a meeting with his closest confidants that the Russian national idea was centred on competitiveness: "[A] person must be competitive, as well as towns, villages, industries and the whole country. That is our fundamental national idea today". This sentiment was also expressed in his state of the nation speech. Yet in 2011, in an interview with the Russian magazine *VIP-Premier*, Putin said that the Russian national idea was in "preserving people", to quote Alexander Solzhenitsyn -this refers to people's wellbeing, demographics and the welfare state. In 2012 Russian national idea became a very important aspect of Putin's policies. In September that year Putin held a meeting in Krasnodar, where he spoke about the values and moral foundations needed for Russia's future. In 2013 at the annual Valdai Club meeting he saw the Russian national idea as rooted in Russia's own historical traditions while also rejecting Soviet ideology, imperial conservatism or "extreme, Western-style liberalism".

The Kremlin's propaganda efforts brought to the foreground a number of core beliefs about Russia: its status as a great power, its exceptionalism, and the necessity of rejecting liberal democracy as "hostile" to and in contradiction to Russian patriotism. Over the past few years, patriotism together with military preparedness has increasingly been associated with defending the country from external and internal criticism. The Russian political regime has embarked on a "Patriotic Policy" which seeks to engage the public in a state of "patriotic mobilization". In autumn 2016 the policy evolved into a proposal for a new law that would define a national idea for Russia. Alexander Verkhovsky, writing in *The Moscow Times*, saw three possible reasons for the proposed law: firstly to create a tool for officials in their endless struggles among themselves for power and financial resources; secondly as a symbolic gesture indicating that the state supports an understanding of the Russian nation as a broad political unity; and thirdly to tie the Russian Orthodox church and Russian ethnicity in with national security issues under the banner of "the ideology of new state nationalism."

Both trends – the securitization of society and building a strong state image – are buttressed by strategic myths that persist in relation to Russian history. Two myths that are particularly strong in Russian collective memory and history writing are the myth of Russia as an eternal great power (facing a constant external threat), and of Russia as regularly riven by periods of internal unrest (facing a constant internal threat).

The myth of Russia as an eternal great power includes a number of elements. Victory and heroes are important among them: The Great Patriotic War (Second World War) has become an important national celebration for Russians and appears to have brought unity to Russian society. As Nikolai Petrov has stated, "there is absolutely nothing else in the whole of Russian history that can be used to unite the nation." However, the way in which the victory in the Great Patriotic War has been promoted by officials has created a framework of "us" and "them" in history writing and has sparked "history wars" between Russia and several Eastern European

countries. While for Russian identity the Great Patriotic War is almost indispensable, it has contributed to separating Russia from Europe. Whereas in the past, memories of the Great Patriotic War served to unify Russia and Europe, but the way in which they are used and interpreted now, creates distance and dividing lines between Russia and other European countries.

The second myth, of Russia as riven periodically by internal unrest, is a negative one. Inasmuch as it is deployed by the regime, it is immediately countered by a set of myths about Russia's unique civilizational role, which are intended to promote a united society. However, just as the myth of the Great Patriotic War drives a wedge between Russia and Europe, so the civilizational myth can end up dividing society, not uniting it. The civilizational argument, stressing Russia as a unique Eurasian civilization, has been used to promote unity in Russian society and enhance the strong state image. In October 2012 Putin signed a decree establishing a new agency within the presidential administration, the Directorate for Social Projects. The main goal of the directorate was defined as strengthening the spiritual and moral foundations of Russian society and improving state policies in the area of patriotic education. Reactions to the initiative were mixed in Russia, but the policy ever since has been very consistent.

One shared feature of the discourses of a unique civilization, Russia as a Great Power, and official patriotism, is the use of anti-Westernism and anti-Americanism in Russian society. This is nothing new: there is a long history in tsarist Russia, the Soviet Union and also post-Soviet Russia of blaming outside forces for Russia's problems and portraying "the West" as a threat. Nevertheless, when this becomes a dominant feature in the Kremlin's policy it is a sign of weakness rather than of strength. It should be noted that this anti-westernism presents a contradiction: many Russians feel that the West is "out to get Russia" while at the same time they feel part of Europe. Ultimately, European civilization appeals more naturally to Russians than the Eurasian civilization argument.

The image of a strong Russia with efficient decision making is readily portrayed when it comes to military actions abroad. However, the image changes significantly when looking at domestic politics, and especially the two main trends: building an image of Russia as a Great Power with official patriotism and civilizational arguments; and the securitization of society, especially through the legal framework. The Higher School of Economics in Moscow carried out a study in 2013 where they identified four major political streams in Russian society: liberals, leftists, nationalists, and supporters of the ruling regime. This is slightly different from the traditional triangle among the foreign policy schools: westernisers, eurasianists/statists and slavophiles. Both models show that there is diversity in Russian society which already undermines the idea that a single "official patriotism" could be successfully implanted, and the quest for unity promotes a framework of "us" and "them" more than real unity. Opinion polls even indicate that despite the Kremlin's patriotic policy, the majority of Russians believe that patriotism is a deep and intimate feeling that cannot be commanded or directed from above.

Societal securitization through legislation parallels the strong state, great power and civilizational initiatives which are slowly distancing society from the political elite, constantly undermining the efficiency of the state, and putting brakes on any fundamental structural changes. To convert its social potential into strength, Russia needs to turn its diversity into a real unity, not pushing some parts of society out while trying to control society through threats. Konstantin Kosachev has correctly defined the core reason for Russia's current predicament: it lies, he notes, in the fact that present-day Russia has taken up the role of the legal successor of the Soviet Union, which brings into the core of today's Russian politics not the Soviet ideology, or its political and economic system, but ideas of a strong state, the quest for a powerful position in the international arena, promoting Russia as a leading nation globally, and state control of society.

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