



CCW Russia Brief

Issue 6

May 2020

Contents

Richard Sakwa	<i>Russia's Challenges and Futures</i>
Richard Connolly	<i>Russian Economic Power</i>
Katarzyna Zysk	<i>Russian Military Vulnerabilities: Perceptions and Misperceptions</i>
Anton Shekhovtsov	<i>Moscow's Far-Right "Useful Idiots"</i>
Elisabeth Schimpfössl	<i>Russian Elites</i>

Copyright and Disclaimer

© 2020 Changing Character of War Centre. All rights reserved. Material in this publication is copyrighted under UK law. Individual authors reserve all rights to their work and material should not be reproduced without their prior permission. The views and opinions expressed in these articles are those of the authors and do not necessarily represent the views of the Changing Character of War Centre, Pembroke College, or the University of Oxford.

Russia's Challenges and Futures

RICHARD SAKWA
University of Kent

Russia is neither a rising nor a declining power, but a country used to adversity and resilient in the face of external threats but which repeatedly allows these external challenges – real and imagined – to shape the polity. In the words of the well-known aphorism, 'Russia is never as strong as it thinks it is, or as weak as we think it is'.

One cannot predict the future, but various patterns and challenges can be anticipated. This analysis is written in that spirit. Russia has re-emerged as a major player in international affairs, building on its permanent membership of the United Nations Security Council, coherent statecraft and solid macroeconomic indicators. When Vladimir Putin assumed the presidency in 2000 his declared ambition was to make Russia a 'normal' country.¹ However, certain aspects of its domestic arrangements and international status are deeply 'abnormal', with the standard of normality set by the declarative principles embedded in Chapters 1 and 2 of the 1993 constitution.

In most respects, though, Russia is perfectly normal for a country at its stage of development.² However, when it comes to polity and political economy issues, there remain questions that are not adequately answered by models of comparative developmental normality. In domestic affairs there remains an endemic tension between the administrative regime, which effectively claims certain 'emergency' powers that trump the normal and autonomous operation of the constitutional state. We will return to this dual state, but here note that the fundamental challenge for Russia is to close this gap to comply with the principles embedded in the early chapters of the 1993 constitution. This normative agenda is not one set from abroad but is in conformity with the logic of Russia's own democratic revolution. This revolution for various reasons has been diverted, but it has not yet been entirely derailed. The legitimating ideology of the dual state remains democracy, although trumped by other concerns and interests.³

This note will first examine two starkly contrasting views of Russia, reflecting the problematic renewal of Cold War, then turn to some methodological issues. It will then focus in turn on long-term (conceptual) issues, medium term structures of power, short-term factionalism and problems of political succession (including the programme of constitutional change). The paper ends with an assessment of the challenges facing Russia and its possible futures.

Two views of Russia

The study of Russia today is as much an ontological as an empirical exercise. The concept of 'Russophobia', a term that is often used to discredit criticism of the Kremlin's policies, can sometimes convey an approach that denigrates not only Russia's leaders but the people as a whole.⁴ Two recent studies encapsulate fundamentally different ways of assessing Russia and its future. Mark Smith argues that recurrent bouts of Russophobia are prompted by what he calls the 'Russia anxiety', a long-term pattern of thinking and sentiments about Russia that alternate between fear, contempt and disregard for the country. The cycle began in the sixteenth century when Russia joined the European state system. Anxiety that Russia threatens Western civilisation was accompanied by various versions of 'fake history', as in the publication in nineteenth century France of Russia's 14-point plan for world domination – the Testament of Peter the Great. This forgery is just one example of what Smith calls the

¹ Vladimir Putin, 'Russia at the Turn of the Millennium', in Vladimir Putin, *First Person: An Astonishingly Frank Self-Portrait by Russia's President Vladimir Putin*, with Nataliya Gevorkyan, Natalya Timakova, and Andrei Kolesnikov, translated by Catherine A. Fitzpatrick (London, Hutchinson, 2000), pp. 209-219.

² Andrei Shleifer and Daniel Treisman, 'A Normal Country', *Foreign Affairs*, Vol. 83, No. 2, March-April 2004, pp. 20-39; Andrei Shleifer, *A Normal Country: Russia After Communism* (Cambridge, MA, Harvard University Press, 2005).

³ These are explored in my *The Putin Paradox* (London and New York, I. B. Tauris, Bloomsbury Publishing, 2020).

⁴ Guy Mettan, *Creating Russophobia: From the Great Religious Schism to Anti-Putin Hysteria* (Atlanta, GA, Clarity Press, 2017).

'black legend' of Russian history: the idea that aggression, expansionism and authoritarianism are inherent features of Russia's national character. Smith aims to demonstrate that Russia is far from exceptional, and instead its behaviour is predictable and in conformity with traditional patterns of a country defending its national interests. Russia today is doing no more than other state, and its external actions are no more egregiously malevolent than any other.⁵

A very different perspective is provided by Keir Giles. Giles sums up his work, *Moscow Rules*, in ten key points.⁶ Number one argues not to expect any rational policy from Moscow, since it is governed by very different understandings of those of the West; number two, Russia has an enduring sense of privilege, which drives it to ignore accepted standards of behaviour; all the way through to number eight, 'Do not hope to appeal to Russia's better nature. It doesn't have one'. Number nine states 'Don't assume that there must be common ground', since because Russia is driven by methods that are 'entirely incompatible with Western norms, values and even laws', there cannot be any; through to the rather chilling number ten, 'Don't think that you can choose whether to be at war with Russia or not', since there can be no peace with such a hostile and alien force, and any concession equates to surrender.⁷ Not surprisingly, there can be no common ground with such an existential foe.

Methodological problems

These opening points raise some fundamental methodological and epistemic issues. What is the standard of 'civilisation' against which we are to measure Russia's performance? I have suggested that it is the standards set by Russia's own nascent democratic revolution of 1991, itself the culmination of a long process of Russian social and intellectual gestation within the carapace of the Soviet system and then embedded in its fundamental law of 1993. That constitution is much criticised for giving normative licence to what some call a super-presidential system, a result of the confrontation between parliament and the executive that provoked the bloodshed of October 1993. Nevertheless, the 1993 constitution remains the foundation for the normative state and constrains the actions of the administrative regime.

A second issue is the explanatory one – why has post-communist Russia developed the way that it has? Responses to this question inevitably shape our perceptions of how Russia's future will develop. Historical institutionalism combines analysis of long-term patterns with critical junctures, turning points that modify persistent patterns, such as the much-analysed 'Russian system' of authoritarian patrimonialism. 'Path dependency' comes into the mix, where earlier institutional choices determine later options.⁸ This is associated with the concept of political culture, an issue that was much debated in the late Soviet years but which has since declined as an explanatory variable in processes of change. Both concepts are useful, but only to a limited degree. They are good at explaining continuity, but not so good at explaining – let alone predicting – change. The same charge was levelled at the concept of totalitarianism, especially by the historian 'revisionists' of the 1970s onwards.

This all obviously has relevance for today, with various neo-totalitarian approaches applied to Putin's Russia.⁹ The Levada Centre's long-term study of 'post-Soviet man' examines the way that political culture is perpetuated across generations. The 'wily' Soviet man once again strides the stage in Yaffa's study of the ethical choices facing people in Putin's Russia.¹⁰ Such cultural approaches are complemented by the continuing relevance of the thesis advanced by Seymour Martin Lipset of a causal but non-deterministic relationship between economic

⁵ Mark Smith, *The Russia Anxiety and How History Can Resolve it* (London, Allen Lane, 2019).

⁶ Keir Giles, *Moscow Rules: What Drives Russia to Confront the West* (Washington, DC, Brookings Institution Press, Chatham House, 2019).

⁷ This list is taken from a summary by Giles, 'The "Moscow Rules": Ten Principles for Working with Russia', International Centre for Defence and Security, 29 July 2019, <https://icds.ee/the-moscow-rules-ten-principles-for-working-with-russia/>. The book provides a more nuanced view of these positions.

⁸ Stefan Hedlund, *Russian Path Dependence* (London, Routledge, 2005).

⁹ Masha Gessen, *The Future is History: How Totalitarianism Reclaimed Russia* (New York, Riverhead, 2017).

¹⁰ Joshua Yaffa, *Between Two Fires: Truth, Ambition, and Compromise in Putin's Russia* (London, Granta Books, 2020).

modernisation and democracy.¹¹ Studies continue to explore the relationship, finding that there is a relationship between modernisation and political pluralism.¹² Meanwhile, the transitological paradigm, focusing on agency and transnational integration, has fallen into the shade because of its inherent historicism – the view that the meaning and purpose of history are knowable, giving rise to a linear teleogism.¹³ If there is one consistent feature of Russia's development, it is that it repeatedly repudiates the imposition of imposed categories. In sum, comparative analysis and methodologies are crucial, but they have to be sensitive to Russian specificities.

Long-term structural constraints

In this section we examine the deeper structural forces that shape Russia's development. We are faced with a choice between the 'black legend' and a Russia out to subvert the West. Neither view adequately captures the complexity of the contemporary Russian social formation. The polity and society are shaped not by any simplistic all-encompassing 'power vertical' but by a complex system of interaction between vertical and horizontal imperatives.¹⁴ The concept of 'heterarchy' captures some of this complexity, describing a system where the elements of organisation are unranked (non-hierarchical) or where they possess the potential to be ranked in a number of different ways. For our purposes this means that Russia today is comprised of three levels of ideational-institutional contestation.

At the *macro-level* we find four major factions, each with their own view of Russia's future. Each group is itself highly divided, and there are important cross-factional linkages. First, we have the liberals, running across the spectrum from legal statist, macroeconomic liberals all the way through to the West-focused radical liberals, who can barely envisage a Russia separate from the Atlantic power system. Second, the *siloviki-okhraniteli* draw on the power of neo-Soviet security apparatus combined with the 'guardianship' tradition that predates the revolution. Third, a variety of neo-traditionalists, ranging from Russian nationalists to monarchists and neo-Stalinist restorationists are united by little except the belief that Russia's future lies in some form of re-interpretation of the past. Finally, the fundamental view of the Eurasianists is that there is an essential incompatibility between Russia and the West, although the 'pragmatic Eurasianists' represent a more moderate view that Russia needs to adopt a more balanced position taking advantage of its unique position between East and West. In the Putin system none of these positions is allowed to dominate, but it draws on the power of each to stabilise the regime. Each faction has a stake in the Putinite order, but none can fulfil its programme in its entirety.

This macro-political balancing act is complemented at the *meso-level* by interest groups. The classic interest group approach, regrettably, has not been intensively applied latterly to Russia. Here we have the industrialists, the energy sector, transport, agriculturalists (in favour of continuing the policy of counter-sanctions, for example), as well as the manufacturing and defence sectors. Here we find the various professions as well as the military, buttressed across the range by state-dependent groups such as teachers, health sector employees and municipal workers. Once again, the secret to Putin's political longevity has been his unique ability to build an operative coalition of disparate groups, each who gain much and fear losses if the Putinite stability system were to break down. The politics of patronalism is an important part of how this co-optation works, but it is far from the whole story.¹⁵ The ideational level is also important, since Putin's cross-class alliance is based on a shared consensus on Russia's destiny and place in the world.

¹¹ Seymour Martin Lipset, 'Some Social Requisites of Democracy', *American Political Science Review*, Vol. 53, No. 1, March 1959, pp. 69-105.

¹² Cameron Ross & Yury Korgunyuk, 'The Impact of Modernization on the Levels of Electoral and Party Contestation in Russian Regions', *Regional and Federal Studies*, 2019 (online version).

¹³ Richard Sakwa, 'Modernisation, Neo-Modernisation and Comparative Democratisation in Russia', *East European Politics*, Vol. 28, No. 1, March 2012, pp. 43-57.

¹⁴ Andrew Monaghan, 'The Vertikal: Power and Authority in Russia', *International Affairs*, Vol. 88, No. 1, January 2012, pp. 1-16; Andrew Monaghan, *Defibrillating the Vertikal? Putin and Russian Grand Strategy*, Russia and Eurasia Programme Research Paper, Chatham House, London, October 2014.

¹⁵ Henry E. Hale, *Patronal Politics: Eurasian Regime Dynamics in Comparative Perspective* (New York, Cambridge University Press, 2015).

The Putin phenomenon is a sophisticated mechanism to manage complex relationships, and one should be less surprised when it sometimes fails but that it works at all. At the *micro-level* Putin achieved an extraordinary level of elite coherence, with Putin positioned as the arbiter of elite and corporate disputes, with connections to all the major elite factions who trust him to respect their interests. No faction gets all that it wants, but all get something from remaining loyal to the system. The mechanisms have evolved over time, including the 'nationalisation of the elites' and the 'deoffshorisation' campaign. The Minchenko analytical agency tracks changes in the elite through the use of the 'Politburo 2.0' metaphor. It rejects the 'collective Putin' model in favour of the old Soviet Politburo paradigm of delegated power.¹⁶ Here also is the 'third state', the network of corrupt relationships that merges into the criminal underworld.

Medium-term systemic issues

In the dual state, the constitutional state operates in parallel with an administrative regime, but with the two symbiotically tied together. The administrative regime gains its legitimacy from claiming to operate according to constitutional principles in defence of strong state power, but at the same time it subverts the principles of genuine constitutionalism by managing elections and the political process as a whole. The combination of the two provides the Putin system with medium-term managerial capacity, but it stymies economic modernisation (above all through *reiderstvo*) accompanied by political stalemate.

Political protest and opposition is found in this terrain. Nationalists of course seek to accentuate the authoritarianism of the regime state to favour a particular (usually ethnic) group and to entrench their privileged status. By contrast, the liberal and democratic opposition seek to push back the arbitrariness and supra-constitutional managerial capacity of the administrative regime to strengthen the provisions of the constitutional state. Certain trigger factors at times strengthens this movement, notably following the *rokirovka* of September 2011, when Prime Minister Putin and President Dmitry Medvedev unceremoniously announced that they would be swapping places, followed by the flawed December parliamentary elections, prompting the largest bout of contentious politics in the post-communist era.

However, the weakness of organised political opposition in the Putin era is remarkable. The 'systemic' opposition (notably, the Communist Party of the Russian Federation and the Liberal Democratic Party of Russia) has been largely co-opted, but the fragmented and inchoate character of the non-systemic opposition has endured for over two decades. This can be explained theoretically in part by the application of Timothy Luke's and Paul Piccone's concept of 'artificial negativity', focusing on the loss of reserves of external oppositional discourses. Previously, oppositional movements rallied on the basis of the extension of the Weberian rational state and associated civic discourses, but this terrain been colonised by the dual state.¹⁷ The definition of the new 'rational ends' of the opposition is intensely contested, and for most of the constituencies identified above, is perceived to be irrational. Why risk losing the tangible benefits of Putin's 'postmodern populism' for the uncertain gains of the alternative rationality? Here Putin's anti-revolutionism strikes a deep chord, in a country traumatised by successive revolutionary waves over the last century.¹⁸

This is why the management of social issues is so important for the current stability system. Demographic and generational issues are constantly monitored and managed, with pro-natalist policies on the one hand, and various state-sponsored youth movements on the other. This cannot negate the desire for change among growing swathes of the population. This is exacerbated by the long-delayed pension reform implemented in 2018, which for many senior citizens is considered an 'unforgivable' mistake.

¹⁶ Minchenko Consulting, *Doklad: Bol'shoe pravitel'stvo Vladimira Putina i 'Politburo-2.0'* (Moscow, 21 August 2012), http://minchenko.ru/analitika/analitika_27.html.

¹⁷ Patricia Mooney Nickel, 'Revisiting the Artificial Negativity Thesis: An Interview with Timothy W. Luke', *New Political Science*, Vol. 35, No. 4, 2013, pp. 627-647.

¹⁸ Cf. the brilliant analysis by Artemy Magun, *Negative Revolution: Modern Political Subject and its Fate After the Cold War* (London, Bloomsbury, 2013).

Immediate challenges

One of the foundations of Putinite stability was the inviolability of the 1993 constitution. Hence the surprise decision to undertake a constitutional reform announced by Putin in his annual address (*poslanie*) to the Federal Assembly on 15 January 2020. Equally surprising was the accelerated timetable to make the changes, and the apparently unprepared character of many of the ideas.¹⁹ At first it appeared that there would be a significant shift in the balance of power to the Federal Assembly, but in the end the hegemonic presidency remains largely intact. Indeed, it has enhanced powers to dismiss judges, including from a slimmed-down Constitutional Court (reduced from 19 to 11 judges) and over local government. The role of the State Council and Security Council in the new scheme remains unclear.

Putin's speech signalled the beginning of a transition period that could last to the end of his fourth constitutionally-mandated term of office in 2024. The speech fired the starting gun on another managed succession, although Putin's personal role at the end is unclear. Putin clearly sought to create a structure to manage the country's affairs without his direct involvement. However, the addition of a last-minute amendment to the Federal Constitutional Law adopted on 14 March restored the possibility of him running again by resetting the clock (*obnulirovanië*) on his presidential terms. Future presidents will be limited to two terms, but the Constitutional Court accepted the view that this meant that the count for all existing and past presidents was reset to zero, allowing Putin to run again. This avoided Putin becoming a 'lame duck' and ensured elite unity in the transition.

In foreign policy, confrontation with the Atlantic power system is set to endure. From Moscow's perspective (and that of many 'realist' analysts in the West), the Ukraine crisis was a symptom of the failure to create an inclusive and equitable peace order after the end of the Cold War.²⁰ The historical West's view is that there was nothing preventing post-communist Russia becoming part of the expanded liberal international order. In turn, Moscow argued that the order was fine, but the hegemonic practices of the Atlantic power system were not, which implied a subaltern status for Russia. It is on this terrain of incommensurable interpretations of the character of the international system today that the 'Second Cold War' is fought. This confrontation differs from the First Cold War in the same way that the Second World War differs from the First. The second conflicts both had their roots in the way that the first ended. Today, this means that sanctions will continue as long as the Crimean and Donbas issues are not resolved, and almost certainly long after. China and 'Greater Eurasia', along with mega-regional alignments such as BRICS and the Shanghai Cooperation Organisation add a new dynamic to the Russo-Western confrontation. Equally, so do the stirrings of 'strategic autonomy' in Europe, which betokens the rebirth of a pan-European continentalism separate (but not opposed to) Atlanticism. However, given the hermetic and static character of Atlanticism and the institutional and ideational resources of those defending that order, these initiatives – while possibly moderating some of the hardest edges of the Second Cold War – will not do much to revive the Greater European idea. In short, there is 'no exit' to an enduring period of ideological and increasingly militarised confrontation. The Covid-19 coronavirus pandemic has the potential to mitigate some of the hardest edges of the conflict for a time, but it will be largely 'business as usual' once the worst of the crisis is over, despite the dire economic damage that it has caused.

The climate crisis affects Russia in contradictory but ultimately deleterious ways. There will be more shipping along the Northern Sea Route, but there are also more frequent and more intense droughts, fires and floods. Russia has been slow to shift towards renewable and sustainable forms of energy production, although it has now signed up to the Paris climate accords. The immediate challenge in Putin's fourth term was to accelerate sluggish economic growth, which was running at not much more than one per cent. The chosen instrument was infrastructure and social investment through the 12 national projects announced on Putin's inauguration on 7 May 2018. This would encompass more economic diversification, away from reliance on the energy sector. Much had been achieved, with energy rents making up just 35 per cent of budget revenue, down from 70 per cent a decade earlier. The budget would now balance at \$48 a barrel, while the country had built up some

¹⁹ Vladimir Putin, 'Presidential Address to the Federal Assembly', 15 January 2020.

²⁰ For a convincing analysis, see Stephen M. Walt, *The Hell of Good Intentions: America's Foreign Policy Elite and the Decline of U.S. Primacy* (New York, Farrar, Straus, and Giroux, 2019).

\$570bn in reserves (including 2,219 tonnes of gold) and some \$135bn in the National Wealth Fund, accompanied by strong macroeconomic fundamentals – including a historical low inflation of 2.5 per cent, a healthy budget surplus and low unemployment. Russia was in a strong position to face the energy price war with Saudi Arabia. However, with the onset of the coronavirus pandemic, all bets were off – for Russia and the rest of the world.

Russian Economic Power

RICHARD CONNOLLY

University of Birmingham & Chatham House

It is perhaps no exaggeration to state that Russia is as prominent in international affairs today as it was at the height of the Cold War. Yet the role that Russia's economic power plays in supporting its activities on the international stage is poorly understood. For many, Russia's political influence far exceeds its weight in the global economy. This sentiment was expressed most succinctly when the late John McCain described Russia as "a gas station masquerading as a country." Those holding this view tend to dismiss Russia's economy as of little significance beyond its role as a producer and exporter of hydrocarbons.

However, such views are misleading and can lead to distorted views on Russia's economic capabilities, and on the role that it plays in the global economy. Measured at purchasing power parity (PPP), Russia is the sixth largest economy in the world and second only to Germany in Europe. It is not only one of the world's most important exporters of oil and gas, but also of other natural resources, such as diamonds, gold and rare earths. Its place as one of the largest wheat and grain exporters shapes commodity prices across the globe, while Russia's enormous arms industry, second only to the United States, provides it with the means to pursue an increasingly assertive foreign policy and to forge closer security links with states across the world. The economic fortunes of many Eurasian economies are shaped by what happens in Russia, while Russia's gradual economic reorientation to the east means that it is playing an increasingly important role in China and the wider Asian economy.

All this means that Russia's economy is important not just in a narrow economic sense, but also in serving the country's political objectives, both within Russia and across the world. Indeed, the fact that the Russian state plays an important role in guiding economic activity in the strategically important sectors described above makes Russia's a distinctly political type of economy. In this short essay: I will briefly show: (a) how much economic power Russia possesses, and in what areas; (b) the role that the Russian state plays in exercising economic power abroad; (c) where Russia exercises economic power; and (d) the limits of Russia's economic power.

The role that economic capabilities play in allowing states to assert power in the international arena is of crucial importance. Because the changing character of warfare means that inter-state conflict increasingly takes non-military forms (e.g. cyber, information), an assessment of how economic instruments are used by states -- especially so-called 'state capitalist' countries like Russia -- is of vital importance.

Measuring Russian economic power

Contrary to much of mainstream opinion, Russia is not simply a producer and exporter of hydrocarbons. Instead, it is one of the largest and -- as measured by standard indicators -- most open economies in the world. According to IMF data, at just over \$1.6 trillion, the Russian economy was the 11th largest in the world in dollar terms in 2019, accounting for just 1.8 per cent of global GDP. This is slightly smaller than Italy and Canada, and just a little larger than South Korea and Australia. Expressed in current US dollars, Russia's per capita income was around \$11,000, which amounts to around 15 per cent of per capita income in the US, and just over 30 per cent of the EU average. Put into wider perspective, this is lower than Poland and Chile, but higher than Brazil and Turkey.

But market exchange rates should not be used to measure living standards across countries. Measured at the more appropriate purchasing power parity (PPP) -- i.e. adjusted for differences in the cost of living - the picture is strikingly different. GDP in 2019 was over \$4.3 trillion, accounting for around 3.1 per cent of global GDP. According to this measure, Russia was the sixth largest economy in the world, and the second largest in Europe, only slightly behind Germany. Measured at PPP, per capita income was nearly \$26,000, half the US level and nearly three quarters of the EU average. While Russia is not an economic giant like the US or China, it does belong in the second tier of regional heavyweights like Japan, India, Brazil and Germany.

Russia is also, in statistical terms, a comparatively open economy. This is usually expressed as the sum of imports and exports as a proportion of a country's GDP. According to World Bank data, trade accounted for 47 per cent of Russia's GDP in 2018. This is more open than many other large low- and middle-income economies such as Brazil (24 per cent), China (38 per cent) and India (41 per cent). Russia, then, is, an open economy for a country of its size. It is also relatively open when compared with several large high-income economies, including the USA (28 per cent) and Japan (36 per cent). This openness means that the Russian economy is sensitive to developments well beyond its own borders and, in most instances, over which it has little control (e.g. commodity prices).

The composition of Russia's imports and exports, however, reveal that Russia's links with global trade are concentrated in a relatively small number of areas. On the export side, natural resources continue to account for the vast majority of Russia's sales. In this respect, Russia is as dependent on the sale abroad of natural resources as the Soviet Union once was. Hydrocarbons – oil, oil products, natural gas, and coal -- account for most of this, making up anywhere between 55-75 per cent of total Russian exports in any one year. Along with the USA and Saudi Arabia, Russia is in the top-three producers of crude oil in the world (the ranking varies by year). As domestic oil consumption has declined slightly in recent years, Russia's exportable surplus of oil is the second largest in the world, behind only Saudi Arabia. This has brought considerable volatility: downturns in global prices in 2008 and 2014 both caused painful recessions. It is likely that the price war ignited in March 2020 will cause another downturn in economic activity in Russia.

Other non-hydrocarbon natural resources, such as metals, minerals, so-called 'rare earths' and forestry products, account for nearly 10 per cent of total Russian exports in most years. While this is a relatively small share of Russia's exports, the share of Russian mining companies in the global production of a number of precious and strategically important metals and minerals is very high. In 2017, Russia was the world's largest producer of diamonds (around a third of global production), with most extracted by ALROSA, a partially state-owned mining company. Russia is also the third largest producer of gold. In recent years, Russia has become an increasingly important exporter of agricultural products, as shown in 2018 when it became the largest exporter of wheat in the world, slightly ahead of the United States. This was in stark contrast to the Soviet period when it was forced to import wheat from the US and Canada.

Outside natural resources and agricultural products, Russia is globally competitive in only a few other industries. Since the 1990s, Russia has consistently held the position as the world's second largest exporter (second to the United States) of armaments. And it is a world leader in the production and export of machinery for nuclear power stations. In both cases, this is a distinct and enduring legacy of the Soviet Union's investment in -- and prioritization of -- the defence industry. Only a few new globally competitive industries have emerged since the Soviet era, the most notable of which is the software industry. Compared to the likes of the US and India, Russia is a medium-sized software exporter, although it is among the fastest growing.

Thus, while Russia is often misleadingly characterized as a mere 'petrostate', it is clear it is an extremely important producer and exporter of some of the world's most sensitive and strategically important goods. For this reason alone, Russia's importance to the global economy should not be underestimated.

The Russian state and the global economy

The system of political economy that was built in Russia over the past three decades is plugged into the wider global economy. It is open to inward flows of trade, capital and people. Its people own assets across the globe. Its firms shape the movements of some of the most important sectors in global commerce. And its government seeks to play a part in setting the terms of global economic exchange, both in Eurasia and beyond. All this suggests that Russia is very much a global, outward-looking and capable economic power.

It is also important to note that much of Russia's involvement in the global economy, especially in trade, is conducted by entities owned or heavily influenced by the state, reflecting the importance of state control in

strategically important sectors of the Russian economy. In the oil industry, Rosneft and Gazpromneft are the two largest oil companies. Both are owned by the state. In the gas sector, Gazprom is owned by the state. The other large gas company – Novatek – is not owned by the state, but its owners enjoy very close links with Vladimir Putin. Elsewhere, the nuclear power industry is dominated by state-owned Rosatom, while the banking sector is dominated by Sberbank, VTB and Gazprombank. All these large state-owned firms – and many more from other industries – are extremely active on global markets. This makes it easier for the Kremlin to use them in pursuit of political as well as economic objective objectives.

On occasion, this can lead to friction with other countries that suspect ulterior political motives behind the ostensibly commercial activities of Russian firms. For some observers, the excessive influence of the state is a weakness that prevents Russia from harvesting the full potential of integration with the global economy. But such thinking may prove to be outdated. The blend of outward-looking state capitalism on show in Russia is becoming increasingly common across the world today. Brazil, China, the Gulf States, Saudi Arabia and Turkey have all shown that state control over key areas of the domestic economy can be successfully combined with an openness to the global economy. If these trends persist, Russia's model of integration may yet prove to be the norm rather than the exception. It also means that the state is well-placed to exploit its position in vital sectors of the global economy to achieve political as well as commercial objectives.

Where Russia exercises economic power

The geography of Russia's economic links with the outside world have changed dramatically over the past decade. Although the majority of Russia's trade is still carried out with the countries of the European Union (EU) -- with the EU accounting for 46 per cent of Russia's exports in 2018, and 38 per cent of Russia's imports -- trade ties with non-Western economies have grown sharply. Like so many other countries, the imprint of Asian economies has grown considerably over the past three decades. China is now Russia's single largest partner, accounting for 10 per cent of Russian exports and is the source of 22 per cent of imports. Asia more widely -- including India, South Korea, Japan and Vietnam -- accounts for around 10 per cent of Russia's exports and nearly 15 per cent of imports. Outside Asia, rapidly growing economic powers like Turkey are growing in importance, too. In 2018, it was the destination for 5 per cent of Russian exports.

While these countries are important to Russia, it is also the case that Russia is important to them. Russia often accounts for a large share of country's imports in strategically important goods. For example, Russia is the single largest supplier of oil to China, as well nearly all of its arms imports, and a significant proportion of nuclear power machinery. Similarly, Russia is the largest supplier of gas and nuclear power equipment to Turkey, and in 2019 became a supplier of advanced weaponry (the S-400). Russia's huge grain exports keep countries across the Middle East supplied with food.

These trends look set to continue. The enormous Power of Siberia (*Sila Sibiri*) gas pipeline to China that is due to be completed in 2020, along with the construction of liquefied natural gas (LNG) terminals in the Arctic, will cause exports to China and Asia more widely to rise significantly over the coming years. Turkey's role as a trade partner looks set to grow, too, when the Turkish Stream gas pipeline system is completed. This could be accompanied by the sale of further weapons in the future. The same economic instruments of influence -- energy, arms, food, and finance -- are being used in other parts of the world, ranging from Latin America (Brazil, Venezuela) and Africa (Algeria, Egypt, Congo, Sudan) to the Middle East (Iran, Iraq, Turkey) and East Asia (Indonesia, Vietnam and the Philippines). Important commercial agreements are often accompanied by closer political relations.

Limits to Russian economic power

There are, though, considerable limits -- both real and potential -- to Russia's ability to exercise economic power. These include: the emergence of new competitors in areas where Russia is traditionally strong (e.g. LNG exporters in global gas markets and rapid oil production growth in North America); Russia's general failure to keep up with the pace of technological change outside military-related areas of the economy; the need for investment in Russia's domestic economy to ensure it remains competitive in strategic sectors of the

economy; structural constraints caused by demographic change; and the use of sanctions by Russia's competitors to reduce its influence in the global economy.

Furthermore, although Russia possesses considerable economic capabilities, especially in strategically important industries, there are limits to which this economic power is fungible. This is for two key reasons. First, Russia's economic partners are not passive objects of Russian attempts at converting economic leverage into political capital. Instead, they have their own interests and often attempt to exploit their relationship with Russia as a hedge to generate better terms from other economic partners. This can often reduce Russian influence. Second, the demands of Russia's domestic economy on its strategically important sectors impose constraints on the extent to which foreign economic policy can be subordinated to political objectives.

Conclusion

It is clear that economic statecraft plays an important role in Russia's foreign policy. While the Russian economy does not possess the same diverse economic structures as advanced economies like the USA, UK, Germany or even China, it does retain comparative advantages in several sectors of strategic importance. These include hydrocarbons; natural resources; agriculture; armaments; finance; and nuclear power generation machinery. As a result, while Russia is not always the most important trading partner to many countries by volume, it often exerts an influence disproportionate to its share of a country's total trade by virtue of the fact that Russia is often dominant in strategically important industries.

The sectors in which Russia's possesses comparative advantage in global trade and capital markets occupy a specific role in Russia's system of political economy. The close links between the state and those enterprises through which Russia is integrated with the global economy mean that foreign economic policy can often function as a vital lever of wider Russian foreign policy. This is a crucial characteristic of so-called 'state capitalist' systems of political economy (this is also true of China, for example).

UK and allied policymakers should acknowledge the evident economic capabilities that the Russian state is able to deploy abroad in pursuit of political objectives. This will enable us to then develop the means to counter them when it is in our interests to do so. Once a sober assessment of Russian capabilities and deficiencies is carried out, it should then be possible to identify where its weaknesses and limitations can be exploited to best effect.

Russian Military Vulnerabilities: Perceptions and Misperceptions

KATARZYNA ZYSK

Norwegian Institute for Defence Studies

Finding the balance between acknowledging the capability of the modernised Russian military force over the past decade without overestimating it has been a long-standing challenge for scholars, experts, policy makers, and the broader public. The complexity of the Russian military organisation coupled with limited transparency provide a fertile ground for assessments that can easily be skewed toward one part of the picture. Indeed, the Russian 'military organisation of the state' (*voyennaya organisatsiya gosudarstva*) includes several dozens of structures that also involve also federal civilian ministries and various agencies that may be called upon to participate in the war effort.¹ Moreover, the Russian approach to power projection characterises a growing complexity and a permanent state of both direct and indirect competition, also involving the use of a broad spectrum non-military measures. The image of the Russian armed forces has often been presented in an overly positive manner, not the least in the wake of Russia's swift annexation of Crimea. However, there are also widely shared misperceptions that exaggerate certain weaknesses of the Russian military, as in the case of the Russian naval capability, often presented and assessed outside of the military-strategic context.

Many parts of the Russian military organisation, operations, as well as capabilities in development, in the experimentation phase, and in planning remain highly classified. Those operations and capabilities that are presented publicly may indicate the focus of the Russian authorities and their assessment of the trajectory of current and future warfare. However, public displays of military might may also be designed to have a particular signal effect directed toward the domestic or the international audiences, or toward both. In any case, the reality of the Russian military development is often complex and nuanced.

The objective of this essay is to examine one aspect of Russian military development, namely its vulnerabilities. It focuses on selected key aspects of the development, though it does not present an exhaustive list of the weaknesses. This analysis starts by briefly examining some of the central misconceptions of the Russian overarching framework, i.e. development trends in the state's approaches to power projection, and subsequently discusses the vulnerabilities found in Russia's defence industry, military hardware, and military organisation.

Russian power projection – selected aspects

The surprise effect achieved by Russia's swift and successful annexation of Crimea in 2014, followed by its widespread use of disinformation, cyber-attacks, electronic warfare, economic levers, and a spectrum of other means that merge military and non-military, asymmetrical and indirect approaches, have worked to create an impression of a highly-coordinated, 'new way of Russian warfare' and the Russia militarily being 'back' on the international stage among the great powers.

However, while Russia has become better at coordinating the expanding spectrum of state resources, there is a tendency to exaggerate the effectiveness and the degree of coordination in the Russian force projection. A number of failed operations since 2014 have exposed some of the deficiencies in planning, coordination and execution (e.g., a failed coup attempt in Montenegro by the Russian military intelligence (GRU) in 2016; cyberattacks aimed to interfere with the investigation by the Organization for the Prohibition of Chemical Weapons into the use of chemical weapons in Syria, and the conditions surrounding the poisoning of Sergei Skripal; cyberattacks against officials investigating the Russian doping scandal and officials investigating of the Russian downing of the passenger plane NH17 in Ukraine in 2014). Furthermore, the overblown assessments

¹ For instance, in the Kavkaz-2016 exercise, the Russian armed forces operated in cooperation with the Bank of Russia and employees of federal ministries and departments, 'V ucheniyakh "Kavkaz-2016" zadeistvovany bolee 120 tysyach voyennykh', *Ria novosti*, 9 September 2016. See also 'Voyennaya organisatsiya gosudarstva', Military-Encyclopaedic Dictionary, Russian Ministry of Defence, <https://encyclopedia.mil.ru/encyclopedia/dictionary/details.htm?id=4341@morfdictionary>

of the power projection abilities and effectiveness also derive from the lack of a conceptual clarity. The problem with often poorly defined concepts such as ‘hybrid warfare’ or ‘grey zone operations’ is, among other issues, that it is unclear where the line should be drawn between what is and what is not part of Russian warfare.

Some assessments view virtually everything Russia does on the international stage as a part of warfare, from Russian business deals in Africa and statements in the US Security Council, to Gazprom expanding its influence abroad. Such an expansive definition of Russian warfare, often presented as centrally coordinated, obfuscate rather than help to understand its development and formulate accurate policy responses to actual Russian offensive operations. Indeed, the expansive definition of Russian warfare may also be a way of crying wolf, undermining credibility, working to numb policy makers and societies against actual dangers, while fuelling the Russian propaganda machine and facilitating accusations of exaggeration and Russophobia.

More generally, while role of non-military measures in the Russian power projection has increased in the 2010s, it should not be overestimated, nonetheless. The Russian General Staff highlighted the importance of non-military means in Gerasimov’s famous, though often misinterpreted, article in 2013.² However, in his speech at the Academy of Military Sciences in Moscow in March 2019, Gerasimov made what appears to be a correction, arguing that the military force remains the decisive factor in Russia’s military strategy, and it is to be applied when non-military methods prove to be insufficient in achieving Russia’s objectives.³

The defence industry, hardware, and organisation

The Russian military suffers from a broad spectrum of vulnerabilities, both structural and systemic, often exacerbated by external circumstances such as Western sanctions imposed in the wake of the Russian annexation of Crimea in 2014. One that constitutes the foundation of the Russian military is *the domestic defence industry*, which continues to suffer from many structural problems in selected areas. The Russian military-industrial complex continues to rely on state order and preferential state funding, which limits incentives to invest in defence innovation and thus create a competitive work and research environment, allowing them to move toward a more efficient use of resources and improve quality control, to name a few examples. The industry is struggling with *low production capacity*: it is estimated that labour productivity in state-owned Russian industries and companies is much lower than the productivity in the private sector, and it is over 30 per cent below the national average.⁴ Furthermore, a declining professional expertise and human resources available to the Russian military-industrial complex is also a challenge. As the economic situation worsens, the risk of further brain drain is likely to accelerate. A public opinion survey conducted by the Levada Centre in December 2019 showed that more than half of Russians between the ages 18 and 24 want to move abroad permanently as living standards fall and economic opportunities decrease.⁵

Despite well-publicised by the Russian government official efforts to limit *corruption* over the years,⁶ it continues to undermine the military modernisation programme. Since the Russian political system provides a breeding ground for corruption, it will be hard to curb without reforming the entire political system, starting at the top of the power structures. Since this appears highly unlikely, not the least in the light of the 2020 constitutional changes providing Putin the possibility of staying in power, corruption is likely to continue, as are its direct and indirect consequences, including problems with delivering defence orders on time, in a sufficient quantity and quality and for an acceptable price. Russian authorities have attempted to force the industry to deliver better and cheaper products through increased control and by placing personal sanctions on industry leaders, but it is uncertain whether these will produce the desired effect.

² Valerii Gerasimov, ‘Tsennost’ nauki v predvidenii. Novye vyzovy trebuyut pereosmyslit’ formy i sposoby vedeniya boevykh deistvii’, *Voyenno-promyshlennyyi kurer*, 27 February 2013.

³ Gerasimov, ‘Vektory razvitiya voyennoi strategii’, *Krasnaya zvezda*, 4 March 2019.

⁴ Martin Russell, *Seven economic challenges for Russia. Breaking out of stagnation?* European Parliamentary Research Service, July 2018, p. 4.

⁵ ‘Emigratsionnye nastroieniya’, Levada Centr, 26 November 2019, <https://www.levada.ru/2019/11/26/emigratsionnye-nastroeniya-4/>.

⁶ Cf. Polina Beliakova and Sam Perlo-Freeman, *Corruption in the Russian Defense Sector*, The World Peace Foundation, The Fletcher School at Tufts University, 11 May 2018, <https://sites.tufts.edu/wpff/files/2018/05/Russian-Defense-Corruption-Report-Beliakova-Perlo-Freeman-20180502-final.pdf>.

Likewise, Russia tends to develop *several different versions of the same type of weapon*, such as seven different types of fighter aircraft. While this may seem impressive on the surface, such a range creates logistical problems and wastes large sums of money on spare part production and on maintenance.

The Russian military is also lacking in several critical capabilities. This includes the *ability to clear sea mines*, since the number of minesweeping vessels is currently few, and it will take time before it can be increased as planned. *Transport capacity and logistics*, both in the air and at sea, are also deficient. Russia has significantly improved strategic mobility over the past ten years; however, the number of Il-76 transport planes remains under 100, and amphibious warfare ships in operation are for the most part worn-out and produced by Polish shipyards, meaning that spare parts are difficult to acquire. Furthermore, Russia's logistical system also has its vulnerabilities, recently made evident under its operations in Syria, requiring civilian support, including foreign support, whether purchased or leased. Most of Russia's amphibious warfare ships have also been participating in 'the Syrian Express'.⁷

Russia's *innovation capability* has remained limited for a number of reasons. One example of that is the slow advancement in development of *drones*. The focus of the Russian General Staff on drones has been growing over the years. In 2013, it promised Russian-made drones by 2020, but the domestic industry has been struggling with producing indigenous drones despite almost 900 million USD (five billion roubles) spent for that purpose.⁸ While Russia has made significant progress in producing surveillance drones, initially on Israeli license, and subsequently indigenous vehicles for reconnaissance and target acquisition (e.g. Forpost-M, Forpost-R⁹, or Orlan-10¹⁰), these drones are known to have limited range and endurance. Russia still lacks assault drone capability, considered a major vulnerability. However, the drone development appears to be moving forward and relatively quickly (e.g. Al'tius/Al'tair heavy UAV, Okhotnik attack UAV¹¹). Russia has also shown an interest in swarm technology, which, if successfully acquired, could provide Russia a significant edge on the battlefield.¹²

Increased defence spending over the past decade and progress in modernisation have enabled Russia to take advantage of its missile technology. Although in development since the 1980s, the production and deployment of *long-range high-precision* weapons have accelerated since 2010 (the air-launched cruise missiles Kh555/Kh-55SM, Kh-101/Kh-102 delivered by long-range strategic bombers; the sea-launched cruise missile Kalibr, the ground-launched cruise missiles Iskander-K and the ballistic missile Iskander-M; and ground-launched SSC-8/9M729 prohibited under the INF Treaty).¹³ These missiles can allow Russia to engage land targets across Europe and large parts of Asia from international waters or from Russian airspace, in addition to delivering them as anti-ship cruise missiles. The range, stealth capability, high-subsonic speed and low-altitude flight profile of these missiles aim to stress an enemy's ability to effectively defend itself.¹⁴ In addition to the already

⁷ Jörgen Elfving, personal communication, March 2020.

⁸ Vladimir Popovkin, quoted in: Mikhail Sergeyev, 'Nebesnyi dolgostroi,' *Rossiiskaya gazeta*, 25 February 2013; 'Genshtab dolozhil o real'nykh rezul'tatakh voyennoi reformy', *Odnako.org*, 14 February 2013.

⁹ 'Minoborony RF poluchit 10 novyh bespilotnikov "Forpost-R"', *TV Zvezda*, 5 February 2020, <https://tvzvezda.ru/news/opk/content/2020251520-QDjSl.html>.

¹⁰ 'Bespilotniki "Orlan-10" nachali razvedku nad voyennym skladom pod Achinskom', *Ria novosti*, 3 March 2020, <https://ria.ru/20190810/1557366945.html>; 'Dron — v stroi: "Orlan-30" naidet tseli dlya artillerii', *Izvestiya*, 2 October 2019; 'Do kontsa goda v VVO postupit partiya bespilotnykh letatel'nykh apparatov "Orlan-10"', Ministry of Defence of the Russian Federation, 16 December 2019, https://function.mil.ru/news_page/country/more.htm?id=12267088@egNews.

¹¹ 'Istochnik soobshchil ob ispytaniyakh prototipa BLA "Al'tius" so sputnikom', *Ria novosti*, 20 January 2020, <https://ria.ru/20200120/1563613687.html>; Oleg Falichev, 'Smozhet li okhotit'sya "Okhotnik"?' *Voyenno-promyshlennyi kurer*, 14 April 2020.

¹² 'Vysshii bespilotazh: voyennye vperve otrabotali deistviya udarnykh grup dronov', *Izvestiya*, 7 November 2019.

¹³ Roger N. McDermott and Tor Bukkvoll, *Russia in the Precision-Strike Regime – Military Theory, Procurement and Operational Impact*, Norwegian Defence Research Establishment (FFI), FFI-Rapport 17/00979, 1 August 2017. Cf. *2017 Report on Adherence to and Compliance with Arms Control, Nonproliferation, and Disarmament Agreements and Commitments*, US Department of State, 14 April 2017; General Paul Selva, USAF Vice Chairman of the Joint Chiefs of Staff, *Statement before the 115th Congress*, House Armed Services Committee, Military Assessment of Nuclear Weapons, 8 March 2017.

¹⁴ Cf. Robert Dalsjö, Christofer Berglund, Michael Jonsson, *Bursting the Bubble. Russian A2/AD in the Baltic Sea Region: Capabilities, Countermeasures, and Implications*, FOI Report, March 2019.

significant arsenal of ballistic and cruise missiles, Russia has made progress in the development of hypersonic missiles (Kinzhal and Tsirkon) and boost glide vehicles (Avangard), the latter having been deployed since December 2019.¹⁵ The qualities of hypersonic weapons, such as the ability to manoeuvre at speeds greater than five times the speed of sound and the use of ‘near space,’ poorly covered by US sensors, make for a formidable target for US battle networks, as they move through an operational domain inadequately covered by US sensors.¹⁶

However, the highly publicized by Russia and propagated in the West ideal or maximum ranges of these missiles are different from their effective ranges. The focus on the former has created an impression of an almost completely ‘closed’ anti-access/area denial zones along the Russian periphery centred in Kaliningrad, the Black Sea and the Barents Sea, in addition to bubbles provided by Russian warships. Such a perception can give Russia a critical advantage in a crisis and conflict situation, dissuading the adversary from entering the zone and possibly conceding without fighting in some scenarios. Meanwhile, Russia’s long-range precision weapons are insufficiently supported with critical capability, i.e. *intelligence and reconnaissance support infrastructure*, that would allow them to locate and hit targets from longer distances, particularly moving targets.¹⁷ Furthermore, there is a need to estimate how many of the long-range precision weapons Russia already has and how many it is capable of producing, not least given the potential of the Russian economy.

Related to that development is the often-misunderstood *relation between conventional and nuclear forces* in Russian military strategy. In 2014, Russia formally included non-nuclear deterrence in its military doctrine, elevating the role of long-range precision weapons to the strategic level.¹⁸ This development has fuelled long-standing speculation among Russian and Western experts about the imminent shift of the major share of missions of the Russian strategic deterrence, from the nuclear to the non-nuclear sphere. Indeed, the Russian General Staff assumes that the pace of the production of long-range precision weapons may eventually allow Russia to do just that. The Minister of Defence, Shoigu, has even promised to provide a ‘full non-nuclear deterrence’ by expanding the number of non-nuclear strategic weapons four-fold by 2021.¹⁹

This transition is still in the future, however, and, as noted above, is dependent on the Russian economy allowing for the acquisition of a large number of such weapons and the abovementioned system for their intelligence support. Russia has made advances in adapting to a more information-driven battlefield, with the Russian General Staff vowing to create a unified system of integrated forces and means of reconnaissance, attack and command. Still, the deemphasizing of nuclear weapons in the Russian military doctrine and strategy belongs to the future, if it happens at all. Evidence of the continued critical role of nuclear weapons in Russian military doctrine and strategy is provided by the expanding Russian arsenal of nuclear weapons at all levels of warfare, the modernisation and fielding of increasingly diverse and expanding capabilities, their delivery systems and supporting infrastructure.

In this context, of critical importance are the operational aspects of the Russian doctrine, which appears to be moving toward the intertwining of nuclear and non-nuclear missions. All Russian long-range precision weapons are developed dual-capable (i.e. able to carry both conventional and nuclear warheads). Hence, rather than diminishing the role of nuclear weapons, development is moving toward a greater integration of nuclear and

¹⁵ ‘Pervyi polk s “Avangardami” zastupit na boevoe dezhurstvo na yetoi nedele’, *Rossiiskaya gazeta*, 24 December 2019; ‘Voyennye postavili pervyi kompleks “Avangard” na boevoe dezhurstvo’, *Rossiiskaya gazeta*, 27 December 2019.

¹⁶ Robert O. Work, Greg Grant, *Beating the Americans at their Own Game: An Offset Strategy with Chinese Characteristics*, CNAS Report, June 2019.

¹⁷ Dalsjö, Berglund, Jonsson.

¹⁸ *Voyennaya doktrina Rossiiskoi Federatsii*, 26 December 2014, Security Council of the Russian Federation, <http://www.scrf.gov.ru/security/military/document129/>.

¹⁹ ‘Ministr oborony Rossii provel ustanovochnyu lektsiyu kursa “Armiya i obshchestvo”’, Russian Ministry of Defence, 12 January 2017, https://function.mil.ru/news_page/world/more.htm?id=12108199@egNews&_print=true; Katarzyna Zysk, ‘Escalation and Nuclear Weapons in Russia’s Military Strategy’, *RUSI Journal* 163 (2), 2018.

conventional capabilities into a single weapon set, a complementary system in which nuclear and non-nuclear capabilities aim to amplify the other's effect in supporting deterrence, defence, and coercion.²⁰

One of the areas of the defence industry hardest hit by Western sanctions has been *surface shipbuilding*, especially the construction of large warships. The Russian defence industry has struggled for years to live up to Putin's ambitions to rapidly rebuild a blue water navy, after years of a decay.²¹ The abrupt stop in defence cooperation with Western and other foreign partners in 2014 has further delayed major construction programmes, crippling the naval ambitions. The sanctions have exposed areas where Russia remains highly dependent on foreign components, such as Ukrainian gas turbine engines and German diesel power units. As a result, several new classes of ships have been further delayed, such as the Admiral Gorshkov class and Admiral Grigorovich class of frigates. While Russia has launched a programme to support the development of indigenous import substitutes, it takes both time and resources to develop these, and the final product is often of lower quality and at a higher price tag.²²

That said, the difficulties in modernising the Russian Navy have often created an exaggerated image of naval decay, which only partly corresponds with reality, and, notably, which is not necessarily consequential to the Russian military strategy. A series of dramatic accidents involving various Russian ships over the past few years have further exacerbated that perception, including the infamous sailing of the aircraft carrying cruiser Admiral Kuznetsov close to Dover while billowing smoke in October 2016²³; the sinking of Russia's largest floating repair dock outside of Murmansk in November 2018 (and damaging the Kuznetsov in the process)²⁴; the fire on the research and intelligence-gathering submersible Losharik in July 2019, resulting in the death of 14 Russian officers²⁵; or the fire on the unfortunate Kuznetsov in December 2019. Some of these accidents expose serious underlying problems in the Russian Navy and the domestic shipbuilding industry. It is important to note, however, Putin's blue water naval ambitions notwithstanding, the Russian Navy still has the ability to execute its core tasks, i.e. to defend Russia's border zones and – in the case of the Northern and Pacific fleets – provide cover for the stable deployment of strategic submarines while protecting their basing and operational areas. Russia has also managed to somewhat offset the need to approach distant targets by programmatically focusing on armament rather than on platforms (i.e. on smaller corvettes and frigates that are faster and cheaper to build and arming them with long range precision weapons).

Notably, in the State Armament Programme for the period up to 2020, Russia invested heavily in *upgrading the navy at the expense of the army*. Even though ground forces make up the majority of the Russian military, and, while modernised, still struggle with outdated infrastructure and equipment, the Navy received approximately 26 per cent of the funding, compared to less than 14 per cent allocated for the army.²⁶ There are reasons to doubt that such a skewed distribution was based solely on a sober analysis of the Russian security and threat environment. Putin seems to have a special interest and affection for the Navy; a fleet with global power projection capability is regarded as a condition to be recognised as a first-rate international power, with corresponding influence on world affairs. Russia's historical experience is that periods of Russia's rise on the world stage coincided with periods of a robust growth of the Navy.²⁷ Currently, however, Russia's ability to use

²⁰ Dave Johnson, *Russia's Conventional Precision Strike Capabilities, Regional Crises, and Nuclear Thresholds*, Livermore Papers on Global Security No. 3, Lawrence Livermore National Laboratory Center for Global Security Research February 2018; Zysk, 'Escalation and Nuclear Weapons'.

²¹ Cf. Zysk, 'Russia's Naval Ambitions: Driving Forces and Constraints', in *Twenty-First Century Seapower: Cooperation and Conflict at Sea*, London: Routledge 2013;

²² See for instance Richard Connolly, *Russia's Response to Sanctions. How Western Economic Statecraft is Reshaping Political Economy in Russia*, Cambridge University Press, 2018, 147–149.

²³ 'Russian warships pass through Channel watched by Royal Navy,' *The Guardian*, 21 October 2016

²⁴ Atle Staalesen, 'Aircraft carrier is damaged as dry dock sinks,' *The Independent Barents Observer*, 30 October 2018.

²⁵ James Ganz and Thomas Nilsen, 'A Deep-Diving Sub. A Deadly Fire. And Russia's Secret Undersea Agenda', *The New York Times*, 20 April 2020, <https://www.nytimes.com/2020/04/20/world/europe/russian-submarine-fire-losharik.html>.

²⁶ 'Rossiya vtroe uvelichit finansirovanie VMF', *Lenta.ru*, 22 April 2011; Vladimir Shcherbakov, 'Nash flot prevzoidet amerikanskii. No tol'ko po tipazhu', *Nezavisimoe voyennoe obozrenie*, 25–31 March 2011; Julian Cooper, *Russia's state armament programme to 2020: a quantitative assessment of implementation 2011–2015*, FOI Report, March 2016, p. 20.

²⁷ Zysk, 'Russia's Naval Ambitions'.

its naval force for this purpose is highly limited, and, given that its largest floating dock has sunk, the prospects that it may change significantly in the near future appear small.

The halt in defence cooperation with Western companies as a result of sanctions has also affected another important area of the military development in Russia, namely *the import of dual-use technology* that can be applied for both military and civilian purposes. Russia lacks in strategic areas of military technology, including radar and satellite reconnaissance. Until 2014, Russia spent close to 500 million USD per year in buying merchandise, such as electronic components for Russian weapons and satellites, from the US, and double-use satellites from France and Germany.²⁸ Current export limitations are likely to slow down Russian defence modernisation in these areas.

Another important aspect to consider in assessment of vulnerabilities in the Russian military is the potential to *recruit and retain* the desired number of military personnel. Russia has made significant progress in attracting contract soldiers, creating a non-commissioned officer corps fully based on contracts in 2017. However, the authorities struggled with reaching the objective of signing up 425 000 contract soldiers by 2017.²⁹ The number and timeframe had to be revised in 2019 to 476 000 to be reached by 2025.³⁰ There are several reasons for this delay, including problems with successfully competing with the civilian sector for the relevant demographic.³¹ Still, as the economic situation in Russia deteriorates, the labour market is becoming more difficult and, with a decline in real wages in the private sector, the economic situation may help to recruit a higher number of personnel to the military service.³² On the other hand, the Russian defence budget is being reduced, with Putin promising that the cuts ‘will not affect the modernisation of the army and the navy’.³³ As a result, these reductions may potentially hit wages, training or service conditions, which, in turn, could adversely affect Russia’s ability to recruit and retain officers in service.

Conscripts still constitute a large part of the Russian armed forces and make for a base for both the mobilisation and recruitment of contract soldiers and reservists. However, the military culture of *dedovshchina* (hazing) has continued to motivate young Russian men to dodge the draft. In December 2018, among 44 per cent of respondents, the main motive for draft evasion was the fear of bullying, according to the Russian Public Opinion Research Centre. *Dedovshchina* has received much attention by the Russian authorities in the military modernisation effort. In the period before 2012, between 1500–1900 soldiers were sentenced for crimes related to *dedovshchina*.³⁴ The focus on improving the discipline, salaries and welfare, patriotic and moral education, as well as the social standing and prestige of the military service at large, were among factors that contributed to fewer reported extreme cases. In 2012, the number of soldiers sentenced for *dedovshchina* fell to 1100 and it has continued decreasing since, reaching 308 cases in 2018.³⁵ However, despite only occasional cases publicised in the media, the problem is far from eliminated, particularly among conscripts.³⁶ In November 2019, Deputy Chief Military Prosecutor Sergei Skrebets reported in the Russian Federation Council a growth of violent crimes by commanders committed against subordinates since the beginning of the year.³⁷

²⁸ ‘The strengths and weaknesses of Russia’s military’, *Deutsche Welle*, 7 April 2018,

<https://www.dw.com/en/the-strengths-and-weaknesses-of-russias-military/a-43293017>

²⁹ Nikolai Makarov, Lecture at the Academy of the Military Sciences in Moscow, published partly in ‘Reforma daet nuzhnye rezultaty’, *Nezavisimoe voyennoe obozrenie*, 17 February 2012; Aleksei Arbatov and Vladimir Dvorkin, ‘Voyennaya reforma: proshchety i puti ikh ispravleniya’, *Voyenno-promyshlennyi kurer*, 27 June 2012.

³⁰ *Russian Military Capability in a Ten-Year Perspective – 2019*, FOI report, December 2019.

³¹ *Russian Military Capability in a Ten-Year Perspective*.

³² James Dobbins et al., *Extending Russia. Competing from Advantageous Ground*, RAND Corporation, Santa Monica, 2019.

³³ ‘Putin: Russian arms upgrade won’t be affected by budget cuts’, *Associated Press*, 11 March 2016.

³⁴ ‘Dedovshhina vyhodit iz stroya’, *RBK*, 29 November 2019,

<https://www.rbc.ru/newspaper/2019/11/29/5dd6b5749a79479efffb5771>

³⁵ According to data presented by the Judicial Department at the Supreme Court of the Russian Federation on the request by *RBK*, ‘Dedovshhina vyhodit iz stroya’.

³⁶ ‘Dedovshhina vyhodit iz stroya’; see also Oliver Caroll, ‘New details on mass shooting reveal dark underbelly of Russian military’, *Independent*, 2 November 2019, <https://www.independent.co.uk/news/world/europe/russian-military-shooting-deaths-coverup-conspiracy-siberia-base-shamsutdinov-a9181966.html>

³⁷ ‘Prokuratura uvidela rost nasiliya so storony komandirov v armii’ *RBC.ru*, 22 November 2019,

<https://www.rbc.ru/society/22/11/2019/5dd7bbf29a7947040f9ce58c>; ‘Dedovshhina vyhodit iz stroya’.

Furthermore, there is uncertainty regarding Russia's *mobilisation potential*. While this may necessarily not be considered the most likely scenario, Russia still needs such a system to increase its capability to wage a large-scale and prolonged war. The mass mobilisation system of the Soviet provenience was disbanded in the process of the Serdyukov's reforms since 2008. The question is what has been put in place instead. Since 2015, the Russian Ministry of Defence has been forming an active reserve that trains regularly and is used for forming territorial defence units to be introduced across Russia.³⁸ The numbers, however, are not known (the objective reported in 2015 was approximately 5,000 men). The question is, which units can be mobilised, within what time frame, with what equipment and capabilities.³⁹

Related to transport, logistics, and infrastructure, *Russia's geography* is acknowledged by the Russian authorities themselves as among the most fundamental features of the country's military vulnerability. In quantitative terms, Russia has the longest-spanning sea boundary in the world, including accesses to 12 seas and three oceans, and land boundaries. Despite the long sea boundary, the main outlets give openings to four relatively isolated naval theatres (Baltic, Black Sea, North Atlantic/Arctic, and Pacific), separating and fragmenting the Russian naval potential. For instance, maintaining and upgrading the Pacific Fleet's sub-surface capacities has been challenging. On the one hand, the strategic uncertainties in the east give incentives to devote more attention to security and economic priorities in the Asia-Pacific region. On the other hand, the Pacific Fleet remains one of the most expensive to develop and maintain due to remoteness, extended supply chain, demographic deficiencies, and scarce infrastructure in the underdeveloped Far East.⁴⁰ In wartime, Russia faces the challenge of coordinating its forces through each of the five Joint Strategic Commands throughout the Russian territory. Weaknesses associated with the railways, infrastructure, industry, and 11 time zones spanning over 9,000 km are vulnerabilities that pose a challenge to military logistics and planning.

In the broader perspective, *Russia's greatest vulnerability is its national economy*. According to a report by the International Monetary Fund (IMF) from July 2019, the Russian authorities have established a relatively strong macroeconomic policy that has reduced uncertainty and helped to reduce consequences from external shocks. Economic growth is expected to be 1,6 percent in 2020 and 1,8 percent in 2021.⁴¹ The World Bank points out that unemployment remains at its historically lowest level (4,5 per cent), and the Russian banking sector has remained largely stable. The typical Russian citizen was 1.8 times richer in 2017 than in the year 2000. Russia has also continued to diversify exports, albeit slowly: it remains dominated by energy exports, which accounted for 65 per cent of total exports in 2018 (compared to 59 per cent in 2017).⁴² However, long-term growth prospects are modest due to structural constraints and sanctions. Structural reforms are needed to increase long-term growth and reduce the risk of stagnation. That means reducing the state's role in the economy, curbing regulations, and strengthening institutions, to name but a few key aspects.⁴³ Yet structural reforms are not on the government's agenda to a sufficient degree. One question to be asked is how long Russia can pay for and sustain its continued modernisation efforts with a high level of military activity at home and abroad without risking domestic political stability.

Tentative conclusions

Russia has achieved an impressive progress in modernising its armed forces since 2008 through a massive introduction of new and modernised weapons and infrastructure, accompanied by radical structural changes in the military organisation, evolving modes of operation and a sharply increased number, scale and complexity of military training and exercise. Russia's ability to carry out joint operations and strategic mobility has significantly increased, while response time has been shortened. Russia has also demonstrated a

³⁸ *Russian Military Capability in a Ten-Year Perspective*.

³⁹ I thank Jörgen Elfving for pointing that out, personal communication, March 2020.

⁴⁰ Sergei Viktorov, 'Okeanskomu flotu byt', *Krasnaya zvezda*, 3 October 2009; Zysk, 'Russia's Naval Ambitions'.

⁴¹ *Russian Federation: 2019 Article IV Consultation-Press Release; Staff Report*, International Monetary Fund, 2 August 2019, <https://www.imf.org/en/Publications/CR/Issues/2019/08/01/Russian-Federation-2019-Article-IV-Consultation-Press-Release-Staff-Report-48549>.

⁴² *Weaker Global Outlook Sharpens Focus on Domestic Reforms*, 42nd issue of the Russia Economic Report, World Bank, 4 December 2019.

⁴³ Russian Federation, IMF; *Weaker Global Outlook*.

more sophisticated approach to a complex and integrated use of a large and varied toolbox with military and non-military means. Furthermore, the wars in Ukraine and Syria have battle-hardened large parts of the Russian military and have laid down foundations for further improvements in the military organisation.

That said, the Russian military is not a homogenous and perfectly coordinated machine, as it may be at times perceived. The systemic, structural and circumstantial challenges in the defence industry, with the hardware and the broader defence organisation discussed above constitute vulnerabilities that continue undermining Russian military capability. Some of them are on the way to being resolved, i.e. the problems with acquiring indigenous unmanned aerial vehicles, including assault drones, or the challenges with recruiting and retaining contract soldiers. Other issues, such as limitations on the import of dual-use electronic components and other military hardware, are circumstantial and thus most likely temporary. Other impediments, however, are structural and systemic, thus unlikely to be significantly or fully addressed in the foreseeable future. This also applies to the problems they generate, including pervasive corruption, low labour productivity, brain drain, the inability to acquire a large blue water navy, and limited innovation.

Moscow's Far-Right "Useful Idiots"

ANTON SHEKHOVTSOV

University of Vienna

On 22 February 2020, a conference titled "Power and Market" took place in St. Petersburg. It was named after the book by Murray Rothbard, one of the key American libertarian thinkers, and was co-organised by the St. Petersburg branch of the Libertarian Party of Russia (LPR) and the "Civil Society" movement. One of the speakers at the event was a British far-right activist Stephen Yaxley-Lennon (also known as Tommy Robinson), a former leader of the far-right English Defence League and a convicted criminal whose criminal record includes convictions for violence, financial and immigration frauds, drug possession, and contempt of court. His presentation at the conference was titled "The Rape of Britain" and focused on what he called "jihad rape gangs" referring to the groups of men convicted of sexual offences against girls in the UK. The presentation elicited a great round of applause from the Russian audience.

The Russian individual who invited Yaxley-Lennon to Russia and to the conference was Mikhail Svetov,¹ a prominent member of the LPR, the chair of the "Civil Society" movement and a popular blogger. Svetov also conducted a long interview with Yaxley-Lennon, in which the two activists exchanged their opinions about perceived ills in their societies.² During the interview, when asked as to the reasons he came to Russia, Yaxley-Lennon replied that he felt he was "silenced in the UK" and that he was seeking a platform in Russia. In 2019, he was banned from all major social networks including Facebook, Twitter, Instagram, YouTube and Snapchat. The only platform that still tolerates him today is Telegram developed by a Russian entrepreneur Pavel Durov and, ironically, blocked in Russia itself.

But there was a good reason why Yaxley-Lennon talked about seeking a platform in Russia. Before he went to St. Petersburg to participate in the LPR's event, he was in Moscow and gave interviews to several leading Russian media. Perhaps the main media event involving Yaxley-Lennon was his press conference at the most popular Russian tabloid *Komsomol'skaya pravda* (Komsomol Truth). The press conference – the announced theme of which was "What's going on with free speech in Europe?"³ – was moderated by Alexander Malkevich⁴ who, in December 2018, was sanctioned by the US for his attempts to target Americans with online disinformation through the website *USA Really*⁵ linked to "Putin's chef" Yevgeny Prigozhin, who is himself sanctioned by the US.⁶ At the press conference, Malkevich declared that Russian media were one of the last islands of freedom of speech in Europe and that Yaxley-Lennon's "Rape of Britain" presentation – such as the one he did in the press centre of *Komsomol'skaya pravda* – was impossible to imagine in the UK.⁷

Yaxley-Lennon did more interviews in Moscow: he was interviewed for *Vechernyaya Moskva* (Evening Moscow),⁸ the FAN website⁹ (linked to Prigozhin),¹⁰ Tsargrad TV (founded by the EU/US-sanctioned Russian

¹Rape of Britain – Behind the Scenes in Russia", *altCensored*, 4 March 2020, <https://www.altcensored.com/watch?v=bgmJPbYJFVY>.

²"Between Putin and the EUSSR-Tommy Robinson", *SVTV*, 15 March 2020, <https://www.youtube.com/watch?v=sR3cQITpMSw>

³ Sarah Hurst, "Rape of Britain": Russia Rolls out the Red Carpet for "Tommy Robinson", *Byline Times*, 23 February 2020, <https://bylinetimes.com/2020/02/23/rape-of-britain-russia-rolls-out-red-carpet-for-tommy-robinson/>.

⁴ Amy Mackinnon, "The Evolution of a Russian Troll", *Foreign Policy*, 10 July 2019, <https://foreignpolicy.com/2019/07/10/the-evolution-of-a-russian-troll-russia-libya-detained-tripoli/>.

⁵ "Treasury Targets Russian Operatives over Election Interference, World Anti-Doping Agency Hacking, and Other Malign Activities", *US Department of the Treasury*, 19 December 2018, <https://home.treasury.gov/news/press-releases/sm577>.

⁶ Zack Beauchamp, "Meet the Shady Putin Crony Funding Russia's Troll Farm and Mercenary Army", *Vox*, 26 February 2018, <https://www.vox.com/world/2018/2/26/17044930/yevgheny-prigozhin-putin-mueller-troll-farm>.

⁷ Edvard Chesnokov, "Angliyskiy politik: My nablyudali, kak Evrosoyuz razrushil Ukrainu, a sam kormil nas antirossiyskoy propagandoy", *Komsomol'skaya pravda*, 21 February (2020), <https://www.kp.ru/daily/27095.7/4167823/>.

⁸ Kamran Gasanov, "Britanskiy politik Robinson: Davayte razvalim Evrosoyuz vmeste", *Vechernyaya Moskva*, 21 February 2020, <https://vm.ru/interview/782421-britanskiy-politik-robinson-davajte-razvalim-evrosoyuz-vmeste>.

⁹ Sergey Petrov, "Tommi Robinson: Amerika podderzhivaet radikal'nykh ekstremistov oruzhiem. FAN-TV", *FAN*, 21 February 2020, <https://riafan.ru/1252946-tommi-robinson-amerika-podderzhivaet-radikalnykh-ekstremistov-oruzhiem-fan-tv>.

businessman Konstantin Malofeev),¹¹ and RT.¹² With the exception of RT that interviewed Yaxley-Lennon exclusively about his “Rape of Britain” presentation, other interviews featured a set of recurring disinformation narratives: the US was supporting Islamist terrorists; Russia was unlikely behind the poisoning of the Skripals in the UK; Putin is a strong leader; the EU destabilised Ukraine, while Angela Merkel planned a NATO-led invasion of Ukraine. Asked by Tsargrad TV whether it made sense to unite Russian and European forces in “the fight for the preservation of identity”, Yaxley-Lennon replied that it was the only way “to protect Europe, our culture, [and] our identity”, and that Putin’s Russia was the key ally in the impending struggle.¹³

Yaxley-Lennon’s visit to Russia is, to a certain extent, a typical story in the relations between Russian state and non-state actors and the European far right and demonstrates what each side of this relationships wants from each other. Mikhail Svetov, a Russian non-state actor, invited Yaxley-Lennon to Russia in order to boost his own political popularity and promote his YouTube channel “SVTV” that featured the interview with the British far-right activist. Yaxley-Lennon went to Russia to propagate his ideas using Russian media as a platform that he was denied in his own country and internationally. Russian pro-Putin media used Yaxley-Lennon’s poor knowledge of Russian politics¹⁴ in order to convey his views, which are consistent with, if not directly inspired by, the Kremlin’s propaganda and disinformation campaigns, to justify Moscow’s foreign policy and discredit Western liberalism both for the international and domestic audiences.

Parts of this blueprint emerged already in the immediate post-Soviet era. During the *Perestroika* period, Russian society started to view the West in a positive light, and this feeling persisted well into the 1990s and – despite some bumps – into the early 2000s. In the Russian political milieu, having Western political allies contributed to one’s popularity, and even Russian ultranationalists were affected by these attitudes. This was the main reason why Russian far-right politicians such as Vladimir Zhirinovskiy, Sergey Glazyev or Sergey Baburin, as well as fringe fascist activists such as Alexander Dugin or Pavel Tulaev, built contacts with their European counterparts: the latter played a role of “cool foreign friends” or celebrities. When Zhirinovskiy or Baburin organised Russian trips for Jean-Marie Le Pen, then the leader of the French far-right National Front, that clearly impressed not only their potential electorate but also their political rivals. However, what was absent in those relations is the Russian state component: neither Yeltsin’s nor Putin’s administration (during his first presidential term) was interested in instrumentalising the European far right for their political ends, since they had relatively good relations with the Western establishment.

Indeed, while Russian far-right politicians and activists would always be interested in developing contacts with their international comrades (as politicians and activists of any other ideological conviction would), engaging with the far right on the part of the Russian state actors is always dependent on whether the Kremlin has good relations with the Western political and media establishment.¹⁵

For example, in the period between the mid-1990s and early 2000s, a Russian politician Sergey Glazyev promoted conspiracy-driven economic theories of an American far-right activist Lyndon LaRouche. Glazyev invited LaRouche to Moscow several times and the latter would even present his ideas in the State Duma (the lower chamber of the Russian parliament) at least two times. But Glazyev was in no way part of the Russian authorities at that time, and the Kremlin had no interest in what LaRouche had to say. However, LaRouche re-appeared in the Russian media space in 2008, and not in some obscure fringe newspaper, but in a programme of

¹⁰ Alexey Kovalev, “Russia’s Infamous ‘Troll Factory’ Is Now Posing as a Media Empire”, *The Moscow Times*, 24 March 2017, <https://www.themoscowtimes.com/2017/03/24/russias-infamous-troll-factory-is-now-posing-as-a-media-empire-a57534>.

¹¹ Courtney Weaver, “God’s TV, Russian Style”, *Financial Times*, 16 October 2015, <https://www.ft.com/content/27125702-71ec-11e5-ad6d-f4ed76f0900a>.

¹² “God Bless You, Please? Tommy Robinson, Activist”, *RT*, 23 February 2020, <https://www.rt.com/shows/worlds-apart-oksana-boyko/481371-tommy-robinson-free-speech/>.

¹³ “27 millionov? Britanskiy politik poteryal dar rechi ot chisla pogibshikh vo Vtoroy Mirovoy voyne”, *Tsargrad*, 7 March 2020, https://tsargrad.tv/shows/27-millionov-britanskiy-politik-poterjal-dar-rechi-ot-chisla-pogibshih-vo-vtoroj-mirovoj-vojne_241923.

¹⁴ During the interview with Svetov he admitted that he did “not know enough about the politics in Russia [or] about the history of Russia”, see <https://www.youtube.com/watch?v=sR3cQITpMSw>.

¹⁵ See more in Anton Shekhovtsov, *Russia and the Western Far Right: Tango Noir* (Abingdon: Routledge, 2018).

the state-sponsored Russia Today TV channel. The reason for LaRouche's sudden re-appearance in a new status was the 5-day Russo-Georgian war in August 2008. As James Nixey argued, although "Russia achieved most of its objectives from the war (a boost for military morale, a display of power to the West, humiliating the Georgian government and, most crucially, a halt to NATO enlargement), this came at a price – not least increased suspicion of Russia in the international community".¹⁶ Many Russian experts agreed with this assessment. Among others, Anatoliy Tsyganok, the director of the Moscow-based Centre of Military Forecasting, claimed that Russia had lost the information war with the West because it failed to advance internationally its narrative that Georgia had been an aggressor against its separatist region of South Ossetia, rather than Russia – against Georgia.¹⁷ For Tsyganok, the obvious lesson from this failure was the need to create "information forces" that would in future "engage in propaganda, disinformation and cooperation with the international media" to help Russia win an information war with the West.¹⁸

These feelings were widespread among the (pro-)Kremlin experts in Russia. But even before Russian authorities mobilised to build its propaganda and disinformation machine that the West would observe in its operational strength following the Russian invasion of Ukraine in 2014, Russia Today TV channel discovered its own instrument of information warfare still in August 2008 as it desperately tried to justify Russia's aggression against Georgia in the eyes of the Western audience. The TV channel felt the need of Western commentators who would corroborate and strengthen the Kremlin's narrative on the war with Georgia. However, Western mainstream politicians and experts were unwilling to play along, but Russia Today discovered that it could count on far-right commentators like LaRouche who believed that "the Georgian assault on South Ossetia was probably a British-led operation with U.S. support".¹⁹

This discovery dramatically changed the tactical thinking of the Russian state-sponsored media. If they needed Western commentators who would endorse or whitewash the behaviour of Putin's regime for the international or domestic audience, they would no longer have to woo doubtful mainstream experts: although they could still rely on trusted, time-proven mainstream lobbyists and "useful idiots", they realised that there was a large pool of Western anti-establishment commentators available to advance pro-Kremlin or anti-liberal narratives. And those anti-establishment politicians and activists were made available to the Russian media by Russian ultranationalists who built contacts with them on their own account.

Since 2008, Russian state-sponsored or pro-Kremlin media engaged with dozens of far-right politicians and activists. The (now former) leader of the Freedom Party of Austria Heinz-Christian Strache commented on the Russo-Georgian war²⁰ and the South Stream pipeline project.²¹ Nigel Farage (then of the UKIP, UK) and Morten Messerschmidt (Danish People's Party, Denmark) presented their grim views on the future of the Eurozone.²² Kent Ekeröth (Sweden Democrats, Sweden), Gerolf Annemans (Flemish Interest, Belgium) and Roberto Fiore (New Force, Italy) talked about the failures of multiculturalism.²³ American far-right activist

¹⁶ James Nixey, "The Long Goodbye: Waning Russian Influence in the South Caucasus and Central Asia", *Chatham House*, 1 June 2012, <https://www.chathamhouse.org/publications/papers/view/184065>.

¹⁷ Anatoliy Tsyganok, "Uroki voyny v Yuzhnoy Osetii", *Voенно-politicheskiy analiz*, 19 December 2008, <https://tsiganok.ru/publications/smi/doc/447/>.

¹⁸ Nadezhda Krasilova, Yulia Chernukhina, Marina Volobueva, Aleksandra Troshina, "Sygral v molchanku", *Novye izvestiya*, 9 September (2008), <https://newizv.ru/news/politics/09-09-2008/97588-sygral-v-molchanku>.

¹⁹ "Interview with Lyndon Larouche", *RT*, 21 August 2008, <https://www.rt.com/russia/interview-with-lyndon-larouche/>.

²⁰ Yuriy Politov, "Saakashvili – prestupnik", *Izvestiya*, No. 198, 22 October 2008, p. 2.

²¹ Aleksandr Sobina, "Haints-Kristian Shtrakhe: S Rossii neobkhodimo snyat' vse sanktsii", *Parlamentskaya gazeta*, No. 38, 31 October 2014, p. 26.

²² "Europe Cannot Afford Euro – MEP", *RT*, 18 January (2011), <http://rt.com/news/cannot-afford-euro/>.

²³ "They Don't Want to Integrate: Fifth Night of Youth Rioting Rocks Stockholm", *RT*, 23 May 2013, <http://rt.com/news/stockholm-violence-outbreak-fires-671/>; Ekaterina Sinitsyna Santoni, "Immigrazione e fallimento dell'Europa, intervista al leader di Forza Nuova", *La Voce della Russia*, 4 December 2013,

https://web.archive.org/web/20150710163023/http://it.sputniknews.com/italian.ruvr.ru/2013_12_04/Immigrazione-e-fallimento-dell-Europa-intervista-al-leader-di-Forza-Nuova/.

Richard Spencer and German far-right journalist Manuel Ochsenschlager became experts on Syria.²⁴ Aymeric Chauprade, then an advisor to Marine Le Pen, the leader of the French National Front, was invited to present his views on the EU's sanctions against Putin's Russia for its aggression against Ukraine.²⁵ A Polish fringe far-right activist Mateusz Piskorski discussed the dangers of Ukrainian nationalism.²⁶ The Russian media engaged with these and many other far-right politicians and activists to push two general narratives: Russia is right and on the right track, the West is wrong and failing. In return, the Russian media gave Western far-right commentators a sizable platform that they could use to propagate their own ideological agenda. Moreover, Russian media established partnerships with media resources in France and Italy managed by the far right, and even financed some of those resources.²⁷

The increased visibility of the Western far right in the Russian media – especially against the background of the deterioration of relations between Moscow and Western capitals after the annexation of Crimea and invasion of Eastern Ukraine in 2014 – contributed to their acceptance as potential political allies on the part of Moscow. The need for engagement with the far right emerged 2014: Putin's regime faced increasing Western criticism of its crackdown on the Russian opposition and of its support for the brutal rule of Bashar al-Assad. Moscow interpreted this criticism and Western attempts at democracy promotion as political warfare against Russia and considered its own interpretation of Western actions as an incentive to start a political war against the West. As described by George F. Kennan in 1948, tools of political warfare include overt measures such as political alliances, economic measures, and white propaganda, as well as covert measures such as clandestine support of friendly foreign elements, psychological warfare and encouragement of underground resistance in hostile states.²⁸ In view of this, Moscow's engagement with the Western far right implies the combination of a number of tools of political warfare: political alliances, support of friendly foreign elements, propaganda and psychological war.

However, boosting the far right with the help of political, media, and, less frequently, financial support provided by Russian state and non-state actors is a tactical, rather than strategic goal of Putin's regime. Strategic goals of the Kremlin are: (1) to protect Russian society from Western ideological, political, cultural and other influences believed to undermine the grip on power held by Putin's regime; and (2) to advance the political, economic and security interests of Putin's Russia on the international stage. As the Kremlin understands that ultra-nationalism and isolationism, which are intrinsic elements of far-right ideology, undermine social cohesion and subvert cooperation between Western nations, the rise of the far right can potentially facilitate achieving the two strategic goals of the Putin's regime.

At the same time, evidence from a number of European countries suggests that Moscow's cooperation with radical right-wing parties, the foreign policy orientations of which can be described as pro-Kremlin, has failed to bring any tangible results so far. For example, the Freedom Party of Austria, Italian Northern League (or simply League) and Bulgarian "Attack", while being in the opposition to the authorities in their respective countries, were vehement critics of the EU's sanctions against Putin's Russia and pledged to do everything to lift them.²⁹ However, after they joined governmental coalitions, they would still criticise the sanctions but do nothing to lift them. It appears that challenging the European consensus on Putin's regime may be a useful rhetorical tool to

²⁴ "Washington Ratcheting up Tension It Can't Afford", RT, 10 August 2013, <http://rt.com/op-edge/usa-russia-tensions-snowden-333/>; "US Military Intervention in Syria Is not off the Table", RT, 14 September 2013, <http://rt.com/op-edge/us-syria-crisis-intervention-867/>.

²⁵ "Sanctions against Russia a Counterproductive American Game", RT, 11 April 2015, <https://www.rt.com/op-ed/248805-france-russia-sanctions-ukraine/>.

²⁶ "Human Rights Violated by Ukraine's Coup-appointed Govt – European NGO", RT, 12 March 2014, <http://rt.com/news/ukraine-human-rights-violated-402/>.

²⁷ Vincent Jauvert, "Poutine et le FN: révélations sur les réseaux russes des Le Pen", *L'OBS*, 27 November 2014, <http://tempsreel.nouvelobs.com/politique/20141024.OBS3131/poutine-et-le-fn-revelations-sur-les-reseaux-russes-des-le-pen.html>.

²⁸ State Department Policy Planning Staff, "The Inauguration of Organized Political Warfare", *United States Department of State*, 30 April 1948, <https://history.state.gov/historicaldocuments/frus1945-50Intel/d269>.

²⁹ See more on this in Anton Shekhovtsov, "Do They Deliver? The Pro-Kremlin Far Right in Power", *Eurozine*, 6 August 2019, <https://www.eurozine.com/do-they-deliver/>.

attack the Western establishment when in opposition, and yet pro-Kremlin rhetoric loses much of its relevance when the far right joins the ruling elites.

Nevertheless, given the ongoing conflict between Putin's Russia and the West, the Kremlin and pro-Kremlin actors will continue engaging with the far right, for a variety of ends, if they cannot establish or maintain good relations with the mainstream forces in Western societies.

Russian Elites

ELISABETH SCHIMPFÖSSL

Aston University

Covid-19 has triggered near textbook-like responses among rich Russians. Socialites have publicised their feuds over questions of ethics. (See [Kseniya Sobchak who accused her fellow media celebrity Tina Kandelaki](#) of profiteering through the sale of overpriced face masks.) Billionaires have showcased their latest pop-up campaigns: [Roman Abramovich opened Chelsea's Millennium Hotel](#) to stranded and exhausted NHS staff. His fellow multi-billionaire [Vladimir Potanin donated to NGOs](#) that look after the poor during the coronavirus crisis, and billionaire [Igor Rybakov is handing out medical masks to concerned Muscovites](#). On the flip side we see the superrich looking after their own: they [buy up and hoard ventilators](#) and set up makeshift clinics in their luxury homes, as *The Moscow Times* reported, at the expense of ventilator provision at public hospitals.¹

Double think

I am not suggesting in any way that Abramovich, Potanin, Sobchak, Kandelaki or Rybakov would deign to consider hoarding ventilators for their families or setting up makeshift clinics in their private residences. However, the socio-economic group they belong to has a certain reputation for having no qualms about jumping the queue. Among the 80 people I interviewed for my book [Rich Russians](#), there were numerous characters who exhibited two contradictory moral standards; one for public consumption and one for their own family.

Most of these billionaires and multi-millionaires came of age in the 1980s and 1990s, a time when the ability to rapidly change from one moral code to another could pay off handsomely. By then, automatically switching from one to the other and fusing together different, often opposing, values had become the norm and long ceased to cause moral dilemmas for the individual. Throughout the Soviet period, people had one face when they swore allegiance to the Communist Party line and a very different one in their homes when surrounded by their closest friends and family.²

These chameleonic skills are no less important today.³ A typical example of ambivalent reasoning among the rich is their attitude to Russia and their romanticised idea of themselves as well as their country's superiority over the West. The myth is that Russian businessmen are more vibrant, energetic and open-minded than their Western counterparts. Many see Russia's achievement in developing capitalism within just a couple of decades, when it took the West over two hundred years, as proof of Russia's superiority. The telecommunications entrepreneur Yury Pripachkin, born in 1960, considers the youth of Russia's entrepreneurs as one of its vital strengths. They are, on average, a generation younger than those in the West. In addition, they are self-made, more energetic and more hands-on. This group, he explained to me, is composed of 'people who have done everything by themselves'.⁴

¹ Sauer, Pjotr; Gershkovich, Evan and Jake Cordell (2020) 'Exclusive: Rich Russians Are Hoarding Ventilators to Protect Themselves Against the Coronavirus'. *The Moscow Times*, 21 March.

² See, for example: Yurchak, Alexei (2006). *Everything Was Forever, Until It Was No More*. Princeton, NJ: Princeton University Press; Ledeneva, Alena V. (2013). *Can Russia Modernise? Sistema, Power Networks and Informal Governance*. Cambridge: Cambridge University Press.

³ On an individual level, this come apparent in people's ease at marrying contradictory morals. Artyom, a young oil and finance entrepreneur, admitted that he is telling lies all day long. He does so for the benefit of others, those who depend on him, he said; business otherwise would be highly inefficient. 'The more hostile your environment, the more you will lie', he said. The very fact that Artyom lies is not particularly alarming; we probably all do so with more or less frequency and severity. Artyom is actually quite exceptional in the sense of that he is aware of his routine lying and has reflected upon it. Most others relate to their contradictory morals in a most cavalier manner and unabashedly flaunt their sense of entitlement. Schimpfössl, Elisabeth (2018). *Rich Russians: From Oligarchs to Bourgeoisie*. New York: Oxford University Press, p. 68

⁴ *Ibid.*, p. 161

Despite such proclamations of faith into their country, they have consistently been syphoning their money into safe havens abroad rather than reinvest in Russia's economy, which has been left underdeveloped and dependent on the extraction and exportation of natural resources. According to calculations by Thomas Piketty, some 800 billion US dollars (more than half of Russians' total wealth) is held offshore.⁵ Only in 2012, the Central Bank of Russia [estimated illegal outflows for the year at 31 billion](#) US dollars.⁶

Russia's staggering economy has incited the Kremlin to take measures to 'renationalise' the business elite. A 2013 law forced government officials, their spouses and children under eighteen to divest themselves of foreign stocks and bank accounts. A law passed in 2015 obliges Russian citizens who want to keep their offshore assets to be out of the country for more than 185 days a year.

In response, many rich Russians rearranged their lives and assets and a good number of politicians abandoned their government positions rather than their houses in Europe, among them Roman Abramovich, who stepped down as the chairman of the legislature in Chukotka. Nevertheless, the 2015 *Forbes Russia* list included only [seventeen individuals who were not residing in Russia](#). Especially in times of economic crisis, regular networking and interaction with the authorities and business partners in their home country is crucial to keeping everything afloat.⁷ To settle outside Russia involves giving up any significant role in Russian business life. Emigration entails a personal sacrifice of home country ambitions, networks and culture that may be too heavy for many.

Continuously over the years, the largest amount of rich emigres and undeclared funds [have arrived in London](#).⁸ In contrast to New York, Britain's capital is only a three-and-a-half-hour flight from Moscow, which allows rich breadwinners to leave their families safe and secure in London while they commute to Moscow on business. The United Kingdom has a large network of private schools to which money provides easy access. London is home to the most diverse providers of financial, legal and related services to store and protect wealth. The UK fiscal regime has some important elements of a tax haven in the sense that privacy is sacrosanct. The law enforcement agencies are much less tough than, for example, in the United States. British regulations are in some respects very unbureaucratic and its governance standards permissive.⁹ In contrast to France or Germany, it only takes about one day to set up a business in the United Kingdom.

There were two peaks in particular when Russians sought refuge in London for political reasons. First was the Yukos affair and the arrest of its owner, Mikhail Khodorkovsky, in 2003. A second wave followed the dismantling of Moscow's former long-term mayor Yury Luzhkov in 2010. The United Kingdom was particularly attractive because of its reluctance to extradite Russian.

The large majority of superrich emigres, however, have moved or set up second homes abroad for reason unrelated to politics. A large number of them are close to the Kremlin. Putin's long-term friend and hockey buddy Gennady Timchenko, for example, is a Finnish citizen and now lives in Switzerland (although he spends half of the year in Moscow). Most Russians with hundreds of millions of US dollars arranged for their homes in the West years ago, in the 1990s and early 2000s. They were followed in the mid-2010 by those with wealth mounting to tens of millions of dollars.¹⁰

That Russia's rule of law is not very reassuring was, until recently, not perceived as particularly unsettling. The absence of legal security in Russia was compensated by the easy access to Western (primarily UK) legal services. Business and ownership [disputes could be relocated to UK courts](#), which Russians appreciate for their independence and lack of corruption. Such outsourcing of the rule of law became a key means of protecting

⁵ Piketty, Thomas (2014). *Capital in the Twenty-First Century*. Cambridge, MA: The Belknap Press of Harvard University Press.

⁶ Goodrich, Steve (2017). 'Whatever Happened to the Great British Gold Rush?' *Transparency International*, 23 February.

⁷ Hartmann, Michael (2016). *Die Globale Wirtschaftselite: Eine Legende*. Frankfurt/M.: Campus.

⁸ Apart from the UK, popular destinations for Russian emigres include Israel, France, Spain, the US, and Switzerland. McGeever, Jamie (2015). 'UK Draws Billions in Unrecorded Inflows, Much from Russia— Study.' *Reuters*, 10 March.

⁹ Hollingsworth, Mark and Stewart Lansley (2009). *Londongrad: From Russia with Cash: The Inside Story of the Oligarchs*. London: HarperCollins; Shaxson, Nicholas (2012). *Treasure Islands: Tax Havens and the Men Who Stole the World*. London: Vintage.

¹⁰ Schimpfössl op. cit., p. 155

elite interests and thus a major part of Russia's political economy. It was widely sanctioned by the presidential administration and actively used by Putin cronies as well as his adversaries. As a result, Western jurisdictions contributed to stabilise and perpetuate state-elite relations within Russia.¹¹ Trust in London's reliability as a litigation centre was, however, shattered after the Salisbury poisoning, when some UK politicians advocated the implementation of new sanctions against individuals with strong links to the Kremlin.

Elite continuity through elite 'purges'

A more innocent example of double think is rich Russians' attitude to education and schooling: Most of them see their fortunes as the product of their hard work, entrepreneurialism, willpower and innate superiority, stemming from their family roots in the Soviet (or even the pre-Revolutionary) intelligentsia. As part of this narrative they rank the education they received as an overarching factor in their individual success, and some feel indebted to the system. Boris Mints, born to a military engineer father and librarian mother, acknowledged his appreciation of his cultured upbringing and education by displaying art to the public. Ziyavudin Magomedov, the son of a brain surgeon and teacher of Russian literature and history, invested in Dagestan's cultural and educational development. As a sign of gratitude to the mathematical school No 57 in Moscow, Vadim Moshkovich now runs a school for highly gifted students as well as financing local schools in the areas where his agricultural businesses are located. Many of my billionaire interviewees still laud the quality of today's Russia's school system as outstanding and one of the best in the world. Despite this praise for the excellence of domestic education, past and present, almost all of them send their children abroad for their schooling and university education.¹²

Two of the three billionaires mentioned here, Magomedov and Mints, have since fallen from grace. Magomedov was arrested in March 2018 and charged with setting up an organised crime group and embezzling state funds. In the very worst-case scenario, the Dagestan-born entrepreneur could be handed down [a prison sentence of thirty years](#). In May 2018, Mints fled to London with his three sons to escape arrest, facing similar allegations of embezzlement to Magomedov.¹³

Neither Mints nor Magomedov have done anything out of the norm with regard to how large-scale business-making and wealth accumulation work in Russia. True, Mints had retained undeclared and legally highly questionable links to his former bank Otkritie, which collapsed in 2016 and needed to be bailed out by the Russian state. Magomedov entered risky terrain when, all too openly and carelessly, he kept shifting his money offshore at a time when Russia encountered severe economic difficulties after December 2014. His arrest was meant to teach the rich a lesson: a lot of the wealth Magomedov had accumulated was down to the highly lucrative state contracts he had accrued over the previous years. The treasury's increasingly constricted finances instigated the Kremlin to remind those who became rich on the back of the state, or with its support, that [it would be expedient for them to re-invest](#) some of their profit into the country's economy, rather than selfishly parking it abroad.¹⁴

¹¹ Gould-Davies, Nigel (2018). 'Economic effects and political impacts: Assessing Western sanctions on Russia'. *BOFIT Policy Brief* 8.

¹² At the time I conducted the interviews for my research, Moshkovich's oldest son studied at Stanford (where he got by on less than 500 US dollars a month as his father proudly declared), and his oldest daughter was at boarding school in England. Magomedov's children went to Harrow and Ludgrove. His plan was to send them to study at a top institution on the US East Coast.

¹³ Nearly three years prior to that, when I met Mints in July 2015, there was little he said that would hint at such a course of events. 'If you do things right, you attract strong managers and you can spend your time on more beautiful things', he explained to me. It seemed inappropriate to him that a corporate leader of his standing should continue managing the daily business. He chose to delegate operational matters to his sons, who he was sure – as it would turn out, mistakenly – had inherited his sense for everything entrepreneurial (Schimpfössl 2018: 2).

¹⁴ Romanova, Olga (2018). 'Magomedovy v paradigme Tol'stovo. V chem smysl repressii chetvertovo sroka Putina'. *Moscow Carnegie Center*, 4 April. Nevertheless, Mints and Magomedov were unlucky enough to be singled out for retribution and be made an example of. Even their charity activities were very much in line with what the Kremlin approves of. Putin made it clear from early on in his presidency that he expected those who accrued a certain level of wealth to help fill the vacuum left by the withdrawal of the state. Magomedov's commitment seemed to tick all the boxes; he focused on social and cultural developments in Dagestan, which was very much welcomed, if not prompted by the Kremlin, as it could help contain extreme Islamic sentiments in the region. Since 2001, Mints had collected artworks by Russian impressionists. He used to store these in a special vault hidden away from the public eye. However,

In recent years, Russia has seen a number of high-profile arrests over corruption and related crimes. Attacks on a small number of handpicked tycoons have been part of Putin's reign right from the start. Once in power, Putin famously picked the most influential 1990s oligarchs (Boris Berezovsky and Vladimir Gusinsky), deprived them of their media holdings and, in the case of Mikhail Khodorkovsky, up to his arrest in 2003 the richest Russian, of their personal freedom. In the subsequent years, Putin consolidated his power by prioritising the so-called *siloviki*, personnel with a security or military background, into positions of power across all institutions, including the business world. Wealth in Russia has since been conditional on the approval of power.

As with most populists of our time, Putin's tirades against the elites and the establishment go hand in hand with generously catering for the very same group. According to calculations by Credit Suisse¹⁵, a billionaire on Russian *Forbes* in 2005 was [more likely to remain on the list](#) into the 2010s than anywhere else across the G7 countries (96 percent and 76 percent respectively). Despite the sanctions imposed on Russia and some of its elites, [no other richest of the rich in the world have done as well in recent years as Russia's top-ten billionaires](#).¹⁶

The reason for that is relatively straightforward: Putin's life relies on preserving his power. To this end, it is essential that he maintains the support of the country's key business elites. He does so by playing them out against each other with the aim of keeping them in a state of rivalry so that they are too paralysed to plot against him. Spectacular arrests and court showdowns which expose elite corruption help restore order among the upper ranks. Putin might actually not need to go that far. Despite the high concentration of wealth in Russia, its business elites lack the culture and history to cooperate and concert their interests, which keeps them in check and prevents them from sticking their neck out.

The next generation

Putin does not need to worry about his standing among the youth. Predominantly raised in the West, many children of Russia's first generation of wealth have embraced a cosmopolitan and liberal lifestyle that happily tolerates sexual diversity, rejects racism and welcomes gender equality. Russian politics and Putin's regime might make them feel uneasy at times. Nonetheless, most of them see their future in Putin – in the sense that Putin is best positioned to secure the stability of their family's fortunes. They are perfectly aware that, if they advocated a regime change, they would take a massive risk with regards to the assets they are meant to inherit.

The intergenerational pass-down of assets that is about to happen in the near future will probably be the largest wealth transfer the world has ever seen.¹⁷ There are other countries, most notably China, which will undergo a similar process; namely, a first-generation of wealth holders facing the challenge of how to bequeath their fortunes.¹⁸ In contrast to China, where the transformation towards market liberalisation developed gently from the late 1970s onwards, Russia's capitalist reforms in the early 1990s came as a bombshell.¹⁹

Consequently, questions of bequest will hit Russia's first generation of multi-millionaires and billionaires almost all at once. Most of them range in age from 50 to 70. Except for one (a 23-year-old heir whose father died in a

he considered this to be wrong: 'They should hang in the right place', he said. His solution was to build a museum in the centre of Moscow – a patriotic gesture demonstrating his deep devotion to Russian culture.

¹⁵ Stierli, Markus; Shorrocks, Anthony; Davies, James; Llberas, Rodrigo and Antonio Koutsoukis (2015). *Global Wealth Report 2015*. Credit Suisse Research Institute. Zurich: Credit Suisse AG, p. 28

¹⁶ Sazonov, Alexander and Jack Witzig (2018). 'What Sanctions? Russia's Richest Are Biggest Winners This Year'. *Bloomberg*, 18 October.

¹⁷ Russia's oligarchs control vast swaths of Russia's \$1.7 trillion economy. Globally, by 2030, \$15 trillion of wealth will be [passed on to the next generation](#). The majority of this transfer (amounting to \$8.8 trillion) will be taking place in North America. In Europe, this will be \$3.2 trillion, an amount largely down to the continent's ageing population. Differences in age structure explain why Asia is envisaging a transfer of only \$1.9 trillion by 2030. Wealth-X (2019). *A Generational Shift: Family Wealth Transfer Report 2019*. New York: Wealth-X.

¹⁸ In fact, China will easily outdo Russia in terms of scale and numbers. What makes the Russian case special is, firstly, the small number of people involved and, secondly, the time frame within which this wealth transfer is likely to take place.

¹⁹ After the 1991 break-up of the Soviet Union, a 'shock therapy' was launched. The subsequent accumulation of private capital occurred within a comparatively short space of time; first during to the 1990s privatisations, then as a result of the 2000s oil boom

plane crash), all the Russian *Forbes*-200 were born in the Soviet period. This was a time when privilege was dependent on status and occupation, but business and industry were owned by the state. Not a single one of them can fall back on entrepreneurial expertise of their parents, let alone their grandparents.²⁰ This lack of family history is one reason that their children are not rushing to continue their fathers' business activities. Another reason for economic elites to be reluctant to pass on their companies is their shady origin in the cut-throat 1990s.

Against this background, it is little wonder that more than half of Russia's wealth possessors doubt that they will leave behind family dynasties.²¹ There is almost something pragmatic in a scenario of their children supporting Putin (taking their money and doing 'a runner').

Conclusion

The dynamics of the wealth transfer we are about to witness in Russia will be historically unprecedented and more intense than any ever to have occurred before. The enormity of this project is daunting even to the Russian rich themselves. The natural death of the first few of them has brought to the fore a heightened sense of mortality. Many crave a post-mortem legacy but are at a loss with how to go about it. The present Covid-19 pandemic could potentially accelerate things. Rich Russians might be well aware that any efforts to hoard personal ventilators and secure medical teams [may not suffice](#).²² A Moscow-based cardiologist is quoted by *The Moscow Times* saying that, in the pending scenario, double think might hit home. The rich could be left out to hang and dry if the makeshift clinic in their luxury home is not up to scratch and their local hospital short of ventilators.

²⁰ Nowhere else in the world were market-economic logics eclipsed for as long as in the Soviet Union. Even the Chinese new wealthy can turn to succession traditions; at neighbouring Hong Kong and Taiwan as well as to large Chinese diaspora present in many countries of the South-East Asia.

²¹ Skolkovo (2015). *Russia's Wealth Possessors Study*. Moscow: Skolkovo Wealth Transformation Centre.

²² Budyansky, Vladimir (2020). 'Govoryat, bogatyet lydi skupayut apparaty IVL, chtoby lechitsa ot koronavirusa'. *Meduzza*, 24 March.