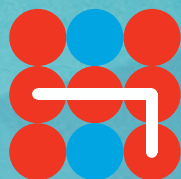


Trend Report

Putin 4.0 Trends – Is there anything new?

HANNA SMITH AND CRISTINA JUOLA (EDS.)



Hybrid CoE

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Hybrid CoE Trend Reports are an outcome of expert-pool meetings on a given theme. They highlight the main trends of the theme, provide multiple perspectives on current challenges as well as academic discourse on the topic, and serve as background material for policymakers. They aim to distinguish between what really constitutes a threat, what appears to be a threat but is not necessarily one, and what has the potential to become one. Hybrid CoE's Research and Analysis engages expert pools on 11 themes: terrorism, security, information, economy, law, energy, cyber, Russia, China, the Balkans, and the Middle East. Each network is composed of top-ranking academic experts in the field from each of our member states (one or two per country).

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Hybrid CoE is an international hub for practitioners and experts, building member states' and institutions' capabilities and enhancing EU-NATO cooperation in countering hybrid threats located in Helsinki, Finland.

The responsibility for the views expressed ultimately rests with the authors.

Contents

FOREWORD	7
INTRODUCTION	8
TREND I. Non-institutional delegation of policy-making and outsourcing	9
TREND II. Growing tensions within the Russian ruling elite in the run-up to 2024	11
TREND III. Economic policies in Putin's Russia in 2018–2024	14
TREND IV. Strategic solitude and the effects of the strategic culture of the military and security services	17
TREND V. Pretending to be a global power by reaching out to non-Western partners	20
PUTIN 4.0: Duality with deception attempts, unpredictability and longue durée thinking	23
LIST OF CONTRIBUTORS	26

Foreword

The security environment is becoming increasingly hybrid in nature. In addition to the traditional military domain, security threats are trickling down to all aspects of societal life as Western societies encounter threats from actors who are willing and more able than ever before to attack domains not perceived as belonging to security with multiple tools in creative combinations, in order to achieve their goals and push their strategic interests in unacceptable ways. Analyzing the emerging trends related to security, and revisiting long-term undercurrents will help us to understand the changing security environment and be better prepared to respond to potential threats in the future, both of a hybrid nature and without the hybrid element. Being able to read trends allows us to place current events in context, and helps us to distinguish between what constitutes a threat, what looks like a threat but is not necessarily one, and what has the potential to become a threat in the future.

The European Centre of Excellence for Countering Hybrid Threats operates academic expert pools to support our member states and the Centre's Community of Interest activities. Hybrid CoE's Research and Analysis focuses on 11 themes: terrorism, security, information, economy, law, energy, cyber, Russia, China, the Balkans, and the Middle East. We are building an academic expert pool on each of these themes. Each network is composed of top-ranking academic experts in the field from each of our member states (1-2 per country). The academic expert pools work as a channel for exchanging information, building connections and gaining a comprehensive understanding of the trends under a specific theme. These trends are then linked through Hybrid CoE to future hybrid threat potentiality.

The academic expert pools are an ongoing process and provide content for the Centre's work. During the first meeting, key trends are identified on a given topic. The first meeting adopts a very

free format representing more of a "slow thinking" process (reflections, contexts, historical trajectory, through research-identified patterns, strategic thinking and changes). In the first meeting, the academic experts assume the main role and the practitioners' side is invited to participate, ask questions and challenge viewpoints. The first meeting duly provides a basis for exploring the identified trends further in the second expert pool meeting, which brings together academic experts and practitioners. In the second meeting, the practitioners take a more prominent role. The meeting focuses on recommendations, gaps and needs based on the identified trends. The third meeting entails developing scenarios. In addition to contributing to trend mapping, experts from the network also provide analyses and participate in other projects of the R&A function on a case-by-case basis.

The academic expert pools and the activities relating to them are in line with Hybrid CoE's founding memorandum of understanding section 3, paragraphs 1-3, which states that Hybrid CoE is to act as a hub of expertise, offer collective expertise, and encourage strategic-level dialogue. This activity should exercise a multidisciplinary and academic-based approach. Hence, the purpose of this process is not to find a single truth, but rather to provide multiple perspectives on current challenges, provide academic discourse on the topic, and serve as a background for policy-makers. Each member state, the EU and NATO can then decide from their perspective which pieces of information will be beneficial for them.

This report is based on Hybrid CoE's Russia expert-pool meeting held in Helsinki, Finland on 7 May 2018, and the expert-practitioner meeting held in Madrid, Spain on 7 February 2019. No references are included, but the content of the report has been commented on and reviewed by Hybrid CoE expert-pool members.

Introduction

Russian politics is often characterized with the words **continuity** and **change**. When looking at trends relating to Russia and analysing the implications of these trends for Western countries and especially for Hybrid CoE's member states, as well as for EU and NATO members, both continuity and change need to be kept in mind. If there is continuity, what does it mean in the current situation and for the future? Does it automatically imply more of the same? If there is change, what are the implications, how should we adapt to them and understand them, and how will they affect the future?

Vladimir Putin has been in power in Russia for nearly two decades. During that time, he has been the president of Russia for 14 years (4+4+6) for three presidential terms. In 2018, he started his fourth presidential term, which is expected to last until 2024. During his third presidential term, the **West started to use the words hybrid threats and hybrid warfare to describe the threats stemming from both state and non-state actors and designed to challenge, interfere in and damage Western states** (along with their democratic state system and liberal market economy). Although the terms hybrid threat and hybrid warfare have attracted much criticism, they have proved to be very useful characterizations in relation to the changing security environment and in rethinking security, solidarity and alliances in the 21st century.

Russia is the country that has been cited most often when it comes to actors that pose a threat to Western countries. Therefore, it is essential to study different trends relating to Russian politics, internal developments and even individuals in order to understand the nature of the challenge that Russia will pose in the future, and how to be better prepared for it. **This report looks at the main trends affecting Putin's fourth term as President of the Russian Federation.** Many of the trends are continuations from previous years, while others started during Putin's third term. This report is not suggesting that major changes are on the horizon; however, existing trends may have significant implications for the future. In Russian strategic planning, long-term perspectives are significant but often ignored. Even continuity can express itself in different ways depending on time, opportunity, events and context.

Five trends are duly identified in this report:

I. Non-institutional delegation of policy-making and outsourcing, II. Growing tensions within the Russian ruling elite in the run-up to 2024, III. Economic policies in Putin's Russia in 2018–2024, IV. Strategic solitude and the effects of the strategic culture of the military and security services, V. Pretending to be a global power by reaching out to non-Western partners.

TREND I.

Non-institutional delegation of policy-making and outsourcing

Several Russian observers have independently pointed out over the last two to three years that there is a tendency for policy-making to be delegated by the Kremlin in a non-institutional manner (Gleb Pavlovskii, Tatiana Stanovaia, Ekaterina Shulman, Aleksei Venediktov, and others). This phenomenon has two main features: (1) **orders from the Kremlin have become less detailed and more open to interpretation**; and (2) **the interpreters and implementers of these orders are increasingly inclined to be individuals with limited or an unclear affiliation to government institutions**.

The observers describe the phenomenon in slightly different but nonetheless related terms. Pavlovskii talks about how most Kremlin decisions have attained a “conditional character” whereby all levels of power strive for maximum control combined with minimum responsibility; Stanovaia describes the way in which Putin increasingly refuses to be an arbiter of elite conflicts; Shulman explains the increasing importance of proxy agents in decision-making and implementation; and lastly, Venediktov talks about how non-specific orders from above lead to situations where subordinates over-interpret.

This delegation of policy-making may take place at different levels. At the Kremlin level, a certain **individual who is trusted by Putin for the time being may be given the real responsibility for a policy area for which other state agencies formally have the responsibility**. The empowerment of Vladislav Surkov over Ukraine policy may be a case in point. Daniel Treisman has written about Putin’s outsourcing policies, citing businessmen Konstantin Malofeev and Yevgeny Prigozhin as examples. It has been claimed that Malofeev financed mercenaries fighting alongside the Donbas separatists, invited China’s chief Internet censors to Moscow to discuss techniques in 2016, and serves as a kind of unofficial envoy to the

[German] AfD and other right-wing parties in Europe, according to Bloomberg. There have also been allegations that he has been involved in attempts to influence elections in Poland and Bosnia. Yevgeny Prigozhin, for his part, has been linked to the notorious “troll factory” that waged what the indictment called “information warfare against the US” in 2016, and to Wagner, a firm that hires Russian mercenaries to fight in Syria (Special Counsel Robert Mueller’s report), and supposedly in the Central African Republic, Libya and Sudan as well. Lastly, reports suggest Wagner’s involvement in the Venezuelan crisis, protecting the Maduro regime.

At lower state levels, **agencies and individuals with formal responsibility may lack the necessary instructional detail from above, but still experience significant pressure to do something**. Their actions will then be the result of their particular interpretation of the Kremlin’s will. The GRU and FSB efforts to instigate/assist the rebellion in Donbas are possible examples here.

Lastly, **the implementation of state policies may be outsourced to non-state or close-to-state agencies**. This is what Ekaterina Shulman calls “the non-official market for policy implementation”. There is a clear trend for the Kremlin’s increasing use of non-state groups and contractors, including the Night Wolves (biker gang), Cossack regiments mobilized to help GRU troops, different hobby clubs such as shooting clubs, paintball clubs, martial art studios, and so forth. Examples where the Russian military intelligence GRU has used “outsourcing” include hacking, operations outside Russia (Donbas, Syria, Africa), as well as the organization of a youth camp in Serbia. **Such an approach creates a situation of “plausible deniability” of the Kremlin’s direct involvement for both international and domestic audiences** (internationally, by denying Russia’s role in illegal actions, and domestically by portraying casualties in action as private

contractors and not Russia's military servicemen, for example).

Several implications may arise from this trend. First, **the accountability for political decisions is deliberately ambiguous**, aiming to conceal the Kremlin's responsibility and circumvent bottlenecks and bureaucratic obstruction. In the foreign policy field, this tendency creates additional difficulties for countries that feel a need to respond to Russian foreign policy actions. Whether Putin himself made a decision or whether it was made by someone further down in the system may be of importance when planning a response. Second, **the trend will decrease the already low level of coordination in Russian policy-making**. This makes contradictory policies more likely. Lastly, **the Kremlin policy is likely to become even more ad hoc-based and less based on institutional memory than would have been the case in a more formal regime of decision-making**. For Russia-watchers, the delegation tendency means that even when it becomes increasingly difficult to find empirical data, we should devote more time to the study of policy-making itself.

To be monitored:

- Will the "strong state" lose its control, with action by proxies and volunteers having surprising elements even for the Russian political leadership? Or are we seeing more deliberate use of informal public-private partnerships to avoid official state accountability? Either way, this would pose possible major attribution problems and strategic communication challenges for Western countries.
- Different funding mechanisms and money flows (political – e.g. parties; economic – e.g. loans, FDI; social – e.g. leisure clubs; cultural – e.g. museums, cultural centres; individual – e.g. academics, experts).
- The connections of these elements to local military or semi-military groups in areas of conflict (is there increased outsourcing to local forces to create opposition and to further Russian interests instead of using Russian troops?).
- How can open-source analysis support and link the attribution of these outsourced actors to the official decision-makers? (An inspiring example is Bellingcat's work on exposing the real identities of GRU officers responsible for the Skripal poisoning.)

TREND II.

Growing tensions within the Russian ruling elite in the run-up to 2024

The situation within the Russian ruling elite will play a crucial role in the Kremlin's domestic and foreign policy up to 2024. Political processes in Russia are determined almost exclusively by the ruling class (its upper echelons) and formed in accordance with the political-business interests of top-ranking officials and Putin's cronies.

This is Putin's last constitutionally mandated term as president. There is great uncertainty about the post-Putin era – either he will nominate a successor and go gracefully, or hang on indefinitely. The latter may require changing the constitution to allow additional terms as president, or placing Putin in a non-presidential role with continuing access to the centre of power.

We should assume that Putin intends to continue exerting a fundamental, strategic influence over Russian politics after 2024, which would then require some kind of constitutional change. A less probable scenario is the repetition of a “successor operation”. Whichever option Putin eventually chooses, members of the ruling elite who control various patron-client factions have an incentive to test the limits of his continuing power, and to stake out a future power base for themselves by demonstrating their ability to take independent action.

On the one hand, the prospect of the formal or informal reconfiguration of the political landscape after Putin's current term will encourage members of the elite to aggressively seek new – safe and lucrative – power positions in the Putinist system. On the other hand, the elite will have to deal with shrinking economic resources, limited possibilities for rent-seeking through corruption, increased personal risks, and economic insecurity in international markets. **These may result in fierce rivalry over assets and influence among the interest groups, and in growing discontent**

as the Kremlin offers financial compensation only to Putin's innermost circle.

If Putin (who up until now has guaranteed the stability of the system) is considered weak by the elite, it will lead to a “loyalty dilemma”. The individual costs of maintaining the current regime may exceed the benefits in the longer run. Were this to happen, the likelihood of infighting would increase. The fact that the Russian population's support for Putin is decreasing and its possible impact on the stability of the regime does point to a straightforward answer. It is still not clear, however, whether this constitutes a long-term trend. But the **decreasing support for Putin** is definitely worth taking into account, as it could be one of the main factors that could foster the infighting for power.

Another reason for this is that **Russia's political system is saturated with elite patron-client network subgroups**, namely people who owe their station in life to someone above them in the hierarchy, while those at the top depend on the loyalty of their followers for their power. Inside Russian politics, factional infighting has always existed over control of the policy agenda and the halls of power, over budgetary and other resources, and over the question of who is better at retaining a powerful chain of loyal clients in this newly uncertain situation. Insecurity and perceived weakness may further intensify opaque violence within Russian elite circles, fully understandable only to insiders. More court cases may ensue like that of Alexei Ulyukaev, the 62-year-old reformist former Minister of Economics sentenced to eight years' hard labour (effectively a death sentence); more mafia-style assassinations like the killing of Boris Nemtsov; and more spillover international incidents (like the Skripal case). Another category of patron-client subgroups is the government's relationship with the business sector, especially state-controlled enterprises. These networks are

also worth monitoring, as well as government policies towards (and direct control over) such groups.

Unresolved conflicts or violence among these groups will worsen the economic and social stagnation. Various factions will try to push their core interests, but powerful current elites who benefit from the existing system will block them. Those currently in power will fear instability, believing that policy change will undermine their ability to retain the loyalty of their client networks.

The situation could also entail the potential breakdown of centralized command-and-control over Russian security forces, both at home and abroad. This could result in more criminal competition between intelligence factions and those who are “investigating” them for crimes, and greater difficulty in controlling Russia’s mercenaries and other informal militia forces in places like Chechnya, Ukraine, and Syria.

Consideration should also be given to the changing dynamics between the state and civil society. Cases have recently emerged where Russian civil society has had an influence and even reversed decisions made by the state.

Examples include the case of Ivan Golunov, an investigative journalist for an independent media outlet investigating the corruption of government authorities, who was released under house arrest after his supporters protested against his unlawful arrest and ill-treatment in custody by state officials; and the large-scale protests in Yekaterinburg against the construction of a church in a park square, which eventually led Putin to halt the construction and order an opinion poll about the building work to quell the unrest. Local activism targeted against seemingly non-political cases such as unlawful arrests or church or road constructions has the potential to impact the balance of power, as there are certain elites behind such projects (i.e. the security structures, the Orthodox Church, oligarchs, and so on). The potential of civil society to unite around specific issues sends a signal to the leadership. At the same time, the government is implementing policies to limit civil society’s option of criticism, an example of which is the recently passed law on the criminalization of online statements that “disrespect” the government.

The growing tensions within the Russian elite will inevitably raise questions, such as: Who is making the decisions? Whose views are influential? Could there be any changes in the nature of the Russian regime, even if people at the top were to change? What would an inward-looking and stagnating Russia look like in world politics? This trend could also strengthen the trend of outsourcing to civil society; the regime would start to appear increasingly alien, detached from everyday life. There is already an indication, according to opinion polls, that **the Russian population is now changing its attitude from wanting stability to wanting change, increasingly prioritizing justice over a “strong hand”, and wanting the leadership to spend public money on domestic government services rather than shows of great-power projection** (Syria, weapons, and so forth). This has already had an impact on domestic propaganda to some extent, which recently started to portray social and economic issues in the country (at least partially) as the fault of flaws in the Russian population, but not the ruling elite. However, the opposition and dissidents within the system remain apathetic and there is a lack of real leaders who could channel popular discontent.

This is a trend that has altered the Russian political balance significantly at times in the past, and at other times less so, but always in one way or another. Therefore, this trend can either support the possible effects of the non-institutional delegation of policy-making and outsourcing by altering the power relations, or by strengthening the existing elite control and authoritarian rule.

To be monitored:

- Identifying the different patron-client subgroups.
- How international and domestic policies affect business attitudes towards the regime: will state-linked businesses continue to see their relationship with the government as serving their interests or not (room for opposition/disobedience/change in loyalty)?
- The nature of “opposition”, the developments in civil society and the mood among the general public. This is also important in relation to one of the principal areas in the EU’s Russia policy

(supporting Russian civil society/people-to-people contacts), which individual countries can support.

- How is the influence of Russian civil society on state decisions changing, and vice versa? Is there any potential for society to unite over specific controversies?
- The role of the military/security services in Russian politics, especially in outsourcing, where there is visible involvement. This aspect is quite central to the EU's policy relating to the Eastern Partnership.

- The moods and attitudes within the Russian ruling class (context: Western sanctions, shrinking social support for Putin and his government). Internal fighting can have consequences for Russia's external policies and therefore become an issue for the EU and NATO and their member states.
- The influence of factional infighting on the integrity of Putin's regime.

TREND III.

Economic policies in Putin's Russia in 2018–2024

Russia's economic policies are sometimes referred to in the Russian context as a **semi-independent variable**, which will to a large extent define the action space available and be treated as an influencer. **It is possible to consider the economic policies in this way, but they are increasingly subordinated to other policy decisions.** The Ministry of Finance advocates conservative fiscal policies because the regime deems it necessary for stability. The Ministry of Economic Development is striving to implement development policies that the government or the president happens to favour, while the Central Bank is largely run by technocrats that have a degree of independence only as long as they retain the blessing of the president. No economic cost-benefit analysis of major policy decisions (like the state armament programme, Syria operations, occupation of Crimea, sanctions or counter-sanctions) is ever conducted. Structural reforms that economists would favour (e.g. improving the business climate) are not prioritized and have not advanced at all since 2012. In relation to most European countries, it is fair to say that the state of the economy largely defines the action space available. But that seems to be much less true for an autocratic regime presiding over an economy with a trade surplus and very little government debt.

The years 2012–2017 were not kind to the Russian economy. On average, Russian GDP grew only 0.8% annually.¹ Nominal wages grew on average by 2% annually, but real incomes declined. Real disposable incomes at end-2017 were 7% lower than at end-2011. In 2012, large Russian banks and corporations were still active in global financial markets, enjoying high credit ratings and abundant access to credit. Currently, with large Russian

banks being shut out of USD and euro funding, the banking sector foreign debt at USD 103bn is almost 40% lower than six years ago.

In order to find new sources of growth, Russia would need a strategic view on how to prosper in the future, but this strategic view has been completely lacking after 2012. The intervention in Ukraine and the geopolitical tensions that ensued have made deep structural reforms much less probable than optimists envisaged six years ago. Amid this atmosphere, the economic language of the Russian leadership is somewhat conflicting. On the one hand, there is a need to analyze the situation in a positive light and highlight anything that can be seen as a strength in the Russian economy, much the way any country would do. On the other hand, concerned voices are being raised over the continuity of reforms. These concerns have been voiced less and less openly in Russia. This might create a problem for the regime in the long run, when the reality corresponds less and less with the picture that the regime is painting. Some claim that in his fourth term, Putin is seeking a policy of modernization for segments of the economy. He has talked about technological modernization (digitalization) as well as modernization of some parts of the military industry. These are hardly real modernization policies, even though Putin's policies seem to draw inspiration from autocratic modernization traditions like those in the 19th or early 20th centuries. For example, Putin seems to feel a particular affinity towards Stolypin, the finance minister under Nicolas II.

Predicting Russian economic developments is a notoriously turbulent business. In hindsight, all Putin's terms have included a policy surprise or two. In 2014 the Russian Central Bank switched to

¹ This is in sharp contrast to the pre-financial crisis years of 2000–2007 when average GDP growth was 7%.

full inflation targeting and floating rouble policy moves, which few believed would happen. The shift to increasingly protectionist trade policies was another unexpected move. The surprise in 2008–2012 was caused by the global financial crisis. As a consequence of the massive support for the economy, Russia was a much more state-controlled economy in 2012 than anyone could have imagined in 2007. The West-imposed economic sanctions after the Russian annexation of Crimea in 2014 gave a further boost to the efforts towards economic sovereignty or autarky, which was reflected in the large-scale and cross-societal state import-substitution programme.

The only certainty is that the fourth term will also entail an unforeseen surprise policy move.

In all probability, the impetus for economic policy moves will originate from abroad (in the form of e.g. higher/lower oil prices, higher/lower geopolitical tensions). The internal dynamism of the Russian economy is by all measures very low.

If recent history is anything to go by, consumer welfare is not among the top criteria when determining policy moves. The state economic programmes should be followed to see where the state prioritizes investment and what it excludes.

The current regime has a solid track record of promoting stable, conservative fiscal policies. This means targeting balanced budgets, very little borrowing and downsizing expenditure if needed. The economic policies in 2012–2017 were clearly subordinate to other political decisions. The economic costs of actions like the annexation of Crimea or banning food imports from the EU/US were never weighted against the supposed political benefits of those moves. The economic costs are hardly discussed at all. This conservative fiscal policy line will most likely prevail throughout 2018–2024 as well. What one should try to keep an eye on is whether consumer welfare, real income growth, and the economic well-being of citizens will become more important in the decision-making. Will falling real incomes and reduced social mobility force the regime to consider the economic welfare of the voters? Or will the regime resort to patriotic propaganda and increasing state control over both the economy and society to maintain stability?

When commenting on the data, the Russian Central Bank noted that Russian economic growth was lower than the growth recorded in all G7 states. This highlights the Russian perspective and shows how important it would be for the Russian political leadership to be able to narrow the gap separating Russia from these leading states – and other major powers. It is clearly a strategic goal, as also witnessed during Putin’s 1 March 2018 address to the Federal Assembly, that Russia should “catch up”. Interestingly, during this speech, Putin talked about the necessity of increasing labour productivity. That part of the speech led the Russian press to reprint comments made by then Secretary-General Yuri Andropov in 1983. If there is an echo of tsarist times in the views of modernization, there is also an echo from Soviet times.

It is clear that a stronger economy would make it easier for Russia to resist pressure and reduce opportunity costs, giving it access to a greater range of tools to employ both in domestic politics and in foreign relations. Conversely, an unsatisfactory economic development may force the regime to make concessions, in terms of both its economic policy at home (in the same way as Andropov’s call for greater labour productivity was soon overtaken by *real* reforms) and in its foreign policy.

The economic situation will engender a strong duality in both Russian domestic and foreign/security policies. On the one hand, there is a **drive to seek cooperation**, especially with European countries, and to go global. On the other hand, the Russia regime is **turning in on itself** and is focusing on keeping Russians happy, which means patching up shortcomings in the domestic arena by different means (as part of an “economic sovereignty” regime). There may also be a spillover effect into foreign policy, especially if there is an increase in internal control, human rights violations, and autocratic tendencies. In the worst case, classic “rally the people around the flag” ventures may also ensue. This would add unpredictable aspects to the economic trend. **Closer cooperation between companies and the Russian state, as well as seeking new ways to exploit the economic dependencies and interdependencies,**

may also pose a challenge for Western states. Yet at the same time economic aspects can offer segments where dialogue and cooperation with the Russian state can occur.

To be monitored:

- How is Russia trying to patch up its economic shortcomings? And how important is China's role in this effort, not least in terms of investment and technology transfer?
 - How will Russians accept and/or adapt to the decrease in living standards, or will decreasing real incomes lead to large-scale mistrust towards the regime?
- Will there be developments in different energy fields (oil, gas, nuclear) and Russian rhetoric relating to durables?
 - Which national projects will attract funding in the future, which new projects will receive funding, and which projects will drop off the agenda? Can we trace any systematic reforms?
 - What part will be played by cyber-technologies in Russian economic policies, and is the regime securing itself against presumed domestic and foreign enemies? What is China's potential influence in this regard?

TREND IV.

Strategic solitude and the effects of the strategic culture of the military and security services

The trend of “strategic solitude” could already be identified when Vladimir Putin returned to the presidency in 2012. It has been pursued with speed and force, and is likely to continue during Putin’s fourth term – with slight variations. The trend is aligning itself with the school of thought in Russian history that **emphasizes the imperial tradition, where control over territories is seen as an important instrument for a Great Power and the role of military is to project power.** It echoes the era of Tsar Nicholas I in terms of Orthodoxy, Autocracy, and Nationality. It also reflects the worldview of the Russian military and the security services. **In today’s Russia, the national threat assessment is monopolized by military and security agencies.** Here it should be noted that the Russian national threat assessment in the Military Doctrine and the National Security Strategy has been remarkably consistent over the years, whereas the policy implementation of stated objectives has been remarkably flexible. This trend is therefore one of *longue durée* policies. It also marks the philosophical backbone of Russia’s approach to international relations: contrary to the Western binary distinction of “peace” and “war”, the perception of never-ending competition and rivalry is very strong among the Russian elite. This means that relations with the West are an ongoing (de-)escalation of competition.

Strategic solitude does not mean isolationism. An important element in Vladislav Surkov’s 2018 article in *Russia in Global Affairs* indicates that, culturally, Russia belongs neither to Europe, nor to Asia. As far as possible, **Russia should be able to stand on its own feet, develop its own technological base and practise import substitution,** like in agriculture. Furthermore, this could also imply a further *renationalization of the elite* and an attempt

to bring those oligarchs living abroad back to Russia, along with their financial assets. This would also diminish vulnerability to Western pressure and potential sanctions, while decreasing the need for foreign capital. In this way, **Russian “isolationism” has a particular meaning that argues for Russian civilizational uniqueness.** The aim of this trend is to restore Russia as a recognized and undisputed Great Power in the international arena. The transatlantic security order is expected to be rewritten, and authoritarian political systems (including the Russian one) are to be recognized as equal to Western democratic systems.

“Strategic solitude” consists of several distinct tracks:

- 1) Authoritarianism at home (a strong state) with patriotic mobilization (rallying around the flag/a focus on “traditional Russian values”).
- 2) The image of the military and modernization (competition and power projection).
- 3) Anti-West in general and anti-US in particular (enemy images).

Authoritarianism

Authoritarianism has deep roots in Russian society. **The outer aggression and the inner repression are mutually reinforcing. Since 2013, Russia’s leadership seems to have become more rather than less concerned about future social and political unrest in society.** The trend relating to authoritarianism has not been as strong as it is at present during the whole existence of the Russian Federation since 1992. The authoritarian system is a weakness for the Russian political elite. In order to be able to maintain power, the regime needs to constantly come up with new ways of appearing strong. From time to time, it has to use force both internally and externally. Such actions are risky

and can turn against their user, but the elite are willing to use these means to preserve power or to attempt to attain their other (financial) goals. Both the need to outsource action and a tendency towards infighting are linked to the authoritarian system.

A policy of patriotic mobilization has been created to counter the weaknesses that the authoritarian system entails. Such a policy is being pursued with the aim of preserving the *status quo* for the Russian political elite, which gives them not only political power but, more importantly, control over Russia's resources and the sale of these resources. The aim is to rally the Russian people around the national leader with the help of the **"besieged fortress"** narrative. This mobilization is needed to maintain Putin's high ratings, which is proving increasingly difficult. Even if patriotic mobilization might not be able to maintain high ratings for Putin, given the authoritarian trajectory of Russia's political system, the consequences of this policy are considerable and of concern – both at home and for the West.

The image of the military and modernization

The primary instrument for the efforts to restore Russia's Great Power status and to project global power is military force (both hard and soft). This goes hand in hand with authoritarianism. It is noteworthy that Russia's military modernization programmes have been much easier to realize than other reforms, such as the pension reform and so forth. Hence, as an authoritarian regime that does not want to alter the political status quo and is struggling to some extent with its economy, it could tend to aim for success through a military power projection. Furthermore, historically different military modernization programmes seemed to have increased the military's role within the security policy. However, the extent to which the different periods of military modernization have increased the military's political role behind the scenes is still a matter for debate. The fact is that **during the two decades that Putin has been in power, the worldview of the security services and the military has become more accentuated.** This influence is visible in Russian policymaking. A noteworthy fact is also that Russian military expenditure has flattened out. This could mean

that important new capabilities will not be purchased, or purchased only in limited numbers, due to economic constraints. This could also have an effect on the military's future role and should also be looked at in connection with the trend relating to elite infighting. On the other hand, a part of the military-related expenditure is being allocated to other ministries (e.g. pre-training of conscripts to the Ministry of Education), which means that the real military expenditure might be higher than officially presented.

There are certain characteristics relating to Russian decision-making that can be tied to the worldview of the military and the security services. According to Graeme P. Herd, many Russian strategic calculations are based on a poor understanding of the strategic environment from a political and civilian perspective. This indicates that **the way in which the Russian ruling elite understand risk, perceive costs/benefits and acknowledge tipping points is often rooted in military thinking.** Furthermore, the so-called strategic decisions are tactical, improvised responses to changing circumstances, taking place in small groups operating outside formal structures, with few if any formal checks and balances, which resembles a war situation.

Anti-Westernism

Perceiving the West as an enemy, as an actor hostile to Russia, has a long tradition in Russia. This is part of the *longue durée* in the Russia-West relationship. Historically, it originates from Russia's troubled relationship with the rest of Europe. Due to its historical alignment, it is also a useful policy tool. At certain times this trait has been less visible, and at other times at the core of Russia's domestic and foreign policy alike. **During Putin 4.0, this trend continues to be particularly useful for the Russian political leadership and, hence, the latter needs to maintain the narrative relating to a hostile West.** This narrative is intended to support the domestic policies of replacing imports under sanctions, "tightening belts" in general, "scapegoating" the West, and supporting the power vertical in a "Putinist" fashion.

What this means for Western countries is that the challenge to the West will continue. It will manifest itself via means we have seen in the recent

past, such as propaganda, “fake news”, election meddling, and the use of private military companies, and organized crime. Trolls and bots in social media will also be used. Divisions in the West will be exploited through cooperation with populist parties on both sides – the far left and the far right – of the political spectrum. **The ways in which strategic communication is used involve a deep psychological approach, with an intention to influence both individuals and the masses.**

At the same time, these propaganda-oriented activities have their limitations. Increased awareness of Russian activity is building resilience against it, and the perceived gaps between the reality and the propaganda message are diluting the effects. As a consequence, we can expect that a Russian counter-measure will be to try to stir up and maintain existing weaknesses in different countries and to generate new narratives and confuse messages, so that the reality-propaganda gap will not be easily detected.

Yet an antidote to the anti-Western trend also exists inside Russia. Some parts of Russian society enjoy a Western middle-class lifestyle, which is far removed from that of most Russians outside big cities, and often even inside cities. Many children of the elite live in the West, and study at the best universities. Members of the ruling elite invest or deposit \$50–80bn in the West every year. Although the economy is stagnating, the number of billionaires in Russia continues to grow and while Russian talk shows continue to spread the anti-Western message, the commercials in the middle of those programmes link Russian everyday life to a successful Western middle-class lifestyle.

The strategic solitude trend is one of those trends that has steadily been reinforcing itself throughout Putin’s leadership. It might have halted momentarily during Medvedev’s presidency, but became even stronger after 2012. This is one of the trends with the most far-reaching negative consequences for the West, making Russia a very difficult actor to deal with. **It challenges the existing transatlantic security order, Russia’s place in it, as well as the concept of peace as we understand it.** Despite the fact that the latest deterrence measures implemented by the West succeeded in making Russian foreign policy less aggressive, it remains purposefully based on destructive meddling in the affairs of Western countries and societies (and may even be growing).

To be monitored:

- What are the consequences of a trend towards more repression inside Russia, related to an increased sense of insecurity among the ruling elite?
- The younger generation’s attitudes and worldviews: what is their attitude towards the West (authentic or only consuming goods without following the values)?
- Willingness to use military force both as a “show” and for real.
- To what extent has Russian propaganda succeeded, and to what extent can the internal antidote be effective?
- How is the tightening control over the population manifesting itself, and at which groups is it primarily aimed?
- Development of cyber-technologies in the context of self-isolation (“sovereign Runet”, cyber-war, “active measures”), restrictions on the Internet in comparison to China’s Great Firewall policies.

TREND V.

Pretending to be a global power by reaching out to non-Western partners

During his 2018–2024 term in office, President Putin will continue to strengthen the image of his country as a global power. Establishing Russia as one of the “leading poles” in a multipolar world has been a key objective since the 1990s. The Kremlin’s foreign policy had long remained focused on the post-Soviet space, the euro-Atlantic region and China, however. **It was not until Putin’s third term that Moscow began to reach out to regions it had withdrawn from after the collapse of the Soviet Union**, enhancing its military and diplomatic activities in North Africa, the Middle East and Latin America. During Putin’s fourth term, domestic and foreign policy considerations might provide further incentives for strengthening Russia’s global image, leaving observers to debate over how much of the talk is mere PR, and how much is and will be of substance.

Against the background of a stagnating or even deteriorating economic situation, notions of Russia’s greatness and foreign policy success will continue to play a substantial role in legitimizing the political regime in general.

Furthermore, activities attesting to a global presence need to be executed in the “shadows” due to a lack of resources. For instance, Russia has been using the narrative of a weakening Europe to solidify and legitimize its own power position vis-à-vis the EU, both with domestic audiences and with groups within the EU that are susceptible to such narratives. It is therefore easy to see that destabilizing societies within the EU, as well as weakening EU unity and the transatlantic link, serve Russian interests in terms of portraying Russia as a Great Power compared to the “weakening West”. In this regard, Russia differs significantly from China.

President Putin, in particular, might be tempted to underpin the narrative of “Russia as a global power” with substantial steps – in order to secure high personal approval ratings in the event of

escalating tensions within the ruling elite, and/or to beef up his historical legacy. **By resorting to a diffused foreign policy, Russia can more easily promote its strategic narratives among various foreign audiences. This also allows Russia to promote seemingly incompatible narratives that appeal to particularly vulnerable audiences across the political spectrum, including both the far right and the far left.** These narratives aim to undermine the legitimacy of messages articulated by governments, mainstream political parties, and the mainstream media. They often engage with conspiracy theories and seek to reinforce existing biases and grievances. These policies can become a so-called “self-fulfilling prophecy”, which is dangerous. If one type of world/perception is created in the narratives, in the end there will be a need to take action to back up the narrative. This is not always and not necessarily the case, but is nonetheless likely.

With regard to foreign policy, increasing activities in North Africa, the Middle East and Latin America serve as a vehicle for boosting Russia’s bargaining position vis-à-vis Western actors. Moscow engages in particular in international conflicts that are of crucial importance for the European Union or the US – like those in Libya, Syria or Venezuela. Furthermore, Russia bolsters its global image by cooperating with those countries that share a Western-sceptical or anti-Western worldview (Venezuela, Turkey, Iran, China), and by establishing conflict-resolution formats that intentionally exclude or marginalize Western actors (Astana, Sochi). Against this background, we might expect Russia to boost its position in any conflict that affects Western interests in order to put pressure on the EU and the US to “compartmentalize” and/or “normalize” relations with Russia. In this respect, Russia does have a long history of achieving some of its strategic interests not through

constructive action, but by spoiling processes and making itself a required partner for conflict resolution. In this way, conflicts cannot be resolved without Russia, but in reality are not resolved in cooperation with Russia either.

Western actors should neither overestimate nor underestimate the seriousness, the depth and the effects of Russia's growing global outreach. On the one hand, **the rising visibility of Moscow in an increasing number of international conflicts and regions is not synonymous with substantial influence.** In many cases, Russia lacks the financial and diplomatic means to pursue its interests. On the other hand, even if Moscow is not going to become a real global power, it can still acquire enough spoiler potential to disrupt Western policies and/or to shape the regional order to the disadvantage of Western actors. Internal challenges within the EU provide much potential for Russia's opportunistic foreign policy to deepen the divides within the EU and destabilize EU states internally. Furthermore, growing transatlantic tensions offer an ideal window of opportunity for Russia to make use of its position in international conflicts (Syria, Iran, North Korea) and/or engagement with non-Western actors (Turkey) in order to drive wedges between Europe and the US.

Under Putin 4.0, Russia's global outreach will certainly continue to strengthen the Asian vector of its foreign policy, which it did, slowly but surely, under Putin 2.0 and 3.0. This has brought about a more consistent effort to increase Russia's presence in the region at large, an increase in trade between Russia and APEC countries, and some diversification of Russia's energy markets. After 2014, the Sino-Russian partnership has grown closer and more intensive, with incremental steps towards more strategic coordination and military cooperation. However, this cooperation should not be overemphasized: despite its common strategic goal to challenge the power of the West on a global scale, the competition between the two actors

has the potential to escalate in the future. The global diplomatic and military activism of Russia (most notably in the Middle East) has also slightly enhanced its credibility as a potential balancer in Asia, despite the widespread perception that Russia's commitment to this part of the world remains faint-hearted. Many countries are precisely interested in that balancing power (Japan, which has been reaching out to Moscow for assistance in counterbalancing China's rise, ASEAN countries trying to navigate amid growing US-China tensions...), but doubts exist as to how much they can count on continued Russian support, especially when Russia attempts to balance between antagonists with fiercely opposing interests, like Iran and Israel, or Iran and Saudi Arabia.

The trend of focusing on regions other than Western countries and Great Powers will continue because most of the factors that have enticed Russia to move away from the traditional Western centrism of its foreign policy will probably remain in place for most of the six years to come. These include the Kremlin's determination to remedy the huge systemic problems in its Far Eastern territories; Asia's economic and strategic dynamism (which includes China's One Belt, One Road Initiative); and the relative introversion of the EU due to the multiple internal challenges and contradictions, combined with uncertainties relating to US foreign policy. In conclusion, political estrangement and mutual deterrence will characterize Russia-Western relations in the medium term. Moscow may partially need to compensate for the deterioration in economic, technological and financial relations. This would be incompatible with Putin's key goal of having his country recognized as a global power. Russia's relationship with China is also of major importance here, as Moscow and Beijing do not always share the same interests, which opens up opportunities for Western countries to take advantage of.

To be monitored:

- Increased Russian activity in places where it does have some historical attachments, including in the wider Middle East, Africa and Central Asia, and looking for divisions between Russia's own partners and allies.
 - Economic activity; how much is mere "narrative", and how much is real trade?
 - What might attract a country to support and ally/work with Russia?
- Loopholes in international regulations that provide opportunities for exploitation, in such a way that would cause disruptions within EU/transatlantic relations.
 - Russian support for various (populist and other) movements within EU states, which have the potential to undermine EU/NATO internal and external cohesion.

PUTIN 4.0:

Duality with deception attempts, unpredictability and *longue durée* thinking

The five trends in this report, I. *Non-institutional delegation of policy-making and outsourcing*, II. *Growing tensions within the Russian ruling elite in the run-up to 2024*, III. *Economic policies in Putin's Russia in 2018–2024*, IV. *Strategic solitude and the effects of the strategic culture of the military and security services*, and V. *Pretending to be a global power by reaching out to non-Western partners* have three features in common: duality, unpredictability and *longue durée* thinking.

Duality with deception attempts materializes in the form of contradictory messages; on the one hand, Russia signals readiness to cooperate with Western and other countries, while on the other hand, the methods used are disrupting, undermining and hurting the selfsame countries Russia is talking with in a cooperative tone. Russia uses very strong legal rhetoric in its official statements when it comes to international cooperation and the world order, especially in the post-Soviet space and now increasingly beyond it. However, Russia simultaneously continues to violate the same rules and norms that it purports to be important. This can be identified in its outsourcing of foreign and security policy, in the ways in which the “strategic solitude” manifests itself, and the way in which Russia pushes itself in the global arena. In this sense, both the “cooperative” and “non-cooperative” lines of action are, in fact, two sides of the same coin, and are quite coherent in the context of internal Russian logic.

Unpredictability in association with Russia is no surprise, and yet Russia keeps on surprising. However, we are still poor at predicting when and where the next surprise is going to crop up. **All five trends give reason to expect unpredictability.** The Russian internal situation with its non-

institutional delegation, outsourcing policy, growing tensions within the ruling elite and economic policies all give reason to expect moves that will come as a surprise. **Russia's structural weaknesses relating to the authoritarian state system create situations whereby the political elite have to be very creative and stay two steps ahead of developments, whether they concern economic developments, Russian civil society or international events.** Due to their own internal weaknesses, they have to use opportunities, whenever they occur, to push Russia's strategic interests. Moreover, by using anti-Western rhetoric as a political tool in an environment where non-institutional delegation and outsourcing are part of the politics, different types of threats can be created even at short notice. Furthermore, the unpredictability element is connected with the duality. Duality blurs the intentions, situational awareness and timelines, making it easier to build unpredictability into the bigger picture.

Longue durée is a concept coined by French historian Fernand Braudel, combining social science with history, and presented as a structuring element of a temporal construction. It **focuses on events that occur nearly imperceptibly over a long period of time and eventually change global relationships**, as opposed to short-term perceptible events. It can duly be applied to Russia and Russia's long-term goals. Russian actions do not always seem to enhance Russia's own interests. They may also appear to be uncoordinated. In general, it may appear that the Kremlin prefers quick wins with maximum gains in the short term. Long-term consequences are forgotten or dealt with when confronted by them; at times, the Kremlin's logic defies all expectations from the Western perspective. This is often interpreted as a lack of strategy in Russian politics.

However, **all five trends in this report show long-term thinking and highly long-term strategic interests. There is a relatively clear vision of where the leadership wants to go.** The primary goals are to become an undisputed Great Power, to integrate into Western structures while changing them to “Russia accommodating” structures, to widen the economic base and opportunities, as well as to gain control over its own citizens to ensure the survival of the regime, to name a few. Underlying these goals is a historical imprint, and the goals are independent of the Russian leadership. What is interesting is that there seems to be relatively little in terms of identified benchmarks on the path to reaching these goals. In this sense, one could say that a Russian strategy exists, even if it is not visible and not inscribed in any official document,

while it remains unclear how Russia will try to push towards the goals. This feature implies difficulties when trying to interpret Russian policies, and indicates that Russia will continue to push its agenda according to its capabilities (methods questioned in the West) and by using every opportunity at its disposal to achieve its goals. This is accomplished with a very different risk assessment from that employed by Western countries, and sometimes entails a “gambling” attitude.

The five trends outlined in this report, if monitored carefully, can provide an indication of what to expect from Russia in the coming years, while remaining cognizant of the fact that there is the potential for change, and being aware of how the *longue durée* works in Russia’s case.



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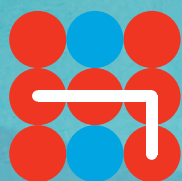
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