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## Russian security policy -Research in Finland and development trends in Russia



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Kaksiosaisen hankkeen ensimmäisessä osassa on arvioitu vuosina 2011- 2015 Suomessa tehtyä Venäjän turvallisuuspoliitikkaa koskevaa vertaisarvioitua tutkimusta. Toinen osa perustuu analyysiin Venäjän turvallisuuspoliittisista trendeistä. Osiossa arvioidaan Venäjän päämääriä, keinoja (resursseja) ja kykyä puolustuksessa, taloudessa, yhteiskunnallisessa ja valtiollisessa turvallisuudessa, sekä sitä mitä nämä tarkoittavat Suomen valintojen kannalta. Raportissa suositellaan Venäjän turvallisuuspolitiikan tutkimuksen strategian laadintaa, jossa keskitytään erityisesti kriittisiin, mutta vähän tutkittuihin teema-alueisiin. Venäjän kehitystrendien perusteella annetaan suosituksia siitä mitä asioita Suomen tulisi edistää omassa ulko- ja turvallisuuspolitiikassaan. Keskeistä on, että suomalaiset päätöksentekijät arvioivat Venäjän kehitystä kokonaisvaltaisesti ja varautuvat erilaisiin vaihtoehtoihin.

Tämä julkaisu on toteutettu osana valtioneuvoston vuoden 2016 selvitys- ja tutkimussuunnitelman toimeenpanoa (tietokayttoon.fi).

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#### Sammandrag

Den första delen av det tvådelade projektet har utvärderats refererad finska forskning på den ryska säkerhetspolitiken i 2011-2015. Den andra delen är baserad på en analys av politiska trender i Rysslands säkerhet. Avsnittet beräknas Rysslands mål, medel och förmågan i militära försvaret, ekonomi, social och statlig säkerhet, och vad dessa innebär för Finlands val. I rapporten rekommenderas att förbereda en forskningsstrategi på Rysslands säkerhetspolitik med särskild inriktning på de kritiska, men föga studerade teman. Rapporten ger rekommendationer för åtgärder på grundval av den nuvarande utvecklingen i Ryssland. Det är viktigt att beslutsfattarna i Finland bedömer Rysslands utveckling på ett övergripande sätt och är förberedda för olika alternativ.

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#### **Abstract**

The first part of the two-piece project consists of an evaluation of peer-reviewed research on Russian security policy, conducted in Finland in 2011-2015. The second part is based on an analysis of Russia's key security policy trends. In this part, Russia's goals, resources and ability to carry out its goals in defence, economy, societal and state security, and the effect on Finland are evaluated. The report recommends the construction of a strategy on Russian security policy research, which would concentrate on crucial, but less studied themes. Based on the evaluation of Russia's security developments, the report offers recommendations for Finland's foreign and security policy. It is essential that Finnish decision makers assess Russia's development in a comprehensive manner and are prepared for various alternatives.

This publication is part of the implementation of the Government Plan for Analysis, Assessment and Research for 2016 (tietokayttoon.fi).

The content is the responsibility of the producers of the information and does not necessarily represent the view of the Government.

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## 1. INTRODUCTION

## 1.1 Background

## Russia in a global context

For Finland, Russia is the single most important state whose development has an impact on our external and internal security. In order to analyse the impact of Russia, its security thinking must be understood, as well as how it also seeks to further its security by transforming international structures. In the current international situation, the central challenges for Russian national security are economic growth, state structures and defence. These goals are supported by internal security and political stability, which is used as a means for establishing strong governmental leadership.

In light of current knowledge, Russian foreign policy primarily follows a realist approach: in Russian security thinking, foreign policy is seen as involving concrete, strategic and tactical choices that are tied to time and place. In realist thinking furthering value-based (be it Western values or something else) policies plays an instrumental role in furthering realpolitik interests. Nevertheless, various integration goals are also central in Russian foreign policy, and their impact should be assessed in relation to contradictory tendencies in international relations (Rojansky 2014). In its foreign policy, Russia's goal is to create a multipolar world system, in which it is one of the central great powers. Russia opposes Atlanticism and the military, economic and cultural hegemony of the United States of America.

Despite the political crisis in international relations, both Finland and Russia have been a part of a global development in which transnational collaboration has sought to establish new kinds of regional security areas (Buzan 1991). During the last 20 years, increased trade, cooperation in the energy sector, cultural and educational exchanges and non-governmental organisations are seen to have built a solid foundation for bilateral and European Union—Russia relationships. Cross-border cooperation between authorities in the EU countries and Russia has been an important cornerstone in internal security and environmental sector activities, among others.

In regard to border security, Finland has been at the front line in developing national activities as well as activities in accordance with the EU's four-tier border security model (Niemenkari 2003; Heusala et al. 2008). Finland has thus built its relationship with Russia on a long term and broad societal basis. The governmental and judicial development of Russia have brought along cooperation opportunities as well as generating various new challenges and unintentional side effects. The tension between Russian foreign policy and internal Russian reforms (Gel'man 2015; Heusala 2013; Kulmala et al. 2014; Collier 2011; Skryzhevska et al. 2015) has had an impact on transnational collaboration, among other matters. In the interpretation of Russia, it is crucial to comprehend and analyse its intentions, resources and global preconditions (including judicial and other integration systems) in a balanced manner. The analytical focus lies with a realistic interpretation of post-Soviet institutional change (Mahoney & Thelen 2010).

<sup>&</sup>lt;sup>1</sup> Collaboration within border security and judicial administration has been complemented by legislative and administrative harmonisation, as well as joint education and coordination activities.

Russian military build-up, military reform and changes in military thinking (Casapoglu 2015) have in recent years been reflected in its ability to advance its own geopolitical goals in its neighbouring areas. Foreign policy conflicts with the West - most recently, the EU - have led to a rupture in dialogue and a situation resembling economic war, particularly after the annexation of the Crimean Peninsula by Russia. Russia challenges the judicial view of the international community that the incorporation of the Crimean Peninsula was unlawful. Russia has experienced the Eastern Partnership of the EU, which was initiated in 2009 as a part of Eastern Enlargement, as a challenge for its own integration goals in the former region of the Soviet Union. Within the European Union, on the other hand, the establishment of the Eurasian Economic Union has been seen to challenge the EU's presence in the Southern Caucasus. (Palonkorpi 2015.) In the Ukrainian crisis, two integration processes seemed to transform into a battle of spheres of influence. The military and economic capacity of Russia and changes in its security thinking have also influenced stability in Northern Europe. The crisis has had a clear impact on the economic situation in Finland. The development cannot be observed only through individual sectors of the economy, and it is not fruitful to perceive Russia as an actor separate from the rest of the world. Its operational environment is global, and the choices which have an impact on Finland are influenced by decisions and events elsewhere. This is reflected in Russia's own security policy documents and the objectives of the Russian government. The impact of the Ukrainian crisis can be seen in Russian foreign policy and in the growing tension in the Baltic Sea region. Simultaneously, the crisis has increased the importance of Russia's relations with China.

## Finnish research on Russian security policy

The consequences of the current political crisis will probably be long-lasting. It is therefore necessary to form a timely and comprehensive picture of the central development trends in Russia and examine what Finnish research, in particular, says about the development of Russia. This project analyses Finnish peer-reviewed fundamental research that can be positioned within Russian security policy research. The studied time period is 2011–2015. The project consists of two parts: 1) The state of Finnish research on Russian security policy, 2) Developmental trends in Russian national security.

Research on Russia has been the target of considerable investments in Finland. In addition to the Aleksanteri Institute of the University of Helsinki, central academic actors include the University of Tampere, the University of Eastern Finland and Lappeenranta University of Technology. Other universities and universities of applied sciences have also run research projects related to Russia, and research interests have also been furthered by individual researchers. Sectoral research institutes produce topical policy analyses regarding Russia. In the field of Russian studies, the Finnish Centre of Excellence in Russian Studies – Choices of Russian Modernisation (2012–2017), funded by the Academy of Finland, has utilised international networks to make multidisciplinary openings, and has systematically strengthened existing lines in fundamental research. RussiaHUB Helsinki activities, coordinated by the Aleksanteri Institute, are an important means for increasing the societal impact of research. These activities seek to bring together actors interested in Russia in the corporate world of the Helsinki metropolitan area, public administration and the academic world.

Overall, there is a lot of research knowledge in Finland related to Russia, but a qualitative synthesis of the focal points of this knowledge has thus far been absent. One of the objectives of this final report is to support the establishment of a more comprehensive strategy for Finnish research on Russian security policy, so that the funding of these activities can also lie on a more solid base. Our project has assessed the strengths of Finnish research

and identified areas that should be further developed in in order to ensure that the picture of Russia is timely and comprehensive enough and provides an expert interpretation of the overall development of Russia.

## Russian national security as the starting point

The starting point for the project was the definition of Russian national security. The viewpoint and goals of Russia are defined in security strategies and policy documents, security legislation and the President's annual keynote speeches. Decision-making is led by the President and the Security Council of the Russian Federation (SCRF). As of the mid-2000s, the role of national security as a framework for political decision-making has grown stronger (Antonov 2012). Within national security, societal and state security encompass a broad range of issues that would be regarded as comprehensive security and internal security issues in Finland. According to Russia's own definition, central focal points include, in particular, anti-terrorism, information security, regional, immigration, national and counternarcotics policy and border security.

In this project, economic growth, the capacity of state structures and the development of national defence are highlighted as crucial factors shaping Russian national security. Within domestic policy, Russia supports these goals through its internal security objectives, and within its foreign policy, by establishing a multipolar system. The latter is connected to the aim of strengthening the political, economic and military latitude of Russia. This project recognises the actual interconnectedness of the different Russian policy segments as well as the complexity of change, where Russian choices are also being strongly affected by globalisation.

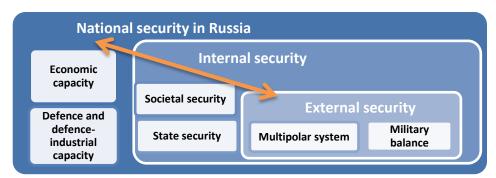


Figure 1 Definition of Russian national security

## 1.2 Materials, methods and authors

## Finnish research on Russian security policy

In this project, the evaluation of Russian development was preceded by a meta-analysis of Finnish research, which examined the focal points, strengths and clear areas to be developed within Finnish research on, or related to, Russian security policy. The meta-analysis sought to

<sup>&</sup>lt;sup>2</sup> The central decrees are: Указ Президента Российской Федерации от 31 декабря 2015 года N 683 "О Стратегии национальной безопасности Российской Федерации"; федеральные закон от 28 декабря 2010 г. N 390-ФЗ "О безопасности"; федеральные закон от 28 июня 2014 г. N 172-ФЗ "О стратегическом планировании в Российской Федерации".

address the following questions: 1) In what respects does Finnish research reach a good international level? 2) What are the gaps in knowledge that Finnish researchers could fill themselves? 3) What kind of knowledge could be acquired or produced through good networks?

The classification includes peer-reviewed studies on themes related to Russian security policy conducted during 2011–2015 in Finnish universities. The gathered material has been classified into categories, which help to illustrate the themes that have been studied most extensively in academic research. The conclusions also outline the human resources (research projects vs. permanent positions), methods and materials (multidisciplinary vs. approach derived from a specific discipline) used in Finnish research.

## Selection criteria for evaluated studies and research categories

All Finnish universities<sup>3</sup> are included in the categorised sample. The JUULI portal served as the primary reference service used for searching for peer-reviewed research and doctoral dissertations published in 2011–2014. For studies published in 2015, the publication portal of each university was used. The search terms were different forms of the word 'Russia' in different languages: russ\*, venä\*, rys\*, pycck\* and poccu\*. From a total of 2,200 publications, 461 were selected for more detailed categorisation. In addition to the publications' titles and abstracts, key words were utilised in making the selection. The categorisation does therefore not represent disciplines, but all of the categories form a multidisciplinary whole.

In selecting the publications, the most important criterion was a publication channel that was classified at level 1–3 in accordance with the JUFO classification of the Publication Forum. In addition, the publication had to fit into the categories for peer-reviewed research recommended by the Ministry of Education and Culture and used by the Finnish Academy<sup>5</sup>: A1 article in a scientific journal, A2 review article in a scientific journal, A3 book section or chapter in research book, A4 conference proceedings, C1 scientific book, C2 edited book or anthology, conference proceedings or special issue of a journal. Of the works selected for the sample, a few publications were discarded in spite of their home university categorisation, since their publication channel was classified at JUFO level 0. However, the sample includes all doctoral dissertations published in 2011–2015, regardless of whether the dissertation was published in the university's own institution series or as a separate scientific publication.

The sample of this final report does not contain material produced as internal research work or reports for public authorities, nor publications published in non-peer-reviewed publication series of sectoral research institutes. Thus, the generated picture of peer-reviewed research in Finland does not correspond to the whole Finnish expertise or topical knowledge regarding themes that are central for Russian national security. The selection criteria for the sample has been guided by the will to examine the state of *peer-reviewed academic fundamental research* in the field of Russian security policy.

The selected sample was further categorised according to thematic categories. The categorisation is based on Russia's own definition of national security (see Figure 1). The Russian definition of security policy is comprehensive. Drawing from this notion, this report goes from the assumption that research on Russian security policy should encompass

<sup>&</sup>lt;sup>3</sup> In addition, peer-reviewed work published in 2011–2015 by the researchers of the Finnish institute of International Affairs and the Finnish Defence Forces were included in the selection.

http://www.julkaisufoorumi.fi/

<sup>&</sup>lt;sup>5</sup> https://confluence.csc.fi/display/tutki/OKM%3An+julkaisutyyppiluokitus

themes related to internal as well as external security and their concrete connections with one another. Accordingly, the understanding of security research utilised in this report is not limited to the disciplines traditionally associated with the topic, such as geopolitics, thematic fields within military science or foreign policy. Instead, the starting point has been that the basis, decision-making and execution of Russian security policy should be broadly approached through the themes that Russia includes in this policy segment.

The Russian National Security Strategy published on 31 December 2015 has served as the central document for determining the categories. The strategy defines the policy sections encompassed in national security as well as presenting special focal areas. In addition, the need to examine the state of Finnish research on economic matters, armed forces and the military industry, in particular, was taken into account when formulating the categories. The special focal areas of Russian security policy and themes particularly important for the current world political situation have been given their own categories. Such themes are the Arctic, the Eurasian Economic Union, Russia and NATO, and armed conflicts. The categories also include those that influence Russian security policy decision-making and execution, such as government, authorities (including the Ministry of Defence) and law. Within domestic policy, non-governmental organisations and political movements have been given their own category.

The final main categories of the research were as follows:

- 1. Security policy, strategy and security thinking
- 2. Armed forces (Military)
- 3. Ministry of defence
- 4. Military strategy
- 5. Military leadership
- Military economy
- 7. Russia and NATO
- 8. Military conflicts
- 9. Business and national economy
- 10. Oil and gas industry, energy
- 11. Eurasian Economic Union
- 12. Arctic
- 13. Environmental policy
- 14. Foreign policy
- 15. Geopolitics
- 16. Law
- 17. Government, authorities, politics
- 18. State and societal security:
  - regional policy, welfare policy, border security, immigration policy, counternarcotics policy, anti-extremism policy, nationalities policy
- 19. Anti-terrorism action
- 20. Information security
- 21. Transportation
- 22. Culture
- 23. Education
- 24. NGOs and political movements

When compiling the final report, each of these categories has been divided into smaller sections. For larger groups, in particular, this provided a means for examining how research has been focused not only thematically, but also according to the publication channel. During

the project, the gathered data was publicly available on the project's website (<a href="http://blogs.helsinki.fi/venajankehitys/data/">http://blogs.helsinki.fi/venajankehitys/data/</a>).

## **Evaluation of development trends in Russian national security**

The methodology in the second section of this report was primarily based on a qualitative and participatory approach. The new material was produced during two four-hour workshops in May 2016. The analysis and conclusions of the final report are based on the workshop material, which has been categorised in accordance with the Russian definition of national security (Figure 1, p. 9). Eight academic experts and two experts at the Ministry of Defence participated in the workshops.

Workshop 1 evaluated the economy, defence and foreign policy. The targets of evaluation were:

- the development of military capacity and the modernisation of the military economy,
- Russia's activities in regard to the EU, the Eurasian Economic Union, the Collective Security Treaty Organisation, Central Asia, the Shanghai Cooperation Organisation, and China,
- Russia's energy economy, and
- the development of the Arctic.

Workshop 2 evaluated the internal development of Russia. The targets of evaluation were:

- regional policy,
- demographic development and migration,
- activities against serious transnational crime and terrorism,
- the development of political decision-making,
- information security,
- the reform of public administration, and
- legal development.

Based on their existing knowledge, the workshop participants outlined Russian development trends by addressing the following questions:

- What are Russia's goals, means (resources) and capacities (political and administrative performance) in defence and economic matters?
- What are Russia's goals, means (resources) and capacities (political and administrative performance) in societal and state security?
- What is their meaning for Finland's choices?

In the workshops, the main questions of the project were reflected against Russian economic development. The workshops utilised the Russia Statistics of the Bank of Finland Institute for Economies in Transition.<sup>6</sup> In addition, the working groups took into account the evaluation indicators presented in the Russian Security Strategy.<sup>7</sup> The indicators include the personal safety of citizens, share of modern arms and technology in the Russian armed forces, life expectancy, GDP, share of the poorest and wealthiest population of the total population,

<sup>6</sup> http://www.suomenpankki.fi/bofit/seuranta/venajatilastot/Pages/default.aspx

<sup>&</sup>lt;sup>7</sup> Указ Президента Российской Федерации от 31 декабря 2015 года N 683 "О Стратегии национальной безопасности Российской Федерации".

inflation, unemployment, GDP share of research, technology, education and culture, geographical distribution and scope of environmental problems.

In other words, the work was based on a meta-analysis of the current central developmental trends of Russian national security. The report highlights both internal and external security issues that the experts participating in the workshops recognised as central issues influencing Russian choices and actions. The highlighted development trends were also evaluated in regard to how predictable, intended and welcome (Perri 2010) they were from the Finnish perspective. The experts outlined a summary of their conversations in the form of a matrix. The second section of the final report, Development of Russia's national security, is based on these discussions. The final analysis has been complemented with previous research results, from which some direct quotes have also been selected for this report.

#### **Authors**

Professor Markku Kivinen, Director of the Aleksanteri Institute, acted as the administrative leader of the project. Senior Researcher, Docent Anna-Liisa Heusala acted as the academic principal investigator. Her responsibilities and duties included the project's research plan, the categorisation criteria for the Finnish research, acting as the chair at the workshops and drafting the final report. Information specialist Emilia Pyykönen at the Aleksanteri Institute was a central figure in the meta-analysis of Finnish research, as she conducted the basic categorisation and selection from the 2,200 publications retrieved from the databases of Finnish universities.

The experts at the workshops examining the development of Russian national security represented broad expertise in the fields central for evaluating Russian national security. In addition to Markku Kivinen and chair Anna-Liisa Heusala, the workshops were attended by Finland Distinguished Professor Vladimir Gelman from the European University at St. Petersburg and the University of Helsinki, Professor Pami Aalto from the University of Tampere, Professor Tuomas Forsberg from the University of Tampere, Professor Marianna Muravyeva from the National Research University Higher School of Economics in Moscow, Senior Economist Heli Simola from the Bank of Finland Institute for Economies in Transition, Researcher Anna Lowry from the University of Helsinki, Senior Advisor for Research Charlotta Collén from the Ministry of Defence, and Special Advisor Janne Helin from the Ministry of Defence.

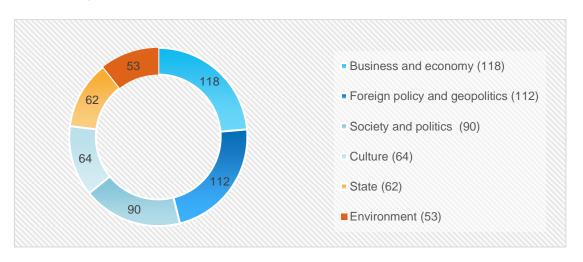
The steering group of the project included Docent Kari Laitinen, Director of Research at the Ministry of Defence, who acted as chair, and Charlotta Collén, Senior Advisor for Research at the Ministry of Defence, who acted as secretary. The steering group members were Doctor of Military Sciences, Docent, Lt. Col. Petteri Lalu from the Finnish Defence Research Agency, Lt. Col. Pentti Forsström from the National Defence University, Doctor of Laws Jarmo Koistinen from the National Bureau of Investigation, Doctor of Social Sciences, Docent Jyrki Raitasalo from the Ministry of Defence, Mari Jaakkola from the Finnish Border Guard, Eevamari Laaksonen from the Ministry of Defence, Sami Wacklin from the Ministry of Foreign Affairs, Doctor of Social Sciences Sinikukka Saari from the Ministry of Foreign Affairs and Katarine Lindstedt from the Ministry of Internal Affairs. The steering group convened twice.

# 2. FINNISH RESEARCH ON RUSSIAN SECURITY POLICY 2011–2015

The project sought to map how studies conducted in Finnish universities in 2011–2015 is related to different categories of public policy in accordance with the definition of Russian national security. The selection is comprised of 461 publications that fit the classification of peer-reviewed scientific publications used by the Ministry of Education and Culture (see page 10). The aim was to identify the strong themes within Finnish research, as well as those themes relevant for Russian development where there is a need to develop Finnish expertise, and the themes that require good international networks. The significance of the less-researched themes for the monitoring and interpretation of Russian security policy was also evaluated in the steering group.

## 2.1 Quantitative distribution of the research themes

## Extensively researched thematic areas in Finnish research 2011–20158



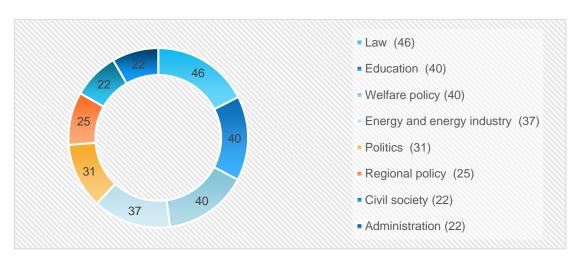
Quantitatively speaking, Finnish research has mostly been focused on the disciplines of business, foreign policy and geopolitics. Within the field of economics, research has concentrated on issues related to business activities, whereas research related to the national economy has been scarce. In the foreign policy and geopolitics group, the number of studies classified as geopolitics research totalled 29. In the group dealing with societal and political matters, a significant number of works dealt with regional policy, nationality policy and welfare. State-related research was defined as research dealing on some level with state governance, administrative decision-making or their consequences. The sample also included studies that examined the decision-making and execution of a specific governmental sector.

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<sup>&</sup>lt;sup>8</sup> The publications fit the following categories: A1 article in a scientific journal, A2 review article in a scientific journal, A3 book section or chapter in research book, A4 conference proceedings, C1 scientific book, C2 edited book or anthology, conference proceedings or special issue of a journal. In addition, the report examined dissertations separately.

In our sample, cultural studies were the most diverse in terms of disciplines and themes. Russian identity politics and historical perspectives on contemporary life in Russia stood out as specific themes. Within environmental research, notable themes included the Russian energy industry and forestry, the social responsibility of enterprises and the impact of climate change.

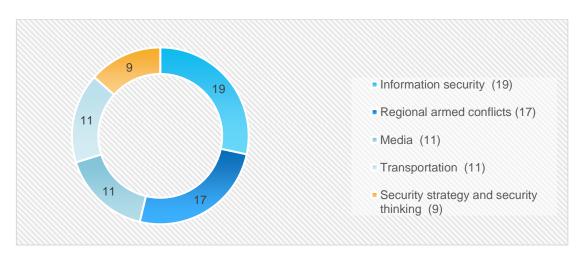




A total of 226 studies dealt with topics related to Russia's internal development, such as law, education, welfare policy, politics, regional policy, civil society, the state and administration. With research dealing with culture and environmental issues, the total amounts to 343 studies in a five-year period. From this perspective, it can be concluded that there is a large amount of research in Finland dealing with matters related to Russia's internal development.

However, the evaluation also has to take into account the precise thematic focus of the studies. Particularly with studies regarding law and state/administration, which are relevant to Finnish–Russian cooperation, it is important to determine the extent to which disciplinary concepts and approaches have been utilized. A more detailed grouping also reveals interesting blind spots in other categories. One of the most striking deficiencies was the lack of research dealing with Islam, the Orthodox Church and faith.

### Little-researched thematic areas in Finnish research 2011–2015



In addition to broadly researched themes, the key goal of the project was to see which themes related to the definition of Russian national security are less researched. Such thematic areas were indeed numerous. Relatively little-researched themes included information security, transportation and media, among others. Studies of armed conflicts involving Russia are also scarce, even though studies on foreign policy and geopolitics form a large group in Finnish research. There are also only a small number of studies on security strategic thinking, and not one comprehensive study on the topic was published in international publication channels by the end of 2015.





There were several blind spots, and all of which are central for the monitoring and interpretation of Russian national security. Blind spots are defined as research areas that include only a few works during the entire observation period. Peer-reviewed research on the Russian armed forces is practically only taking its first steps in Finland. Despite the volume of foreign policy and geopolitics research, there are only a handful of studies on the Eurasian Economic Union, border security, immigration and the Russian security authorities. Perhaps one of the most startling gaps in research conducted in Finland was the lack of research on Russian terrorism. The lack of peer-reviewed research within the field of border security reflects the tendency of Finnish research to focus on more practical, policy relevant studies and dissertations published in universities' own departmental series.

## 2.2 Economy and the armed forces

Research on economy is almost completely focused on Russian trade and the development of the business environment. Research dealing with business issues and the business environment include case studies within different sectors and studies on foreign investments. Among the Finnish universities, Lappeenranta University of Technology, in particular, has specialised in research on Russian business.

Among the sample of studies, there is no work dealing solely with the national economy, but there are some studies on general economic policy during the observed period. However, there is no systematic academic research in Finland on this topic that is fundamentally important for Russian security development. This is a rather significant shortcoming when attempting to evaluate the execution of state reforms and defence economy in Russia, for instance.

Finnish research on the diversification of economy has generated a good understanding of the direction of the economy, particularly in specific fields such as the energy economy. In general, Finnish energy-related research is strong, and this is an important theme for Finland. Publishing is based on the works of a few researchers, and it has benefited from the ongoing Finnish Centre of Excellence in Russian Studies, funded by the Academy of Finland (2012–2017). However, regarding a comprehensive and comparative examination of the national economy, even these well-represented themes do not eliminate the need to invest in academic publishing within the field of national economy.

In Finnish research, the armed forces are a central blind spot. This goes for the military economy as well as military leadership and military strategies. The first Finnish dissertation on military strategies was published at the National Defence University in 2014. In the future, research on the changes in the armed forces would benefit significantly from studies dealing with security thinking, security legislation and the security authorities. Research on Russian reforms utilizing also empirical methods and comparable theoretical concepts would support the formation of a comprehensive picture of the conditions for decision making in Russian government.

## 2.3 Internal security

In principle, Finnish research on Russian internal security is sufficient in quantitative terms. Law, environmental issues, culture, state and politics, for instance, are well-represented areas. However, it is a closer look at the actual thematic focus in this category is also needed.

In accordance with the Russian security policy definition, central subcategories for state and societal security include welfare policy and regional policy, which have been reasonably well studied in Finland. Politics, non-governmental organisations and political movements are likewise fairly well researched. However, all of these themes rely heavily on a few researchers. On the other hand, research groups have been established around these themes, and these researchers are devoted to their own area of expertise and their academic careers. Regarding studies on Russian politics, the production of international monographs, the lack of which was deemed problematic in the previous research review (Pursiainen 2013), has gained momentum during the observed period.

Within cultural studies, research on religion and religious communities has been scarce during the studied period. For instance, studies on Islam have been published only as of 2016, which illustrates how this is a budding research theme in Finland. Only one researcher is focused on Russian Islamic communities, and research on the Orthodox Church and religion also relies on a small group of researchers.

Within research on law, the majority of the works are case studies related to various interactions between the judicial system and the surrounding society. There were only a few more traditional legal dogmatic analyses in the sample. The most central blind spot is systematic research on Russian criminal law and criminal procedural law, even though such research would be of great use in Finnish–Russian border security cooperation. Regarding

Russian criminal law, only one doctoral dissertation and one peer-reviewed article dealing with the topic have been published. Poor knowledge of this theme will pose a significant future challenge, as it is impossible to understand the deep structures of Russian internal security and security thinking in general without an understanding of the legal dimension. Research on the Russian security authorities undeniably needs to be complemented with legal examination.

Regarding civil law, themes related to the development of the business environment are particularly well-represented, and there are also some studies on family law. Some studies related to environmental law have also been conducted, some of them dealing with the situation of ethnic minorities. Studies on the Russian judiciary seem to be a completely missing theme within the studies in the sample. This can be considered surprising, as various public appraisals regarding Russia's internal development repeatedly emphasise the permanence of the problems within the Russian judicial system and the unreliability of its activities. Based on our sample, it seems that these conceptions are not based on Finnish empirical research.

The category of research on Russian government and administration contains over twenty studies whose primary or important research theme seems to be the Russian decision-making process and management, legislative changes, the execution of decisions or the interaction between citizens and the government. However, only a few dealt with governmental reforms as a whole or general changes within the Russian public sector. There were no comprehensive studies on Russian governance written with an approach and concepts derived from governance and administrative sciences research. Systematic and comparative research on Russian public administration is indeed a clear blind spot in Finnish research. This can be considered problematic from the point of view of both Finland's own economic interests and the balanced examination of changes in Russia. In light of current research, the understanding of developments of the Russian state, its legislative work, policy making and implementation is incomplete, and expertise is in some respect insufficient.

Within internal security, there are a number of themes that are dealt with in only in a couple of studies. These themes are border security, immigration policy, counter-narcotics activities, and terrorism and antiterrorism. The lack of research on financial crime, both in the form of criminological studies and as a theme of criminal law, can be deemed a major deficiency. Russian corruption is broadly discussed as an explaining factor, but there are no comparative analyses of this topic in terms of concepts and terminology or empirical data. Likewise, a shortcoming of international studies is that corruption is not approached as a comparable financial crime, but the concept is used for explaining the special characteristics of the Russian political system, often at a generalising level. The connection between Russian cybercrime and financial crime is also a clear transnational security challenge. At present, there is no Finnish academic expertise on these matters.

There is a lack of peer-reviewed research on border security – including research on transnational crime and terrorism. This is a thematic area in which Finland has its own interest to strengthen academic research in the future. It is rather astounding how these themes are disregarded in studies related to Russian internal security. This could suggest that they are deemed difficult to research for academic researchers with a civilian background.

Transnational, in practice global, security threats, such as various forms of criminality (including cybercrime), social challenges related to migration and themes related to

antiterrorism are thus a clear blind spot in Finnish research on internal security. Research on the structures, management and activities of the Russian security authorities is a thematic area that should be given more international academic attention. There is specifically a need for analyses that use comparable concepts and terminology and avoid unverified political interpretations.

During the recent European refugee crisis, a need has arisen for more knowledge on Russian border security development, the activities of authorities and the immigration and refugee situation. Research on immigration policy has only recently begun in Finland, and the sample includes only a couple of studies related to issues within this theme.

## 2.4 External security

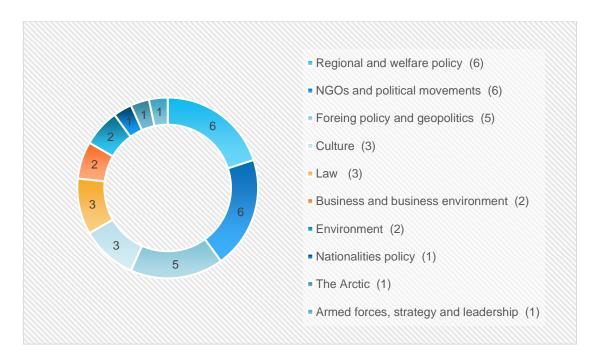
Among peer-reviewed articles and edited books categorised in the field of foreign policy and geopolitics, ten specifically dealt with Russia's own foreign policy strategy as a whole – in other words, not the bilateral relationship of Russia and another party, another country's Russia-policy or some sector related to Russian foreign policy, such as the energy. A much-researched theme during the studied period was energy policy. Russia's relationship with Europe and the whole EU has also been rather extensively researched. A comprehensive examination of Russia's own foreign policy is thus not a thoroughly researched area, even though foreign policy and geopolitics are generally speaking among the central themes in Finnish research. The majority of studies are focused on temporal or thematic cases.

In regard to more comprehensive security thinking, there were only a few published studies during the studied period, of which most are focused on a specific area of Russian security policy and its implementation. The category also contains publications that present administrative or legal factors contributing to security thinking. During the studied period, no international comprehensive studies on the foundation or changes of Russia's own comprehensive security thinking were published. This can be considered a shortcoming, considering the attention given in Western discussions to explanations of Russian security policy activities.

Within the category of foreign policy and geopolitics, a total of 41 peer-reviewed articles were published. Slightly under half of them could also be classified as disciplinary works (international relations, world politics). The remaining studies represent multidisciplinary research or studies that cannot be labelled as international relations research. Of the publications in foreign policy and geopolitics, the majority were articles in peer-reviewed and edited volumes. During the studied period, there were 34 such works, of which roughly a third can be grouped according to their discipline based on the author's background and theme. Thirteen international edited volumes were also published in Finland. Their themes varied from historical analyses to works on energy, regions neighbouring Russia and Russia–EU relations. Within the latter theme, a total of five international volumes with contributions from several authors were published.

Russian relations with the United States, China, Central Asian states and Japan could be identified as a blind spot in research conducted in Finland. Finnish research has focused on EU–Russia relations, which in the future will not be sufficient for explaining Russian activities on the global level where it aims to promote its strategies. Investing in maintaining good networks and the establishment of new ones within these themes is a potential prospect.

## 2.5 Doctoral dissertations published in Finland 2011–2015



Our sample included a total of twenty doctoral dissertations, of which twelve were monographs and eight article-based dissertations. Five of the dissertations were written in Finnish. The illustration represents all of the categories in which each dissertation was classified in the primary categorisation.

In the category of regional and welfare policy, three works dealt with social policy, one with changes in industrial cities, one with environmental policy in the northern areas of Russia, and one with the language policies of Finno-Ugric republics. Within foreign policy and geopolitics, two dissertations discussed spheres of interest and geopolitical thinking, and one dissertation focused solely on Russian foreign policy. The category of culture includes one dissertation about religion, one about media and one about business culture. Legal dissertations included research on civil law, comparative research on Russian criminal law and legal sociological research on the practices of defending human rights.

In terms of themes, Finnish dissertation work is versatile. Many of the dissertations are based on empirical work, which means that Finnish researchers have also gathered material in Russia as part of longer research projects. This has contributed to the researchers' extensive knowledge base and the collected material can also be used in various further studies.

Among the dissertations, there are also topics that belong to less-researched areas in Finland. Such topics include Russian military strategy, spheres of influence and criminal law. However, some of the researchers are not focused on becoming professional researchers, which means that further research on these themes will possibly not be advanced in near future without separate investments in them.

# 2.6 Strategic development of research on Russian security policy

Many themes of Russian national security have received insufficient attention in research conducted in Finland. Among the missing and scarcely studied themes are the security authorities and security governance, border security, immigration policy, the Russian military economy, the armed forces as a whole, crime prevention and antiterrorism actions, Russian law, religions and religious communities. Russian law, policy making and policy implementation are also still quite poorly known. Within studies of foreign policy and geopolitics, Russia's relations with Asia and the United States have not been studied in Finland, which leads to a Europe-centred examination of the current spheres of influence.

In the future, themes that have so far been rarely researched should be approached from various disciplines, as these themes are often linked to each other. For instance, border security is related to the security authorities and law, as well as transnational crime, terrorism and immigration policy. Research on terrorism, for its part, requires in-depth knowledge on the activities of the Russian authorities, regional conflicts and economic development in Russia's neighbouring areas, as well as religions and religious communities. In addition, Russian immigration, social and labour policies and transnational crime (most notably drug-related crime and financial crime in funding terrorism) need to be taken into account. In addition, cybercrime is also related to the above-mentioned themes. In this context it should be highlighted that research on financial crimes, from a criminological perspective, in particular, is a missing thematic area. This is in general a problem in international peer-reviewed research. Research on Russian religious life has likewise been scarce in Finland, and this research within religious science is a clear shortcoming, considering how Russia currently stresses its traditional values.

In the area of information security, media research has generated surprisingly few peer-reviewed studies, even though the state of the media and its impact on Russian politics is a constant topic of discussion. A comprehensive study on, e.g., the change of media legislation is also missing in legal research, which in general is only rarely comparative or focused on legal dogmatic issues. There is thus clearly a need for a strategy regarding research on Russian law.

Finnish research on the armed forces has so far relied on non-peer-reviewed studies or reviews. The examination of Russian economic goals could benefit from studies dealing with the armed forces, as is also shown in the second section of this report. In addition, the development of the Russian administration and authorities, and an in-depth observation and comparison of the related legislation should also be taken into account in studying the armed forces.

There were only a handful of comparative studies in the sample of research publications. In the study of Russian security policy, comparison is undoubtedly necessary for concrete understanding of changes and their proportions. Currently, researchers often take so-called general understandings of the nature or change of Russia as their starting point without independently examining the basis of these notions and testing them empirically. From the perspective of strategic decision-making, research conducted from such premises only partially addresses the issue of the development of Russia and its significance for Finland. Conceptions can also be heavily loaded. Comparison of Russia with both the United States

and China is missing completely, which is problematic. A Sino–Russian comparison would be central to examine reforms in public administration, economy, defence policy and legislation.

Based on what has been presented above, the development of deeper academic expertise requires long-term planning and the establishment and maintenance of well-funded research groups. Short-term projects can primarily produce limited reviews of various themes related to security policy. It is questionable how productive such scattered funding is, compared to sufficiently comprehensive funding which guarantees the development of ambitious and long-term academic expertise. Academic visibility, including an increase in citations, is hard to reach if research groups cannot focus on building genuinely internationally relevant expertise and producing publications for important publishing channels. In order to avoid internationally saturated themes and bulk production, future endeavours should concentrate on strategically central themes with a medium- and long-term focus. With the help of good networks, this knowledge can be complemented with short-term projects related to topical issues.

# 3. DEVELOPMENT TRENDS OF RUSSIA'S NATIONAL SECURITY

The purpose of our project was to establish what the most central Russian development trends are, and examine what these potentially mean for Finland. The development trends of Russian national security were considered in two international workshops on 17–18 May 2016. The workshops were based on specific themes and related questions, which were given to the participants in advance. In total, eight academic experts and two experts from the Ministry of Defence participated in the workshops. The thematic areas of developmental trends, which were defined beforehand, were based on the project's research plan that utilised the definition of Russian national security. Accordingly, the central themes at the workshops were economy and defence as well as internal and external security. Workshop 1 considered Russian economic, defence and foreign policy. Workshop 2 concentrated on internal development in Russia, particularly themes related to the development of decision-making, state reform programmes, justice and internal security.

In this section of the final report, we gather the results of the evaluation of the experts participating in the workshops. The analysis has been complemented with quotes from research publications and with on-going research. The section will begin by briefly outlining the concept of national security and its historical importance as the framework for decision-making in the Russian state. Thereafter, it will set out the most central concluding observations from the workshops on the current goals of Russian national security, resources for implementation, ability to execute goals, and the impact of these from the perspective of Finland, in particular.

## National security as the framework for state policymaking in Russia

The concept of national security emerged in official Russian state documents in 1881. At that point, it served primarily as a synonym for societal security, which supported the aspiration of Emperor Alexander III to solidify autocracy and traditionalism in state leadership. A more comprehensive notion of national security, encompassing societal and state security, was officially taken into use in 1934 (Malin 2007:1–2) as a crystallisation of the judicial and public policy foundation of Joseph Stalin's leadership ideology. During the first two decades of the Soviet Union, the economic, political and judicial changes solidified the understanding that individual security was a part of state security. The foundation of state security, for its part, lay on a socialist planned economy, which was secured and steered by the established Soviet judicial culture. In other words, the justice system served political interests in accordance with the definitions of the decision-makers, and the constitution was not deemed

Petersburg and the University of Helsinki, Professor Pami Aaltop from the University of Tampere, Professor Tuomas Forsberg from the University of Tampere, Professor Marianna Muravyeva from the National Research University Higher School of Economics in Moscow, Senior Economist Heli Simola from the Bank of Finland Institute for Economies in Transition, Researcher Anna Lowry from the University of Helsinki, Senior Advisor for Research Charlotta Collén from the Ministry of Defence, and

Special Advisor Janne Helin from the Ministry of Defence.

<sup>&</sup>lt;sup>9</sup> The experts participating in the working groups were Senior Researcher Anna-Liisa Heusala from the University of Helsinki, who also acted as chair, Professor Markku Kivinen from the University of Helsinki, Finland Distinguished Professor Vladimir Gelman from the European University at St.

to restrict legislative work. (Heusala 2015:104.) This historical background of security concepts and their implementation influences state management in the post-Soviet era.

The comprehensiveness of contemporary Russian security policy is reflected in the contemporary distribution into governmental-judicial levels, which all include both domestic and foreign policy goals. These levels are state security (related to sovereignty and independence), security of administrative areas, security on a regional level, private security and the security of Russian citizens living abroad (Malin 2007: 1–2). The security strategy of 2009<sup>10</sup>, which preceded the current security strategy that came into force on 31 December 2015, can be considered as a document that compiled the challenges for post-Soviet era societal development. The strategy reflects the history of reforms in state structures and policies. As a result, national security is perceived as an umbrella concept, upon which public policy relies. While Russia has reformed governance in the 2000s in accordance with global liberal economic thinking, the goal of the state was nevertheless defined as securing the wellbeing of the individual. In practice, this can be interpreted as the state, i.e., the federal central government, defining the frame within which welfare policy is conducted.

Central concepts in Russian security strategical thinking include national interests and national priorities. The former concept is primarily related to the political agenda, whereas the latter refers to governmental and administrative planning and implementation. In the 2009 security strategy, the long-term national interests were defined as democratic order, economic competitiveness, constitutional order, regional unity and autonomy, and Russian position as a great power, which aims at strategic balance and a multipolar world order. National interests were seen to be being threatened by demographic changes, environmental problems, uncontrolled migration, drugs, arms and human trafficking, other forms of transnational crime, domestic and foreign unrest, and corruption. The implementation of the security policy was to be monitored through specific indicators, including unemployment, income inequality, increase in consumer prices, domestic and foreign debt, GDP share of health, education and culture expenses, amount of new armoury, equipment level of the personnel of the armed forces, and level of income. The attractiveness of the Russian armed forces was stressed as a specific social goal. (Heusala 2011.)

In studying the development of Russian institutions, the National Security Strategy creates an important background against which the development can be reflected. The security strategy and the complementary Federal Law on Security are based on definitions in accordance with the concept of comprehensive security. The security law is a framework law, which is complemented by separate laws for various organisations. The security strategy is so comprehensive that it extends development goals to encompass the significant societal sectors and their basic premises. The goal is to define the direction of Russia. (Heusala 2011, Kokonaisturvallisuuskäsitteen käyttämisestä Venäjän turvallisuuspolitiikan tutkimuksessa.)

The impact of the current international political and economic crisis can be seen in the reformed strategy of 2015<sup>11</sup>. The strategy constructs an image of a world where increased juxtaposition threatens Russia's national interests. Russia is seen as a target on which foreign powers are focusing their activities in an attempt to undermine the Russian decision-

<sup>11</sup> Указ Президента Российской Федерации от 31 декабря 2015 года N 683 "О Стратегии национальной безопасности Российской Федерации".

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<sup>&</sup>lt;sup>10</sup> Стратегия национальной безопасности Российской Федерации до 2020 года, от 12 мая 2009 года, N 537.

making system and societal peace. Despite this image, the strategy emphasises the need to sustain opportunities for cooperation with the EU as well as the United States. In terms of defence policy, strengthening Russian defence and securing constitutional order, independence and regional unity are deemed as central national interests. National interests concerning internal development include national consensus, political and social balance, strengthening democratic institutions and cooperation with NGOs, developing quality of life, health and the demographic situation, protecting Russian culture and traditional spiritual values, and improving economic competitiveness. In addition to economic factors, strengthening Russia's great power status and strategic balance can be deemed as Russia's most central geopolitical goals. Newly introduced focal points include national unity and the protection of Russian culture and traditional spiritual values, which formalise the nationalistic domestic policy development of Russia.

The historical permanence of the strategy's socio-political nature is manifested in the indicators for monitoring implementation. The indicators include private security and the security of Russian citizens, share of modern armaments and technology in the armed forces, life expectancy, GDP, income inequality between the top and bottom 10 per cent, inflation, unemployment, GDP share of science, technology, education and culture, and the geographical distribution and scope of environmental problems. The addition of life expectancy into this list reflects a focus on reducing mortality, which has increased dramatically in the post-Soviet era, whereas increasing the birth rate has until now been a particularly important domestic policy goal. The inclusion of environmental problems as an indicator is probably related to the planning of regional policy. What is crucial about the indicators is that they refer to comprehensive security thinking and the overall functionality of society.

## 3.1 Russian economic and defence policy

### Objectives and resources

The goal of the development of the Russian economy is to reform planning in order to achieve more efficient implementation. The objective is to create a high-technology military economy, which will act as an engine for sustainable development and economic growth, as well as supporting the success of other public policy goals. Economic goals are intertwined with educational reforms and investing in critical research activities. The goal is to expand purely military technological development into civilian use (so-called dual-use), e.g., in shipbuilding, nuclear power, the aviation industry, space technology and the arms industry. The Arctic is geopolitically and economically central in Russia's strategic thinking, and Russia also has long-term expectations for the Eurasian Economic Union. The goal is to ensure Russia's interests in the north, both in terms of international law and presence of Russian authorities. Russia's central defence policy goals are related to securing its independence, increasing its economic latitude as well as preventing the influence of neighbouring societies and terrorist action. Current resources are affected by the balancing between social responsibilities and state acquisitions required by the military economy.

#### Means for economic development

In 2014, 28 per cent of Russian state revenue and 51 per cent of the federal budget income were derived from oil and gas taxes. The share of the national economy of the entire Russian economy is currently around 38 per cent of expenses and just over 34 per cent of income.

The current crisis has forced a diversification of the economy through a programme for import substitution. The programme seeks to diminish reliance on imports, increase domestic production and diversify exports (Simola 2016).

Economic policy resources have been developed by organising the Russian planning system and by enacting new laws. As of 2004, the Russian government has sought to stabilise the macro-economy and has drafted strategic programmes for various areas of the economy. The programme for import substitution, formulated in response to Western sanctions, can be considered as the latest strategic programme related to the economy

The objectives of the current political leadership to strengthen the high-technology sectors commenced with the establishment of enterprises in the military industrial complex and in dual-use sectors. This was followed by shipbuilding and engine industry enterprises. A similar logic was also followed in establishing more complex multi-industry structures, which include Rosatom and Russian Technologies (subsequently renamed Rostec), among others (Pappe & Drankina 2008). Regarding these very capital-intensive companies, the goal has been to extend their scale in order to improve their international competitiveness and to support product development (Crane & Usanov 2010: 118). The expansion of state ownership in the above-mentioned sectors has attracted a fair amount of critique, but Russian leaders have constantly emphasised how the lack of initiative on the private sector has partially contributed to the development. President Putin has concluded that the objective has also been to prevent the degeneration of key knowledge areas in Russian human capital and to preserve scientific and production capacity (Putin 2012).

Several complementary strategy documents<sup>12</sup> and planning organisations have been established in order to improve the knowledge base, systematics and impact of economic planning. The foundation for the current strategic planning was born in 2009 through a law on the foundations of strategic planning and later through the Law "On Strategic Planning in the Russian Federation", which the parliament passed in June 2014. A significant related legislative change was also the enactment of the law regarding industrial policy on 31 December 2014 (488-FZ 2014).

In October 2013, the Economic council was founded, which is a central decision-making organisation under the President. The council supports a number of economic strategies, from state-led stimulus to neoliberal economic policy (Ekspert 2016). The establishment of the council diminished the impact of the Agency for Strategic Initiatives, whose purpose was to create a direct link between the authorities and business life and improve implementation (Monaghan 2014: 18). In June 2016, President Putin signed an order for the Council for Strategic Development and Priority Projects. Its purpose is to draft Russia's development strategy together with the Economic Council (Ekspert 2016).

## The reform of the armed forces as part of the economic and defence policy

At the beginning of the 21<sup>st</sup> century, the accumulation of problems in traditional Russian high-technology industries, such as defence and space technology, posed a challenge that required rapid rationalisation (Crane & Usanov 2010). The background for the reform of the Russian armed forces is the new, post-Soviet geopolitical and economic situation. Long-term

<sup>&</sup>lt;sup>12</sup> Governmental programmes have been drawn up for all sectors of public policy, and are regularly updated. (<a href="https://programs.gov.ru/Portal/">https://programs.gov.ru/Portal/</a>) Programmes related to economic policy include Strategy 2010, Concept 2020 (a long-term socioeconomic planning concept until 2020), Strategy 2020 and the May Laws.

planning had to be discarded, as adaptation to the emerging market economy required reacting to urgent and accumulating issues (Päiväläinen 2016). The macroeconomic development in the 2000s enabled the reform of the Russian armed forces, which began in 2008. The reform had been an objective as early as in the later days of Perestroika (Lannon 2011). The reform is also based on a publicly expressed evaluation of the changing nature of war. The evaluation stresses regional tactical operations, as well as other forms than traditional warfare in accordance with so-called next-generation warfare <sup>13</sup>. Among the central objectives of the reform were a radical decrease in personnel and a restructuring of the administration (McDermott 2009). Personnel reduction was also related to the need to create alternative employment and build a more efficient defence order system. The modernisation of the Russian military industrial complex is thus nowadays not only aiming at reforming the armament and equipment of the armed forces, but at the comprehensive development of the entire Russian industrial system (Manturov 2013).

According to the textbook of the Russian presidential government, global interests to be secured though the use of armed forces include resource-rich [geographical] areas, transportation routes and nodes. In lieu of straightforward occupation and use of force, it is recommendable to use indirect methods and to seek to persuade the opponent into cooperation, through either pressure or reflexive action. In the selection of armed measures, the strategy is to avoid losses and to take into account the interdependence of the fighting parties and the infrastructure's susceptibility to destruction. Success requires fast action and precision of impact. Armaments, equipment, usability of forces and know-how need to support this, which is why the mass army is being replaced by professional armies. (Lalu & Puistola 2016, Hybridisodankäynnin käsitteestä.)

Only in 1996 was the first post-Soviet development programme for armed forces drawn up, for the years 1996–2005. A new feature was a GDP-based restriction on defence appropriation. Simultaneously, there was a shift back to budgetary appropriation based on the military branch and fighting arm. The chaotic environment of the transition economy made planning extremely challenging. The gathered experiences were, however, further processed into four development principles for the future: systematics, a realistic examination of needs and (particularly economic) opportunities, comprehensive knowledge management (knowledge-based centralised leadership), and constant management of the development programme (situation consciousness and flexibility in planning). Partially as a result of the crash of the rouble due to the monetary crisis of 1998, the need for economic and societal risk management was also recognised. The first risk management guidelines were drawn up in the early 2000s. (Päiväläinen 2016: 9–10.)

During 2001–2010, the rearmaments programme for the armed forces proceeded to a new life span model, and the principle of iteration was also introduced into development (Päiväläinen 2016: 10). This refers to an engaging usage of expertise, constant testing of the functionality of reforms and phase-based development. In accordance with this new thinking, planning involved a larger number of military and political experts from various governmental areas, and funding was transformed into a three-level model. The goal was to prevent Russia

knowledge. A similar, albeit narrower, US concept is perception management. (Thomas 2004: 242, 250.)

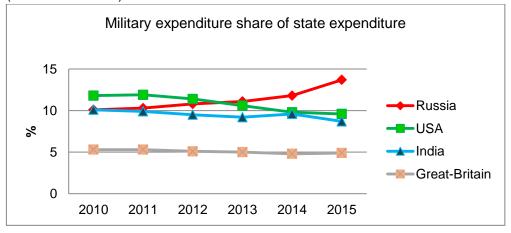
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<sup>&</sup>lt;sup>13</sup> See, e.g., Giles 2016. So-called next-generation warfare is also referred to as sixth-generation warfare, whose tactics also include hybrid warfare. In Russian military scientific and strategic terminology, a central concept related to warfare and hybrid warfare is *reflexive steering (refleksivnoye upravleniye)*. Concisely put, this refers to the ability of party A to affect the thoughts and plans of party B, as well as party B's image of party A, resulting in the solutions of party B being based on false

from falling behind its most important rival countries, and the minimum goal was set at maintaining the existing system (Päiväläinen 2016: 10).

In the 2010s, Russia concluded that the ideological juxtaposition had diminished, and instead, multi-polarity had gained ground; although on the one hand, the political, economic and military influence of specific states (state groups) had weakened. On the other hand, the increased influence of some states hampered the increase of the previously mentioned dominance. Globalisation was introduced as a new factor in world politics, which for its part led to increased competition in some fields and, respectively, increased tensions between different states and areas. Globalisation aggravated the complexity of international relations and the volatility of different developmental processes on both a global and regional level. However, in the mid-2010s, this was seen to lead to a redistribution of influential power in favour of new power centres. In this respect, Russia's Military Doctrine 2014 sets a new strategic objective for superpower policy. (Forsström 2016, Venäjän sotilasdoktriinien kehittyminen Neuvostoliiton hajoamisen jälkeen.)

The current military industrial complex of Russia indeed appears as a strategic, half-governmental security policy and technological actor (Päiväläinen 2016: 8). The armaments programme, which extends until 2020, is based on a broad normative foundation, which includes the National Security Strategy until 2020, the federal Military Doctrine, federal policies regarding the development of science and technology until 2010, and the concept of Russia's socioeconomic development until 2020. (Burenok 2014; Kotov & Kozlanzhi 2012.) Russia has also thoroughly invested in the realisation of these defence policy goals. According to the Stockholm International Peace Research Institute (SIPRI), the share of military expenditure as a proportion of state expenses has steadily increased from 9.9 per cent in 2008 to 13.7 per cent in 2015. The nominal increase of military expenditure in the national economy during 2007–2014 was 18 per cent, and still in 2015, the increase was as high as 28 per cent. In 2016, however, the increase of military expenditure has come to a halt. According to the estimate of the Bank of Finland Institute for Economies in Transition, the GDP share of Russia's military expenditure is around 3.5 per cent (Korhonen V. 2016).



<sup>14</sup> SIPRI Military Expenditure Database (<a href="https://www.sipri.org/databases/milex">https://www.sipri.org/databases/milex</a>) The data on the military expenditure of different countries are derived from the International Monetary Fund's World Economic Outlook. SIPRI has collected a database on the military expenditure of 171 countries since 1988. The database is based on public sources.

\*Compiled based on SIPRI's Military Expenditure Database (2016). Chinese data is missing for the years 2010–2014. For 2015, the estimated share of military expenditure of the state expenditure of China was 6.3 per cent

According to SIPRI's estimate, in 2015, the military budget of the entire world was 1,676 billion dollars. The US share was 596 billion dollars, the share of China 215 billion dollars and the share of Russia 66.4 billion dollars. In 2015, the US's share of the military expenditure of the entire world was 36 per cent, whereas the share of Russia was 4 per cent (Perlo-Freeman et al. 2016). However, no conclusions regarding the readiness of specific countries to defend their national interests in different situations of crisis can be drawn from these global power relations. In addition to the above-mentioned organisational and economic changes, the development goals of the Russian armed forces should be evaluated in relation to the United States and NATO. Some Russian political analysts harbour the conception that the United States is waging a war against Russia on different fronts without an open proclamation of war. The internal political pressure to reform the army and increase military preparedness is a motivator in President Putin's current defence policy. (Crooke 2016.)

#### The Arctic

The defence and development of industry are related to Russia's activities in geographically central focal areas, of which the most important is the Arctic. Within the energy economy, Russia's central goals are related to getting oil from Siberia and the Far East, diversifying its own production, opening up to international cooperation and the high-technology usage of nuclear power. In the Arctic, Russia is investing heavily in the activities of Rosneft and Gazprom. It seeks to develop infrastructure, reopen military areas and increase military capacity. The latter is in order to ensure a significant status in relation to NATO in the northern area.

Russia has the world's largest Arctic area, which encompasses a 17,500-kilometre coastline, a nine million-strong population and production whose share of GDP is significant. Russia has two central goals in the Arctic. The first is related to northern sea routes that might be profitable for Russia. In order to secure them, Russia demands the right to monitor sea areas which would normally within international law be considered areas of free navigation or territorial waters with free transit. The navigating rights are related to the 1982 United Nations Convention on the Law of the Sea, which provides coastal states with the sovereign right to the natural resources of the sea bottom within an exclusive economic zone, which extends to 200 nautical miles from the coastline. However, it simultaneously also grants states the right to extend the width of this area by 150 nautical miles, if the geological limits of the continental shelf can be proven to extend to that area. Russia is claiming the majority of the 1.2-millionsquare-kilometre area that extends to the North Pole. It was the first to deliver its petition to the UN Commission that had the task of establishing the limits of the continental shelf. The development of the Arctic is related to immense off-shore hydrocarbon reserves, which are estimated to represent up to 30 per cent of the world's unutilised natural gas and 13 per cent of crude oil. (Flake 2015: 74.) Thus far Russia's goals have been related specifically to securing the economic potential of the Arctic, in contrast to, for example, a 'great geopolitical conflict. Increasing tensions in the Arctic does not support Russia's goals. At the same time, it can be seen that defending economic interests in the Arctic that are deemed nationally significant is taken seriously, for instance by developing administrative systems and by intertwining the interests with the reform process of the Russian armed forces.

Policy announcements, budget allocations, and security developments connected to the Arctic since 2009 have largely centered on enhancing constabulary and conventional military capabilities. To this end, Moscow re-

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<sup>&</sup>lt;sup>15</sup> https://www.sipri.org/sites/default/files/EMBARGO%20FS1604%20Milex%202015.pdf

established units within the Arkhangelsk and Murmansk border guards to patrol the NSR in 2009 and set the goal of creating a comprehensive coastal defence infrastructure in the Arctic by 2017. [...] This infrastructure enhancement aligns with plans to deploy by 2020 a combined-arms force to include military, border, and coastal guard units to protect Russia's economic and political interests in the Arctic. (Flake 2015, Forecasting Conflict in the Arctic: The Historical Context of Russia's Security Intentions.)

#### The Eurasian Economic Union

The Eurasian Economic Union (EAEU), which officially started its activities at the beginning of 2015, is the most ambitious of President Putin's projects so far. The goal is to create a community based on the free mobility of capital, labour and goods that can compete in specific economic areas in the global market. Russia's aim to achieve a strategically stronger position and resources in relation to the EU, which would also compensate for the problems of the Russian national economy, can be seen as the background for the development of the Eurasian Economic Union. The Eurasian Economic Union can also be seen as Russia's attempt at strengthening its negotiation position in its cooperation with China. (Dutkiewicz 2015: 6.)

The historical background of the union is the integration of the former Soviet republic area, which began in the 1990s. This led to the Eurasian Customs Union of Russia, Belarus and Kazakhstan, which started its activities in 2010. In addition to the above-mentioned countries, the member states of the current Eurasian Economic Union also include Kirgizia and Armenia. Russia has emphasised that the goal is to establish a competitive economic and judicial integration, following the example of the EU. It has been flexible in regard to the goals of the other member states, which has made the union a form of 'client community', in which politics is as important as real economic interests (Kivinen 2016). Currently, the Eurasian Economic Union is governed through the Supreme Eurasian Economic Council, consisting of the heads of the member states, the Eurasian Intergovernmental Council, the Eurasian Economic Commission and the Court of the EAEU. In the current economic crisis, the development resources of the Eurasian Economic Union have considerably diminished, but its foundation nevertheless holds a strong position, particularly in the field of energy production, in which it is among the globally leading producers of both oil and natural gas.

## Russia's ability to achieve its goals

Russia's ability to implement its strategies for achieving its defence and economic objectives is currently considerably undermined. The comprehensive picture, however, is contradictory. The implementation of the ongoing policy for substituting imports is a lengthy process. The overall economic constraints are significant, as economic growth is estimated at 1–2 per cent. The price development of oil is a central short- and possibly also medium-term challenge, which complicates finding a balance between financing internal development and defence. Oil and gas taxes, i.e., oil and gas production taxes, as well as revenue from oil, oil product and gas import customs have decreased dramatically. In addition, the increase of the GDP share of military expenditure has stopped (Korhonen V. 2016).

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<sup>&</sup>lt;sup>16</sup> http://www.eaeunion.org/?lang=en#about-history

<sup>&</sup>lt;sup>17</sup> The political purposes of the project have been evaluated from various perspectives. Many assessments stress the geopolitical goals of Russia and its will to influence the development of the former Soviet states. The union is also associated with the Eurasian ideology. However, President Putin has so far emphasised pragmatic issues. (Kivinen 2016.)

In the future, Russia will continue to invest in its Arctic in terms of both military policy and global politics. The geopolitical importance of this area will increase if climate change proceeds according to expectations and the price of oil starts to rise. The military economy relies on state orders and exports, which thus far have been small. The military industry has the potential for development in a limited international market. However, the growth of the military economy will not necessarily proceed in accordance with Russia's wishes due to, for example, high investments in shipping and missile production. The objective of dual-use is also challenging.

## Economic change

Even though the price drop of oil, economic sanctions and the slow-down of the economy have diminished the Russian government's resources for achieving its goals (Connolly & Hanson 2016: 18), they have simultaneously created strong incentives for Russia to change its economic model. Russia's own economic experts are, however, divided on what will generate growth in the future. Some would opt for fiscal-political stimulus, some favour structural reforms, and others prefer monetary action by the central bank. (Papchenkova & Prokopenko 2016.) The struggle between these different lines is of course hampering the selection of the course of action.

Industrial production has dropped since 2011, but in 2016, it has again shown signs of growth within the metal industry, machinery and equipment and the production of transport equipment. Researchers of economy are now pondering whether there might be a turn coming up in the Russian economy. However, due to the drop in wages, consumer trust is still low, and attracting solid investments is challenging. (Korhonen I. 2016.) At the moment, the sanctions are being felt hard in the energy industry, which is crucially important for Russia. Attracting investments in new sectors combined with the limitations for foreign investors has proved challenging, and renewable energy is having trouble entering the energy market. The development of liquefied natural gas and offshore opportunities is difficult for Russia. It has an increasing need to implement Western technology in the northern areas, where it is dependent on the activities of foreign enterprises.

During the last decade, Russia has succeeded in the development of a civilian nuclear industry, among others, which is one of its internationally most successful fields (Crane & Usanov 2010: 108). In 2006–2011, Rosatom's investments in research and development increased seven-fold (RBK Innovatsii 2015). Rosatom has also actively sought to increase its significance in foreign markets. In 2014, Rosatom's foreign portfolio doubled to 100 billion dollars compared to 2012 (ITAR-TASS 2014).

Resuscitating Russia's civil aviation industry and shipping industry has been a more demanding challenge. Regarding these sectors, the Russian government's operating policy has been to expedite progress by using the most successful part of military industry for launching civilian production (Hobson 2016). Despite the initial difficulties and slow progress, it would seem the Russian aviation industry is finally building up speed. The City Jet order, which landed Russian production in the European market, and the presentation of the engine type MC-21 can be named as examples (Hobson 2016; Zhang 2016). Initial state investments in the shipping industry also seem to have generated results.

The impact of the Ukrainian crisis on the enterprises in Russia's military industry have been contradictory. At first, delivery of orders suffered because the Russian military industry was previously closely integrated with the Ukrainian military industry. The embargo on the export of arms from Ukraine to Russia hampered the acquisition of chopper engines and power sources used in naval ships, among others. It is hoped that the import substitution

programme will ease the situation for Ukrainian products within the embargo as soon as 2017. Substituting Western products, on the other hands, is more problematic. (Connolly 2016: 757.) There are, however, some success stories. The Russian pharmaceutical industry, for instance, increased by 26 per cent in 2015. A significant share of the new deals made during the St. Petersburg International Economic Forum 2015 were within this sector.

Economic growth and the 'securitisation' of leadership undeniably influence each other in Russia. Several estimates tend to believe the 'securitisation' of economic policy is hampering normal economic development. A negative view of Russia's ability to reform its economy emphasises the system's structural problems caused and maintained by its political nature, such as poor transparency in decision-making, corruption and quasi-reforms. Critics stress how the current import substitution programme is a conservative trend that undermines the liberalisation that has been achieved in Russian economic life. Others, however, doubt whether the neoliberal model – in its Russian form, in particular – is genuinely liberal, in the first place. (Taliano 2016; Titov 2016.)

Russia's ability to implement economic policy reforms can be studied through materialised examples. The analysis should be based on evaluations that are not too straightforward or based only on current assessments. For instance, among the internationally praised Russian structural changes is the tax reform of 2000-2004, which generated a 13 per cent flat tax (Collier 2011; Gel'man & Starodubtsev 2014) and for its part supported the establishment of the stabilisation fund (Gel'man & Starodubtsev 2014). Subsequently, the modernisation of national economic planning has been underway, striving to combine annual budgeting with programme-based long-term planning. However, this reform has been more demanding to implement (Zhavoronkova 2014) than a one-off tax reform.

What is noteworthy is that none of the economic policy trends that have gained support among Russian decision-makers are directly conflicting with international cooperation, direct foreign investments, technology exports or joint ventures with Western large-scale enterprises. The current substitution of imports does not translate into a negative attitude towards foreign investments in Russia, but includes an attempt to integrate foreign companies into the Russian market so that they transfer production to Russia rather than exporting to Russia. (Connolly & Hanson 2016.) The peak years of Russian competitiveness in energy prices were also significantly affected by increased wages, which can be seen to have diminished its advantage compared to other countries (Sutela 2012). After the establishment of the economic sanctions, the wage level has again dropped, which means reduced production costs from the perspective of foreign investors.

Western analyses often stress the view that Russian economic policy is divided into those who wish to have 'manual control throughout the economy' and the liberal-technocrat elite that seeks to defend Russia's development in a more modern direction and broader cooperation with the West (Connolly 2016: 770). However, in Russia, the differences in approach cannot be labelled according to simple categories, such as liberal economic policy versus state-led economic policy, or the economy versus security and bureaucracy (cf. Mau 2016). It can be said, however, that competition between different economic policy perspectives is increasing. The situation can improve incentives to follow through existing reforms, if different economic and political interest groups can find objectives in them that they want to defend.

#### Military development

Russia will respond to NATO's missile defence project. The new missile system, which can penetrate possible missile defence systems (as in the case of Syria), developed new naval ships (also Syria) and nuclear defence, which is being developed further, have been at the centre of the development of the armed forces. Defence around Kaliningrad and Saint Petersburg will be important as well. The implementation of the rearmament programme is of course also affected by cuts in military expenditure, which are estimated to be up to 6 per cent in 2016. Orders are expected to decrease by 5-7 per cent. According to the analysis of Pjankov (2015), from the very beginning, there has been a gap between the efficiency objectives and results in the rearmament programme, which extends until 2020. The main reasons are unclear military strategic, technical and war economic estimates, as well as the decision-makers' poor knowledge of the true potential of the military-industrial complex. There has also been friction regarding the administration of the rearmament programme. Challenges are posed, e.g., a silo-like preparation process between different administrative areas, inadequate pricing systems, resistance to change within the administrative hierarchies and compatibility issues with foreign weapons systems (Burenok 2012).

Until recently, Russian leaders did not believe in a traditional military threat from the West, but this understanding has clearly changed. Operative-tactic Iskander-M missiles have already been introduced. These are short-range tactical weapons, which are meant to be able to destroy US and NATO military units and their equipment in Eastern Europe. The introduction of the Sarmat intercontinental ballistic missile is also underway, which is meant as a response to the *US Prompt Global Strike* tactic. The strategic torpedo Status-6 is intended to target the US coast, when necessary, as well as the combat units of aircraft barriers and the US naval bases.

Some military units have difficulties recruiting and committing personnel. Challenges related to personnel within the reform of the armed forces are also related to the reform of the Russian military service system. In principle, the military service system has been based on the duty of 18–27-year-old men to perform a year-long military service, thus ensuring a large reserve. Due to the shortness of the training of servicemen, they should not, in principle, participate in cross-border activities, which should be performed by professional soldiers, when necessary. In practice, there is no universal military service that would encompass all men, since conscription can be avoided on various grounds (Gresh 2011). However, during recent years, there has been increased investment in the training of regular soldiers, including more drills. All in all, the reform of the armed forces has been successful in the creation of more mobile troops, development of the speed, flexibility and automatisation of the decision-making system and the usage of new kinds of preparedness drills. Russia thus already has the will and high-level ability to use its military potential, in terms of both offence and defence.

#### Russia's interests in the Arctic

In recent years, Russia has managed to solve long-term problems with its neighbours. The border treaty with Norway in 2010 finally calmed down one of the most significant bilateral disputes in the area. In 2013, Russia attended the long-awaited negotiations on the regulation of fishing in the central Arctic, which will significantly reduce the possibility of increased tension between various countries due to fishing rights. Other border-related disputes, such as the border between the United States and Russia on the Bering Strait, will probably not seriously aggravate tensions. The Arctic Council has managed to further common interests related to prospecting and oil destruction measures, which for their part

reduce conflict sensitivity. (Flake 2015: 74.) It would be in the interests of Russia to keep the area isolated from the ongoing crisis, even though it is increasing the resources of its authorities in the area. This seems to correspond with the interests of other actors, as well. The US, for instance, has not sought to militarise or create additional tension in the Arctic.

#### The development of the Eurasian Economic Union

The development of the Eurasian Economic Union faces numerous challenges even outside the current economic crisis. The first challenge is related to transnational decision-making, where Russia is easily seen to lead the entire economic union. Other countries might experience the asymmetric power relations in decision-making as a threat to their sovereignty, which will slow down integration in decision-making and implementation. Another challenge is related to the transnational, multi-layered (involving several societal sectors) integration, which is related to immigration, private enterprises and exceptions to customs legislation. The differences in the societal and economic situations between Russia and its neighbours are also significantly slowing down such integration. The third significant challenge is the ability of the member states to agree on the cultural, civilisation-related and religious nature of the union. This will require purposeful dialogue and the establishment of trust, which would serve as the foundation for all other cooperation. (Dutkiewicz 2015; Kangaspuro & Heusala 2017.) In the current economic and political crisis, there are necessarily no prerequisites for such rapprochement.

## Implications for Finland

From the perspective of Finnish decision-makers, it is important to identify which development trends related to Russia's military policy and economy should be followed, so that Finland's own choices are not based on absolute evaluations or analyses of only the current situation. In interpreting indicators on Russia's development, it is wise to seek to form a versatile, comprehensive and critical analysis, which also encompasses public discussion.

At the moment, Russia does not experience Finland as a military threat, but Russian-Finnish relations are affected by Russia's view regarding the expansion of NATO to its borders. According to Russia's current security thinking, if Finland were to join NATO, this would create a security threat it could not bypass. Immediate political and economic reactions should be distinguished from an analysis of how NATO membership would affect Finland's position in a war situation. In the case of increased tensions, Finland should be prepared for various developmental courses and be flexible and quick in its own actions. Improving Finland's own flexibility would also mean increased defence and internal security expenditure.

The modernisation of the Russian military economy does not have direct implications for the Finnish economy, but if Russia succeeds at reforming its central economic sectors, this will have an impact on Finland's competitive environment. However, it is possible that the substitution of imports may already be affecting Finnish high-technology companies, even though the volume of such exports is low. Sanctions also affect Finland's possibilities of importing armaments from Russia. In general, the Western sanctions significantly limit international cooperation in the military, energy economy and financing sectors. Modernisation objectives are hampered and slowed down, as there are limited opportunities for attracting financing from foreign creditors.

Russia's current tactical options also include, when necessary, undermining the unity of the EU–NATO collaboration, even though Russia is simultaneously seeking to enter into and

maintain cooperation with EU member states. From Finland's perspective, it is important to maintain the possibility of continuing economic collaboration, particularly if or when the current crisis eases. The development of the Eurasian Economic Union must also be kept in mind. Current international research as well as political analysis emphasises Russia's *securitised* and diminishing national economy (Connolly & Hanson 2016: 18), but relations with Russia built on this view might also lead to opportunities going unnoticed. Perceiving Russian economic development deterministically, for instance solely as increasing isolation, the growing role of the state in the economy or the 'revival of Soviet economics' (Åslund 2013) can lead to misjudgements and surprises. Studies show that the industrial structures of Finland and Russia are very different, which increases possibilities for cooperation. The competitive advantages of Finland are centred on global technology companies, whereas Russia is focused on energy- and natural resource-intensive factory industries.

Arctic climate change has provided new urgency for states to promote their interest. Following record low ice extent in 2007, the region experienced even greater decline in 2012, with the summer ice coverage measuring just 3.41 million square kilometers, compared to a 7 million square kilometer average from 1979 to 2000. [..] The length of the ice-free season in the Russian Arctic seas has increased from 84 in 1979 to 129 in 2006 and then 171 in 2007, allowing for greater maritime surface traffic as well as energy exploration work. (Flake 2015, Forecasting Conflict in the Arctic: The Historical Context of Russia's Security Intentions.)

In the cooperation against climate change, it is important to keep research and technology collaboration on the political agenda as well as striving towards practical collaboration. For Finland, monitoring the Arctic development is a permanent interest, since if oil prices increase, Arctic energy projects will be initiated. This will create a possibility for Finland to join in. However, the participation of Finland in Arctic activities is affected by existing or emerging tensions and disputes in this area. For now, it seems as if the biggest risks to the equilibrium in the area are posed by disputes related to navigation in the Arctic and the ownership rights over the seabed.

If the price of oil stays low for a prolonged period, various societal and political risks will increase in Russia, and the importance of Finland's own preparedness will become more pronounced. Within energy policy, cooperation within the nuclear power sector will probably not face significant change, but Finland should prepare for substituting its oil and gas provision. Russia's European markets are shrinking. The choices of decision-makers need to be supported by long-term research on the key processes of the Russian economy and society and the actual influence of various interest groups. Finnish solutions need to take into account the contradictions of Russian developmental trends, and Finland has to strive to maintain its own response readiness for different situations.

## 3.2 Russia's external security

#### **Objectives and resources**

In recent years, the central objective of Russia has been to gain recognition as a great power in international decision-making. However, foreign policy objectives have also been linked with a realpolitik understanding of the economic advantages that are ultimately defended through military presence and action. Russia aims for a multipolar international system; in a global framework, it shares this objective with China. Simultaneously, Russia aims to gain

influence in former Soviet areas or countries with which it has a cultural and historical link. A central objective of Russia is to prevent so-called colour revolutions near its border. Concrete focal sectors in Russian foreign policy include global energy exports, international antiterrorism action, the development of the Eurasian Economic Union, and the Arctic, among others. Within external security, Russia strives to build strategically and tactically beneficial ally relations on both political and economic shared interests. Increased activities with China serve as an example.

Russia's goal is to achieve actual recognition or de facto acceptance for its current interpretation of sovereignty. Previously, Russia has harboured a sceptical attitude towards humanitarian interventions, since they have been interpreted as interfering with state sovereignty. From Russia's perspective, Western interventions have justified practically military activity. A similar view is reflected in Russian attitudes towards integration endeavours which the EU has implemented in Eastern European states, and in a categorical rejection of activities it deems as interfering with its internal issues. Maintaining strategic independence in all cooperation is at the centre of Russian foreign policy thinking. Russia compares itself to the status of the United States, which according to Russia's impression is, as a superpower, above international norms and law. (Igumnova 2011.) From Russia's perspective, its actions in Ukraine and the Crimea, which it partially justified with humanitarian causes, were a demonstration of its strengthened role and ability to set boundaries for the actions of other parties when these are deemed to seriously threaten Russian national interests. As Russia categorically opposes the expansion of NATO near its border, it interprets that the annexing of the Crimea was also a defensive action due to the military importance of the area. Russian participation in the Syria crisis, for its part, is justified, among other activity, by international antiterrorism activity, in which a great power is also active outside its own borders.

The United Nations has been an important political resource for Russia to further its foreign policy goals. A crucial resource in Russia–EU relations has been Russian energy exports to Europe and cooperation within the energy sector. Global energy exporting includes acting as a great power within the nuclear power sector. From a European perspective, the Russian markets were attractive until the events in the Crimea in 2014. Lively cultural, scientific and education cooperation has also built relations between Russia and Europe. These have not been directly affected by the current crisis.

## Russia's ability to achieve its goals

Russia's credibility in the United Nations, for instance, is based on its actual ability to participate in solving regional conflicts. In its attempts to achieve its objectives, Russia, as a superpower, has to address the question of what political and economic risks it is ready to take in implementing its foreign and security policy. However, Russia's capacity cannot be explained with one factor. What is essential is that Russia can execute its own objectives more quickly than NATO or the EU. Russia is also more agile in hybrid influencing.

The implications of the sanctions are both economic and political. The sanctions include several limitations on economic cooperation, such as long-term credit for Russian banks, energy companies and the military industry, as well as Arctic and offshore energy technology exports to Russia, and arms exports. The sanctions also restrict Russia's participation in multilateral cooperation, such as G8 cooperation (Aalto & Forsberg 2015: 223), the EU–Russia council and the Russia–NATO council. Persons related to Russian decision-making have been put on a travel ban and their foreign accounts have been frozen. The dialogue between the West and Russia has been weak or non-existent, and juxtaposition is increasing.

In this situation, Russia has sought to further its foreign policy through bilateral relations, which already had a significant role before the crisis. In the European Union, Germany and France act as the 'political resources' of Russia. Financial support from Russia to European right-wing politicians is significant, <sup>18</sup> through which it also strengthens its political relations with central European countries. Russia is skilled at utilising international law for expanding its own latitude by emphasising how it is open to various interpretations. It justifies its activities by creating analogues to the United States. Russian foreign policy can be seen as tactically flexible. Russia participates in various international policy 'games', in which its own foreign policy doctrine is implemented with a varying emphasis.

The development of the Eurasian Economic Union, which officially started its activities at the beginning of 2015, faces various economic, administrative, legislative and political challenges. A crucial issue is whether Russia will succeed at combining the Silk Road policy of China and the goals of the Eurasian Economic Union, which were agreed in principle in spring 2014. Russia will probably actively pursue this goal, particularly if its relations with the West continue to deteriorate or remain inflamed. In the sphere of influence battle with China, Russia seeks to avoid a zero-sum game. After several years of negotiations, the countries have signed energy agreements. China's influence on Russian politics and society will probably increase. An example of this is the restriction of Internet usage, which was planned in collaboration with Prime Minister Medvedev and the Chinese. Like the Caucasus, Central Asia is important for Russia in regard to antiterrorism. However, sanctions imposed by the United States on specific persons undermine the ability of Russia to participate in international crime prevention activity alongside the United States.<sup>19</sup>

The problems of the Russian national economy are significantly slowing down an escalation of the Ukrainian crisis. For this reason, it is probable that the Ukrainian crisis will come to a halt at some point. The European Union is still important for Russia, as the EU stands for 40 per cent of its trade, whereas Russia only represents six per cent of average EU trade. The current diversification activities are forced and time-consuming. Russian economic development is still heavily dependent on the overproduction of fossil fuels. According to current estimates, its economic development can generate an annual growth of around 1–2 per cent, which is very low compared to Russia's economic development of the past decade. Its business environment is still not particularly attractive. Solid investments decreased by 2.6 per cent in 2014, and by 8.5 per cent in 2015.

As to the assessments of foreign scholars, a first group of analysts predict dire consequences for the Russian economy [...] Some note that the impact of the sanctions depends on whether Russia's former partners can maintain these in the long run at potentially increasing costs [...] Others believe that the impact of the sanctions may remain limited, noting that the Russian state is highly resilient because the many non-globalised sectors of its economy co-exist with more export-dependent sectors, such as energy, which are protected by Russia's Reserve Fund. [..] Russia can withstand major economic losses in the short to medium run, while both the elite and society at large are likely to rally behind President Putin's countermeasures to the sanctions. (Aalto &

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<sup>&</sup>lt;sup>18</sup> For instance, a quarter of the budget of the Front National is from Russia.

<sup>&</sup>lt;sup>19</sup> Sohibov Akmal & Heusala, Anna-Liisa (work in progress) The Unintended Consequences of Western Sanctions for the US–Russian Institutional Cooperation in Counter-narcotics.

http://www.suomenpankki.fi/bofit/seuranta/venajatilastot/Pages/default.aspx

# Forsberg 2015, The Structuration of Russia's Geo-Economy Under Economic Sanctions.)

All in all, Russia's foreign policy development is nevertheless not inevitable. If the Russian economy continues to decline, Russia might lean politically more towards the East. The current economic capacity of the Eurasian Economic Union will not further the recovery or growth of Russian resources in the short term, but the union has to be seen as a long-term strategic key project. China wants free access to the area of the Eurasian Economic Union (Dutkiewicz 2015). Cooperation with China also has domestic policy implications, as the influence of China grows within the Russian economy and society. However, the countries also share important foreign and trade policy goals. Both China and Russia see the Transatlantic Trade and Investment Partnership (TTIP) as an instrument for a battle of spheres of influence, and therefore oppose it. For now, China is primarily important for Russia because of crude oil and armaments imports.

So-called soft power, through culture, education and research relations, is also important for Russia, and Russia has invested in education exports in former Soviet areas. The 2014 Olympics were loaded with expectations of how it would serve as an international PR campaign, as a window on the 'new Russia'. This goal was hindered by events related to legislative changes in Russia, which were broadly reported and discussed in the Western media. Russia has interpreted Western criticism as part of a systematic information war aimed at isolating Russia in international relations. So far, the chances of Russia restoring its international reputation seem weak, unless the Ukrainian crisis takes a significantly different turn.

#### **Implications for Finland**

The current crisis situation in Europe is a stress test for Finland, which points out the weak links in our administrative system, among others. Finland has harboured a picture of itself as a model country: as a Nordic welfare state, whose activities are well organised. The current situation has, however, proved that the limited nature of the administrative resources are becoming visible, and cooperation between authorities is not always as smooth as was thought.

The EU sanctions have taken their economic toll on Finnish agriculture. Prior to 2014, there were great expectations for Russian trade, and Russia was deemed a central partner in the economic development of Finland. In the current situation, Finland supports maintaining unity within the EU in regard to the sanctions. However, Finland must also prepare itself for the post-sanctions era. If the conditions of the Minsk Agreement are sufficiently met, some of the sanctions will possibly be dismantled. If, for instance, Germany proposes lifting the EU sanctions, Finland will probably support such a proposition. The social and economic advantages for Finland are large enough for there to be enough political support for dissolving the sanctions. Nevertheless, Finland must develop its agricultural exports further; Russia cannot be relied upon as it could previously.

The information war between the East and the West is so comprehensive that compiling a realistic picture from single events and their interpretations in the media is difficult. Throughout the whole of Finnish society, Finnish decision-makers are required to exercise independent thinking and to be critical towards information sources. Future research on Russian security and foreign policy goals should increasingly strive to support the formation of a more comprehensive and comparable picture of Russian decision-making, goals and realised development.

For the Finnish government and parliament, it is important to follow Russia's Transatlantic and trans-Asian relations. The development in the Arctic can provide opportunities for Finland. Finland's goal should be to prevent an increase in tension and to maintain peace in the competition regarding national interests. The development of the Eurasian Economic Union as well as the broader development of Central Asia will also have an impact on Finland. If the states of this region escalate into a state of ferment, this can be reflected in Finland in the form of weakened border security, allowing, for example, illegal migration or transnational crime, of which drug trafficking to Russia and Europe is the most significant. Finland's goal should be to maintain and systematically strengthen cooperation with Russia's authorities.

Environmental issues have been a central aspect of the foreign policy interaction between Russia and Finland – a sector in which efforts have led to significant results, as well. This sector should also be invested in in the future, and during the sanctions, Finland should also strive towards a political solution in which cooperation within the energy sector is not critically undermined.

# 3.3 Russia's internal security

## **Objectives and resources**

The strategic long-term goal of Russia's internal security has been to adapt to the economic constraints brought on by globalisation by stabilising its macro-economy and by reforming Russian state services by utilising also globalized means of the public sector. Concrete measures have included improving capabilities in the economic and social policy implementation, influencing the demographic situation through family, health and immigration policy, and reforming crime prevention activities and legislation. In addition, strengthening political consensus, cultural unity and acknowledging traditional values in the legislation and implementation of policy reforms are seen to support internal security goals. Central strategic means in state governance have included centralisation and an authoritarian, election-based model. While the financing for security administration has increased, social policy is still the most central focus point in internal security. Currently, it represents up to 35 per cent of the national economy expenditure and 13–14 per cent of the GDP (Korhonen V. 2016).

#### National security

Behind the formation of Russia's objectives lie two developmental lines, which have grown stronger during the past 15 years. After the post-Soviet crisis years, which culminated in the crash of the rouble in 1998, national security has developed into a central frame for public policy planning. The goal has been that the President-led Security Council of Russian Federation would act as the core of planning activities. It would take a broad stand on both external and internal security issues and set the order of priority among them.

Central leadership-related objectives have included the establishment of a strong central government through the so-called power vertical. In addition to the aim of focusing power in Moscow, the goal has been to improve the planning and control of practical reform work, partially by implementing international public sector techniques. The goals of internal security are defined in the Security Strategy, and their implementation is also regulated in the Security

Law.<sup>21</sup> Another concrete goal has been to reform public governance and administrative systems.

Since national security has been established as the guiding principle for public policy, the relation between international judicial norms and institutions has also undergone a change, as Russian sovereignty has been emphasised. Sovereignty and the willingness to integrate new kinds of judicial thinking into Russian legislation have been a topic of discussion ever since the constitutional reform of 1993. President Putin's rule cannot unequivocally be regarded as opposing the development of the Rule of Law. During his first presidential term, a number of reforms that significantly improved basic rights were enacted in the fields of criminal law and criminal procedural law, among others (Kahn 2008). Russia has been diligent in conforming with the decisions of the European Court of Human Rights regarding payments, albeit without institutional changes in Russia (Van der Vet 2014).

In recent years, there has, however, been a notable shift in Russia's attitude towards foreign jurisprudence. Decisions of international courts of human rights are not automatically deemed binding in Russia. The principle of sovereignty is more broadly applied in the drafting and implementation of legislation. The attitudes of Supreme Court judges also seem to be changing in regard to sovereignty, national security and human rights.

[Unlike] the 2003 Decree, the 2013 Supreme Court Decree views ECtHR jurisprudence only as complementary to domestic Russian legislation and treaties: "legal positions" (pravovye pozitsii) of the European Court need to be "taken into consideration" (uchityvaiutsia) when applying Russian legislation and treaties of the Russian Federation in the courts of general jurisdiction. (Antonov 2014, Conservatism in Russia and Sovereignty in Human Rights)

Legal developments and the pronounced role of the Security Council are also strengthening the so-called securitisation of the political steering in Russia. This refers to a situation where, in addition to comprehensive security thinking, practical steering in the actual implementation is increased. Such measures have traditionally been taken in use when undesired consequences of reforms have posed a serious political risk for the entire reform (Heusala 2013). The basic challenge for Russian domestic policy is indeed how far political and administrative centralisation can be taken in the name of more efficient leadership and national security.

Nevertheless, in internal security, social responsibility thinking is still central. The task of the state is to provide social basic services, which legitimates the political system. This is also reflected in the indicators of the Security Strategy, in which welfare-related issues are well represented. Patriotism, great power foreign policy and globalisation are intertwined in Russia's internal security goals. Russia is investing in the development of the Eurasian Economic Union, where the unification of immigration policy, economic policy and labour policy in the member states is brought up on the political agenda. Immigration policy is indeed among the high-priority issues in Russian security thinking, since it is related to the creation of free labour markets among the member states of the Eurasian Economic Union (Kangaspuro & Heusala 2017).

Until recent years, the macroeconomic stabilisation policy and the accumulation of reserve funds have been the most important resources in the development of Russia's internal security. In the current situation, the importance of national unity is emphasised. This is

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<sup>&</sup>lt;sup>21</sup> Федеральные закон от 28 декабря 2010 г. N 390-ФЗ "О безопасности".

furthered through the media, among others, and is used for strengthening the political steering of decision-making as well as for averting opposition movements. Strong support for the measures of the current political lead is understood as a prerequisite for goals related to turning the course of the economy, such as the import substitution programme.

Structural changes in public administration as well as efforts to improve its functional capacity, including complementary training and partial digitalisation of services, have also aimed at generating a change in the administrative culture. However, the change in the Russian administration can only be regarded as a process in progress, finances for which were only available during the economic boom of the 2000s. Regarding administrative systems in internal security, law enforcement organisations, in particular, have undergone several structural reforms. The latest reform of 2016 is about unifying and transferring the forces operating under the Ministry of Internal Affairs to the President-led National Guard<sup>22</sup>. This move has been explained as attempt to strengthen public order during a state of emergency and counterterrorism activities, in particular.<sup>23</sup> The Drug control agency and the Immigration agency have also been integrated as part of the structure of the Ministry of Internal Affairs, albeit under the principle that they retain their autonomy.<sup>24</sup> In other words, within Russian internal security, the administrative structure is accommodated to the political leaders' assessment of changes in the security environment.

## Russia's ability to achieve its goals

The strong characteristics of the Soviet administrative culture, the economic solutions of the 1990s, as well as general challenges related to the large changes within the public sector, such as the partial or failed implementation of reforms, have posed challenges for the reformation of Russia. Support for centralisation has been remarkably large in Russia, since memories of the chaotic 1990s and unpaid wages have not faded. During the long economic growth period, the implementation of long-term strategic thinking, macroeconomic stabilisation and the restructuring of the administration was feasible. There was also some improvement in the legal protection of citizens, as their chances of succeeding in legal actions against the authorities improved. Russia was able to implement large structural reforms; for instance, in 2004, the number of ministries, central committees and commissions was reduced in the reform of the central government, and the first phase of the still ongoing tax reform took place in 2000–2004.

In the current situation, public sector reforms occur partially under duress, similarly to the 1990s. The 10 per cent drop in real wages in 2015 (Korhonen I. 2016), unemployment and worsened living conditions burden political decision-making and restrict its latitude. In 2015, consumer spending dropped around 9 per cent due to the drop in real wages, according to the Central Bank of Russia. Simultaneously, 2.3 million people plunged below the poverty line. Unemployment has been addressed by cutting wages and working hours, while migrant workers have simultaneously disappeared from the Russian cash-in-hand labour market due to the weakened rouble. <sup>25</sup> The inflation estimate for 2016 has been around 8 per cent. Nominal increases in the public sector have been restricted or frozen as of 2014. Increases in pensions have decreased from the usual 13 per cent to 4 per cent, and there are plans to raise the retirement age. (Korhonen V. 2016.)

<sup>22</sup> http://rosgvard.ru/o-vojskah/obshhie-dannye/

<sup>&</sup>lt;sup>23</sup> http://kremlin.ru/events/president/news/51650

http://kremlin.ru/events/president/news/51643

http://www.themoscowtimes.com/business/article/8-shades-of-crisis---russias-year-of-economic-nightmares/553703.html

Military economic Keynesianism is thus not merely an economically stimulating development, since Russia will have to make short-term choices between welfare state obligations and developing the military industry, and the resuscitating effect from the military industry will not be visible immediately. The effect may also require changing the entire structure of the economy as well as the foundation of Russian security thinking. However, Russia is not ready for a night-watchman state model, since welfare services are a central legitimating factor for political activities and a central part of security thinking, where the security of the individual is quaranteed by the state.

#### State reforms

The actual decision-making ability of a so-called hybrid system like Russia's has been interpreted by researchers in various ways. Academics often emphasise that there are no time- or institution-related restrictions in a centralized system, meaning decisions can be made without prior lengthy negotiations, and also by taking risks. Then again, researchers also stress the slowness and rigidity of decision-making, corruption, resilient characteristic of the administrative culture, pedantic legalism on the one hand and contingent interpretation and implementation of the law on the other.

The symbiosis of the informal neopatrimonial "core" and the formal shell which outwardly seems to share features with advanced states and markets, ranging from legally independent courts to the commercial operations of state-owned companies [...], maintains a stable yet inefficient equilibrium. (Gel'man 2015, The Vicious Circle of Post-Soviet Neopatrimonialism in Russia.)

There are thus various interpretations regarding state reforms and the ability of Russia to carry them through. The normative foundation of the reforms are often well-prepared in the sense that the content of central documents are coordinated. Their implementation faces numerous challenges. (Monaghan 2014.) Plans can be derailed during large crises, such as during the economic crisis of 2008–2009. The legislation itself, as well as rules for implementation, may include significant holes and flaws. Strategy 2020 serves as an example: in over 400 pages, there is not a single section dealing with a vision on national industry policy. (Gurova & Ivanter 2012.) Last, but not least, challenges also include the know-how of the authorities, the poor respect for the work of the authorities and poor commitment of authorities, difficulties in developing incentive systems and efficiency indicators, unrealistic goals, constant reforms, vague instructions, and strong opposition to reforms within the administration (Monaghan 2014; Oleinik 2009; Goncharov & Shirikov 2013; Heusala 2013; Ledyayev 2009).

Post-Soviet political regimes represent multiple varieties of authoritarianism, both "hegemonic" and "electoral" [..] Post-Soviet market reforms contributed to the rise of patrimonial "crony capitalism," which is based upon ruling groups' political control over key economic assets and economic actors [..] The quality of governance in Russia and other post-Soviet states is much poorer than one might expect given their degree of socioeconomic development [..] (Gel'man 2015, The Vicious Circle of Post-Soviet Neopatrimonialism in Russia)

What we have seen in Russia under Putin, it will be argued below, can be understood as a transformation from a "competing-pyramid" system where multiple regional and corporate patronage pyramids actively competed for support to a "single-pyramid" system where the president has effectively combined the most important lower-level patronal networks into one large nationwide political machine. This is very different from saying that Russia has

become an authoritarian state since a political machine, even a very large nationwide political machine, behaves in ways that are quite distinct from authoritarianism so long as it does not end elections in which at least some real opposition is allowed to compete. (Hale 2010, Eurasian Polities as Hybrid Regimes: The Case of Putin's Russia.)

#### Demographic development and regional policy

Increasing birth rates has been one of the central goals of Russian social policy, but the reasons behind low mortality have only recently been addressed. In demographic security thinking, Russia follows the example of the United States and Canada in issues related to birth rates, among others. Only a successful combination of a pronatalist social security system and a social and health policy programme seeking to decrease the very high mortality rate can reverse the decrease in the Russian population. Even in the best case scenario, the impact of the 1990s will be seen in population development in the 2040s, as the small generation of the children of parents born in the 1990s will reach the age of family formation (RANEPA 2015: 120). Issues related to changing living habits and developing the health care system will pose a challenge for the realisation of Russia's demographic goals.

While Russia's leaders claim to have facilitated a "miracle" in welfare provision, an examination of the budget numbers shows that overall welfare spending has not increased as much as general budget outlays. Because there is little room for NGO or trade union involvement in decision-making, policies support state interests rather than those of the broader society. For example, Russian leaders have concentrated resources on raising the birthrate and increasing pensions rather than addressing the pressing issue of high male mortality. Paradoxically, however, in some cases, NGOs initiate the provision of new kinds of services, such as for AIDS patients, which are then taken over by the state. Federalism is important since there is wide variation across regions in social welfare provision. Ultimately, Russia's welfare policies are neither purely statist nor neo-liberal since the state is expanding its role in some areas, while shedding responsibilities in others. (Kulmala, Kainu, Nikula & Kivinen 2014, Paradoxes of Agency: Democracy and Welfare in Russia.)

Regional development in Russia has been a challenge since the collapse of the Soviet Union, and to this day, the situation still reflects many other political solutions. There is significant regional variation in implementation in Russian regional policy. It can be said that there are regions in Russia where life resembles Switzerland, but also other regions where development has come to a halt and even dropped to the level of developing countries. The Soviet legacy is visible in the regions' own economic and social goals and resources. Putin's economic and social policy, which is implemented by regional administrations, has been successful in reducing everyday crime. In this sense, the everyday life of the people has improved. However, there are differences in how the regions are able to maintain their economies. The central government also supports regions in accordance with security thinking by strengthening unity, e.g., in Chechnya. In Murmansk, infrastructure has been improved through road-building. As economic power has been delegated, the authoritative decision-making culture of the regions has grown stronger, which can be considered a paradox of administrative reform. While, for instance, Chechnya has been supported, its political-institutional development has been weak from a liberal-democratic perspective. Currently, 75 per cent of all budget financing goes through the central government. The economically weak are subsidised from Moscow, which does not necessarily encourage the regions to take independent responsibility for their development, but continues to support nonviable communities. Simultaneously, the system also relies on semiformal agreements

between enterprises and local administrations. This serves as a new form of the tradition of industrial communities built around one company. The communal responsibility of companies is hence an important political lever in Russian regional policy.

## Administrative systems and information security

Organisational changes and legislative reforms within immigration policy are continuing, as are rivalling political goals (Abashin 2017). Authority resources within internal security had been increased before the current crisis, and institutions were the targets of reform. For instance, there were significant expectations of the reform of police forces, and resources markedly improved during the 2000s. However, it has been challenging to change the organisational culture, even though personnel at the Ministry of Internal Affairs have been replaced and increased in the recent reforms. (Heusala & Koistinen 2016.) Economic difficulties probably increase crime rates as unemployment increases, which hampers the cultural reform of the law-enforcement organisations, challenging to begin with. This might lead to stronger 'law and order' thinking. The economic crisis might also affect the technical reform of authority operations; for instance, the possible digitalisation of border security has been delayed.

The establishment of the new National Guard has provoked conflicting opinions both in Russia and abroad. Some representatives of the Russian authorities have concluded that the power of the National Guard overlaps with the power of other organisations, such as the Federal Security Service (FSB). It has therefore been hoped that it would concentrate on fighting radical terrorism. Some political commentators have seen the National Guard as a result of the crisis of the current leadership and as a preparatory measure for the consequences of unpopular economic and public policy decisions. An assessment has also been voiced that the Russian leaders are preparing for a coup from within the public administration by centralising the forces of the Ministry of Internal Affairs directly under the President. The Russian Presidential government has denied this interpretation. The accuracy of these estimates will, however, only be revealed as the actual focal points of the activities of the new organisation are formed.

Counterterrorism and crime prevention activities show signs of international cooperation as well as a protective attitude to Russian legislation and sovereignty. The weakened international atmosphere has also had unintended implications. In counter-narcotics, the economic sanctions have led to a halt in the cooperation between Russia and the United States.<sup>27</sup> Chechnya will also be a critical region in Russian security policy in the future. In addition, Russian citizens who have participated in the Syrian combat increase the pressure of authority activity in fighting extremist action within Russia.

Legal and information security tendencies will remain central in the development of internal security. The reform of Russian law has faced increasing challenges, and the implementation of laws has become more selective. Another issue related to the development of legal security is the pressure to control access to information, which strives to control the Internet (similarly to China), as a defence measure. The Russian state has the capacity to seize complete control over the Internet in Russia, thus controlling both political activity and foreign information and communication within the borders of Russia. Russia will continue to develop its own information warfare and test its systems.

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<sup>26</sup> http://www.rbc.ru/politics/05/04/2016/5703f0759a7947abfa8c7b0e

Sohibov, Akmal & Heusala, Anna-Liisa (work in progress), The Unintended Consequences of Western Sanctions for the US-Russian Institutional Cooperation in Counter-narcotics.

## **Implications for Finland**

Russian internal security in accordance with its security strategy is important for Finland as a whole. Internal security thus encompasses the following themes: regional policy, immigration policy, counter-extremism activities, counter-narcotics activities, nationality policy, border security and information security. These are also related to changes in Russian legislation and state reforms, as well as the actual development of daily legal culture and Russian authorities. It is in Finland's interest to consider the concrete cooperation between sectoral ministries, which has been going on for a long time, and for our foreign policy leaders' relations with Russia. Concrete cross-border interaction between authorities can reduce tension over spheres of influence and, at best, form a realistic picture of the relationship between Russian institutions and Russian politics.

For Finland, it is important to know how regional capacities are developing in health policy, particularly in regions near our borders. Antibiotic-resistant tuberculosis and HIV infections are also possible risks for the Finnish health care system. Finland should therefore strive to continue cross-border cooperation in social and health policy issues, even though they currently depend on Russia's choices. Finland should also try and keep health issues beyond the scope of 'securitisation' on a political level.

In legal developments, Finland should be prepared for rapid and abrupt changes and increasing risks due to 'securitisation'. The impact of Russian state reforms for Finland depends on the case. For Finnish companies, strict regulation and at times unpredictable authority control cause additional expenses. There is also cooperation in other sectors, of which the most important are border security and crime prevention activities. The long established cooperation should be systematically developed through long-term goals, despite the current political crisis. It is in Finland's interest to gain high-level Russian political support for the development ideas coming from the professionals in these fields.

Russia's demographic development and immigration may also inflict pressure on Finland. It is therefore important to continue the systematic monitoring and analysis of the Russian immigration situation. If Russian border security fails, there is a risk that there will be a broader migration pressure on Finland or elsewhere on Europe through Finland. In monitoring border security, it is good to separate the political level and daily activities of authorities. Concrete activities of authorities at the local level involve challenges that are beyond political control, such as human trafficking and related corruption.

Regarding information security, increased Russian isolation from the rest of the world is possible, and Finland should also be prepared for tightened legislation regarding the Internet. In regional policy, the most critical phase from the perspective of Finland occurred in the 1990s, when there was a genuine possibility that Russia would disintegrate. Subsequently, the central government has been able to strengthen legislative, political and administrative stability through centralisation. Deliberately enforcing patriotism was also used for furthering consensus, and has indeed been a successful strategy throughout the political field. Patriotism may generate initiatives and changes that lead to limiting the rights of minorities, e.g., in Karelia.

For a country neighbouring Russia like Finland, it is important to take the development of Russian strategic (long-term) thinking into account, as well as monitoring the planning and implementation of economic policy, in particular. However, poor knowledge of Russian political decision-making among Finnish decision-makers will also pose a challenge for future

interactions. The informal characteristics of Russian decision-making processes and the unreliability of information regarding these processes easily lead to Finnish decision-makers listening to only a few experts and interest groups. The lack of comprehensive analysis blurs the average evaluation regarding the activities of Russian administration and representative organisations. This leads to a tendency to overemphasise individual events, which dismisses Russian long-term development and systematic policy analysis that does not focus on day-to-day politics. A longer perspective would also help to lessen approximate and personified estimates of the Russian leadership. All in all, Finland must also tend to its economic interests in the future. Shared interests within internal security should be furthered and kept outside the influence of increased international tension as far as possible. This will enable the addressing and development of numerous day-to-day issues.

In a broader perspective, cooperation in fighting global security threats, environmental problems and global crime (financial and drug-related crime and human trafficking) should also be the central goals in the Finnish government's Russian cooperation in the future. Counterterrorism is also among the themes in which Finland should strive for the necessary cooperation with Russia. These issues are not only questions of national security, but of global security, in which borders between spheres of influence are blurred. In terms of environmental policy, Finnish nuclear power policy is based on different advantages than those of many other EU member states. This tension will pose challenges within the EU in the future.

# 4. CONCLUSIONS AND RECOMMENDATIONS

## **Developing research on Russian security policy**

The project sought to map how Finnish studies conducted in 2011–2015 are related to the social and public policy categories in accordance with the Russian national security definitions. From a total of 2,200 publications, 461 publications that fit the classification of peer-reviewed scientific publications used by the Ministry of Education and Culture (see page 10) were selected for the sample.

Many themes of Russian national security have been insufficiently researched in Finland. In order to develop research, Finland must establish a strategy for research on Russian security policy. The starting point must be basic research on an international level. The strategy should include the following themes:

- Critical research topics, which include
  - o the military industry as a part of Russian public policy,
  - the armed forces,
  - the Russian security authorities, security legislation and security leadership,
  - o Russian law,
  - internal security (border security, terrorism and counterterrorism, transnational crime, financial crime, immigration policy),
  - o religious communities in Russia and traditional values,
  - the Eurasian Economic Union as a part of Russian economic and security policy,
  - o the Arctic as a part of Russian economic and security policy,
  - o information security,
  - the planning and implementation of Russian legislation and policy programmes, and
  - o global international relations of Russia, particularly in Asia.
- Finland should rely on good international networks particularly in research on global international relations, the Arctic, the Eurasian Economic Union and terrorism.
- A cluster for academic research on security policy and comprehensive security. The
  objective should be to ensure sufficient funds for the selected focal areas for
  development, in order to establish long-term research groups and education. Shortterm financing can be utilised, but not as main funding. The activities of the cluster
  should be supported by good international networks. The cluster should be based on
  two permanent professorships, of which one is a military professorship. In addition, in
  the near future, the cluster should include two long-term posts (3- and 5-year posts)
  as well as 2–3 doctoral students.
- Cooperation mechanisms between the academic world and the authorities should be developed in order to ensure input from public administration to academia. The RussiaHUB Helsinki concept offers a good starting point for this purpose.

## **Development of national security in Russia**

The purpose of our project was to establish what the most central Russian development trends are, and examine what these potentially mean for Finland. The development trends in Russian national security were considered in two international workshops during spring 2016. The workshops were based on specific themes and related questions, which were given to the participants in advance. In total, eight academic experts and two experts from the Ministry of Defence participated in the workshops. Development trends in Russian national security were evaluated in regard to Russia's goals and resources and its ability to achieve its goals. Central trends are related to the following issues, among others:

- Russian national security has developed into a central frame for public policy planning and implementation, and maintaining a strong central government is important in leading the Russian administration. The goal of economic development is the intensification of planning and a high-technology military economy, which at best would serve as a motor for economic development and growth and support other public policy goals. While the financing for security administration has increased and Russia continues to develop its administrative system, social policy is still the most central focus in internal security.
- Leading a country involves balancing between the economic conditions brought on by globalisation and state-provided services through a hybrid system. Russia will have to make short-term choices between welfare state obligations and developing the military industry, and the resuscitating effect from the military industry will not be visible immediately. The current diversification activities are time-consuming, and Russian economic development is still heavily dependent on the overproduction of fossil fuels.
- The relation between international judicial norms and institutions has undergone a
  change, as the principle of sovereignty is more broadly applied in the drafting and
  implementation of legislation. Russia's foreign policy goal is to achieve actual
  recognition or *de facto* acceptance for its current interpretation of sovereignty. In this,
  the United States is the main point of comparison.
- National unity and traditional values have been established as official goals in the Security Strategy. Unity is used for strengthening the political steering of decisionmaking as well as for averting opposition movements.
- Russia aims for a multipolar international system, in which it is recognised as one of the actors in the international system in various contexts. Russia looks to the BRICS countries, China in particular, as a counterforce against US influence.
- The Russian concept of the sphere of influence extends particularly to former Soviet regions or countries with which it has a cultural and historical link. Russia strives to build strategically and tactically beneficial ally relations on both political and economic shared interests.

When evaluating Russia's implementation capacity, the following factors need to be taken into account:

- Russia's capacity cannot be explained with one factor only, and Russian foreign policy will not necessarily develop along one path. Too simplistic indicators should be avoided when Russia's ability to achieve its goals is evaluated. Russia's ability to implement its strategies for achieving its defence and economic objectives is currently undermined by the price development of oil. If the Russian economy continues to decline, Russia might lean more towards the East. The import substitution policy will take time, but Russia can also carry out long-term strategic plans.
- Russia can execute its own objectives more quickly than NATO or the EU. Russia
  will respond to NATO's missile defence project. Its central goals include protecting
  Russia's economic and political interests in the Arctic and the long-term development
  of the Eurasian Economic Union. Russia categorically rejects activities it deems to be
  interfering with or influencing its internal issues, such as political or nongovernmental
  activities with foreign funding or so-called colour revolutions near its border. The
  eastern expansion of NATO and the EU is seen as a containment strategy.
- Russia is not ready for a night-watchman state model, at least not yet, since welfare services are a main legitimating factor for the political system and a central part of security thinking. State-guaranteed security of individuals is at the core of Russian security thinking.
- Concrete internal security goals have included improving the economic and social
  policy implementation capacity of regions, influencing the demographic situation
  through family, health and immigration policy, and reforming crime prevention
  activities and legislation. The current economic crisis is very problematic for all of
  Russia's goals, as living standards deteriorate and actual unemployment increases.
  The impact of the EU sanctions on reserve funds is experienced as an attack against
  national security.

#### Finland's choices

- Finland must take into account the development of Russian long-term strategic
  development and monitor the implementation of strategic programmes regarding
  both the economy and the Russian administration. It is important that decisionmakers discern those areas of development which Russia uses to formulate its
  strategic decisions. Finland's own choices should not be based on absolute
  evaluations or analyses regarding only current situations.
- Finland should support its Russian policies and research by developing a strategy for research on Russian security policy and by establishing a research cluster. Activities should be based on the systematic development of academic international-level expertise. It is crucial to focus on critical, yet little or not at all researched themes.
- From Finland's perspective, it is important to maintain the possibility of continuing economic collaboration, particularly if or when the current crisis eases up.
   Evaluations of Russia should be field- or sector-based. Nevertheless, Finland must

develop its agricultural exports further; Russia cannot be relied upon as it was previously.

- It is in Finland's interest to consider concrete cooperation between sector ministries, which has been going on for a long time, and for our foreign policy leaders' relations with Russia. Concrete authority interaction can reduce the tension in the spheres of interest and, at best, also form a realistic picture of the relationship between Russian institutions and Russian politics.
- Finland should monitor and, as far as possible, be active in the following issues:
  - The immigration situation in Russia and Russian authority systems.
  - o Health policy, particularly in neighbouring areas.
  - Legal developments, in which Finland should also be prepared for rapid changes and increased risks in Russia.
  - Border security, where cooperation should be systematically developed through long-term goals despite the current political crisis.
  - The crime situation in Russia and the development of authority systems. In crime prevention activities, development ideas from the professionals should receive political support.
  - Information security, in which Finland should also be prepared for increased legislative control.
- Cooperation within the nuclear power sector will probably not face significant change, but Finland should prepare for substituting its oil and gas provision. Increases in oil prices will further the initiation of Arctic energy projects, which might create opportunities for Finland to join in.
- Throughout the whole of Finnish society, Finnish decision-makers are required to
  exercise independent thinking and to be critical towards information sources. The
  current crisis situation in Europe is a stress test for Finland, which points out the
  weak links in our political and administrative system, among others. This report has
  outlined some concrete suggestions for the situation, but the work must be
  continued.
- The future of Europe cannot be based on permanent juxtaposition. However, Finland should be prepared for various developmental courses and be flexible and quick in its own actions. This would also mean increased defence and internal security expenditure.
- Finland should elevate global security challenges to the core of its cooperation with Russia. In global challenges, the scale rises above battles over spheres of influence and zero-sum games. Global challenges include the state of the environment, the impact of immigration, various forms of transnational crime and the structural change in societies due to digitalisation. Cooperation in the most crucial global challenge – namely, climate change – should be emphasised, and Finland should strive towards practical research and technological cooperation.

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