

INTERNATIONAL SECURITY AND ESTONIA 2021



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FOREWORD

This is the Estonian Foreign Intelligence Service's sixth annual report. The reason why we continue with this tradition remains the same – to offer the public both in Estonia and abroad an expert view of the security environment and the threats our service deals with. Considering Estonia's geopolitical situation, the range of topics should not come as a surprise.

The year 2020 was a good lesson for anyone making predictions. Like everyone else, when finalising last year's report in January, we failed to predict how strong an impact the pandemic would have on global developments. Although we have lived in a changed world for the last 12 months in many ways, the security environment around us has largely remained the same. National interests and patterns of behaviour do not change overnight. Still, the coronavirus crisis offered new opportunities for authoritarian regimes to exert influence and accelerated already existing trends. We could say that in a time of universal mask-wearing, some masks also fell off.

In this report, we take a closer look at Moscow's view of international trends. Despite the Kremlin's carefully



MIKKO MARRAN

Director General of the Estonian
Foreign Intelligence Service

cultivated image of derzhava (a great power), both at home and abroad, the past year once again showed us the fragility and controversy of Russia's influence in its neighbouring region. It is clear that the dictatorship in Belarus, nurtured by its eastern neighbour, has no long-term perspective, and we must be prepared for another year of unexpected developments. The events in the South Caucasus have significantly increased Russia's influence in the region, but have also cast doubt on Russia's ability – and motivation – to guarantee stability. A disparity between image building and actual influence is also visible in Russia's activities in Africa.

Over the last year, Russia's most significant domestic developments alongside the coronavirus crisis included constitutional amendments introduced by executing a mediocre maskirovka, as well as growing tensions in the regions and an assassination attempt on the opposition leader Alexei Navalny. Dramatic fluctuations in oil prices in the first half of the year and ongoing international sanctions have in turn raised questions about the sustainability of Russia's economic model. In a situation where the average Russian has experienced falling living standards for years, widespread protests should not be ruled out. At any rate, we are seeing increasing signs of disapproval.

This report also delves into the military exercise Zapad, where the Russian and Belarusian armed forces train for large-scale war against NATO in the Baltic and Far North region. We also look at key developments within the Russian armed forces, such as efforts to modernise the airborne forces. The crisis in Belarus led us to analyse the co-operation between the Russian and Belarusian Union State's armed forces – the area where Minsk and Moscow have achieved the greatest level of integration over the decades. As concerns the Russian special services, this time we focus on GRU psychological operations – well-forgotten old practices, rather than anything completely new,

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but a topical issue. We also take a look at the Russian special services' "best practices" in cyberwarfare against democracies.

As always in recent years, we cannot ignore China, whose activities raise new security issues every year. We talk about China's increasingly confrontational foreign policy, as well as its influence operations and the threats of 'sinicising' Chinese technology. Like our partners, we, too, keep a close eye on China's tightening co-operation with Russia, a relationship mostly dominated by Beijing.

While we live in a complex security environment, I remain confident that the Estonian Foreign Intelligence Service, with its domestic and international partners, will be able to provide decision-makers with the necessary awareness and sufficient early warning.

Bonne lecture!

RUSSIA'S FOREIGN POLICY



↑ *Foreign policy during the pandemic: the Eurasian Economic Union Summit in May 2020*

SOURCE: KREMLIN.RU, CC BY 4.0

Russia expects the COVID-19 pandemic to weaken Western unity.

Despite creating some limitations, the COVID-19 pandemic has not changed Russia's long-term strategic goals. On the contrary, the Kremlin believes that the pandemic will accelerate two trends that Russia itself is working to promote: a transition towards multipolarity in international relations and declining Western influence on the global stage.

Russia acknowledges that the trend towards multipolarity leads to a greater risk of conflict, as the major powers increasingly compete for resources and spheres of influence.

Regardless, Russia expects to benefit from this trend, as it sees multipolarity as an opportunity to increase its room for geopolitical manoeuvring,

→ *An example of the Russian-initiated smear campaign on social media against the Oxford-AstraZeneca vaccine*

especially at the expense of Western powers.

The Russian leadership believes that the global epidemic will force the West to focus on domestic policy and economic problems, cause populist and extremist movements to emerge, and ultimately undermine the values-based and institutional unity of Western societies. For its part, Russia is prepared to add fuel to the flames to encourage these trends. Therefore, 2021 will again see Russian influence operations designed to create and deepen divides within and between Western societies, including at the EU level. This will include attempts to discredit Western-produced COVID-19 vaccines, as with the Oxford–AstraZeneca vaccine, which Russian propaganda labelled as a “monkey vaccine”, followed by attempts to spread this information in Western media. With these smear campaigns, Russia hopes, on the one hand, to create a more favourable position for its own vaccines on the world market and, on the other hand, to promote its strategic ambition to show itself as being the first among the major powers to provide a solution to the COVID-19 crisis.



In the longer term, Russia’s goal with the EU is to get the sanctions relaxed or lifted without making any concessions in return. However, Russia’s behaviour remains cynical, as illustrated by its response to the poisoning of Alexei Navalny, the investigation into the downing of flight MH17, cyber-attacks on Western institutions and assassinations associated with the Russian special services in European cities in recent years.

The inauguration of President Joe Biden will not significantly change Russia’s agenda towards the US – it will remain largely confrontational. Still, Russia will likely try to take advantage of arms control negotiations and the extension of the New START treaty to appear as a constructive partner while retaining its massive superiority in non-strategic nuclear weapons.

FROM CRISIS TO CRISIS: 30 YEARS OF RUSSIAN POLICY IN ITS 'NEAR ABROAD'

While Russia seeks to undermine Western influence on the international stage, it is important to keep an eye on Russia's neighbouring region, where the Kremlin's policy is aimed at establishing itself as the dominant force.

The Kremlin's strategic priority is its neighbouring region, where Ukraine and Belarus are the priority countries in maintaining Russia's sphere of influence. Since the collapse of the Soviet Union, Russia has strived to secure economic and military dominance in the region and deflect any interference by competing international powers. At the same time, the Nagorno-Karabakh conflict, which escalated in September 2020 and claimed thousands of lives, showed that multipolarity will inevitably reach Russia's own backyard, as it has happened in the South Caucasus with Turkey firmly asserting itself in the region's balance of power. Also, China has stepped up its political influence in Central Asia, as a side effect of economic investment.

A major power's desire to establish itself as a leader in its neighbouring region is understandable, especially if aimed at promoting stability and economic development. However, looking at the regional situation in Russia's neighbourhood 30 years after the collapse of the Soviet Union – except for the Baltic States – a legitimate question arises: Where are the stability and economic development? Almost all the countries in the region are weighed down by territorial conflict or internal crisis (see map on pages 8-9). Whence this drastic difference from the Eastern European and Baltic countries now integrated into the EU and NATO?

A proverb perfectly characterises Russia's activities in its immediate

**THE SIDE EFFECTS OF MULTIPOLARITY: RUSSIA MUST
ACKNOWLEDGE GROWING TURKISH AND CHINESE
INFLUENCE IN ITS NEIGHBOURING REGION.**



📍 *South Ossetia is separated from Georgia by Russian-installed barbed wire fences*

SOURCE: SERGEI BOBYLEV / TASS

neighbourhood – you reap what you sow. Russia has consistently sought to use its political, economic and military leverage to impede these countries' integrating and developing relations with Euro-Atlantic organisations. To this end, Russia works against establishing the rule of law, civil society and free elections in its neighbouring countries, fearing that democratic ideas might also catch on among the Russian population. Russia's ruling elite sees these ideas as an existential threat to the survival of its "power vertical".

As a result, much of Russia's neighbouring region is still plagued by

territorial disputes, ethnic confrontations and domestic crises, posing a major obstacle to socio-economic and political development. And this trend appears to be deteriorating – in 2020 alone, we saw the Nagorno-Karabakh conflict as well as the domestic crises in Belarus and Kyrgyzstan escalate. Considering that Russia's policies in the neighbouring region remain unchanged and do not contribute to establishing democratic principles and free elections, the coming years will highly likely bring new crises in the region, creating both direct and indirect security threats for Estonia and more broadly for Europe.

TERRITORIAL CONFLICTS AND CRISES IN RUSSIA'S NEIGHBOURING REGION

Belarus

Widespread protests and a domestic crisis following the flagrantly fraudulent presidential election rigged in favour of Alyaksandr Lukashenka.

Donbass

Ukrainian territory under the control of Russian occupying forces. Covert Russian military presence in the territory.

Transnistria

Moldovan territory under de facto Russian control. Overt Russian military presence in the territory.

Crimea

Ukrainian territory occupied by Russia and used as a military bridgehead in the Black Sea.



'CONTROLLED INSTABILITY'

It is in Russia's interests to keep its neighbouring region in a state of fragile balance. Therefore, Russia wants to see the following features in its neighbouring countries and seeks to maintain or help instigate them:

- » limited development of the rule of law
- » absence of free elections
- » repressed civil society

- » limited relations with the West
- » territorial conflict, with Russia as the kingpin
- » Russian troop presence in the form of a military base or otherwise

These conditions allow Russia to manipulate the regional level of escalation as it deems necessary but consequently create a permanent risk of conflict in the region.

Abkhazia

Georgian territory under de facto Russian control. Overt Russian military presence in the territory.

South Ossetia

Georgian territory under de facto Russian control. Overt Russian military presence in the territory.

Kyrgyzstan

Domestic crisis following the 4 October 2020 presidential election leading to allegations of extensive vote-buying by the political parties in power.

Nagorno-Karabakh

Territorial dispute between Armenia and Azerbaijan. Russian military presence since November 2020, under the auspices of a peacekeeping mission.

THE STANDOFF BETWEEN THE BELARUSIAN GOVERNMENT AND ITS PEOPLE

Unprecedented protests in Belarus are eroding the regime's foundations.

In 2020, Alyaksandr Lukashenka's plans for a smooth transition to his sixth presidency failed. Already unhappy with the low standard of living, Belarusians had grown weary with Lukashenka after his 26 years in office. In the spring, the president's indifference towards the COVID-19 crisis caused public dissatisfaction to escalate further.

The presidential election saw Lukashenka's hitherto seemingly unshakable position threatened by the emergence of three main rivals: Viktor Babaryka, the former head of Belgazprombank, Valery Tsapkala, a former diplomat and leader of the Belarus High Tech Park, and Siarhei Tsikhanouski, a popular blogger. They gave people hope that change was possible in Belarus, despite the country having remained in Lukashenka's iron grip for over two decades. This was underlined by the fact that both Babaryka and Tsapkala belong in the country's elite and represent dissatisfaction within Lukashenka's own camp.

Lukashenka's decision to eliminate the three rivals from the competition before the election betrayed a fear for his dictatorship's survival. Tsikhanouski, who became popular with Lukashenka's

voters mainly in the rural areas, was the first to be arrested. Next was Babaryka, the preferred candidate among voters in the cities, who managed to gather four times the required 100,000 support signatures, which is the registration threshold for a presidential candidate. Tsapkala left the country, realising that his arrest was imminent.

Representatives of the regime assumed that eliminating the competition would pave the way for Lukashenka's re-election. They did not expect that the nomination of Tsikhanouski's wife, Sviatlana Tsikhanouskaya, would cause a large portion of the support for the ousted candidates to unite behind her candidacy. The authorities' repressive actions against the people involved in her campaign, her supporters, and the journalists who covered their activities had the unexpected effect of boosting Tsikhanouskaya's popularity.

The politically heated summer culminated in the presidential election on 9 August, as Lukashenka declared himself the winner with 80.2% of the votes. Due to massive vote-rigging at the polling stations, even the Central Election Commission could not know the

→ *Belarusian women play a key role in anti-government protests*

SOURCE: EPA / STRINGER



actual support figures for Lukashenka and Tsikhanouskaya. Belarusians, who had attended or seen footage from Tsikhanouskaya's crowded campaign events, felt more clearly than ever that their votes had not counted. They came to the streets in numbers unseen in the country's recent history. Protests became a new daily reality in Belarus.

The irresponsible behaviour of the authorities towards human health during the first wave of the coronavirus outbreak intensified the politicisation of the population. While the demonstrations seen in recent years have tended to avoid politics, this time there was a clear demand for Lukashenka's resignation and a new election.

The election events showed that Belarusian society is changing, and the authorities are unable to adapt. The regime is struggling to find the means to quell dissent, save for NKVD-style intimidation, brutal violence and mass arrests. Such methods create more dissatisfaction, even in the "power vertical"; officials have distanced

themselves from the elite and power structures to join the protesters. There have been strikes in state-owned enterprises. Indeed, more than the protests, Lukashenka feared workers' strikes, as these would hit the regime's reputation as well as the country's economy.

Lukashenka is not one to relinquish power voluntarily. He quickly recovers after each setback. His competitors are behind bars. The well-financed power structures received generous bonuses for suppressing the protests. The civil service does not want to risk uncertainty and therefore, remain loyal to Lukashenka.

The People's Assembly in February 2021 was Lukashenka's attempt to put on a spectacle of a social dialogue on the country's future and to bide his time to regain control. However, in the eyes of a significant part of the population, Lukashenka has lost his legitimacy as president and Belarus has turned towards change. Even if the protests subside, Belarusians will not calm down until Lukashenka has left office.

LUKASHENKA'S DEPARTURE IS A PREREQUISITE FOR ECONOMIC REFORMS

Improving living standards in Belarus would require economic reforms, which would inevitably cause a social crisis.

The root cause of Belarus's low standard of living is its failure to carry out economic reforms following the break-up of the Soviet Union. Belarus has an externally subsidised state economy based on socialist planning principles, which has reached the end of its life. As social modernisation has been artificially delayed for decades, reforms would cause a shock.

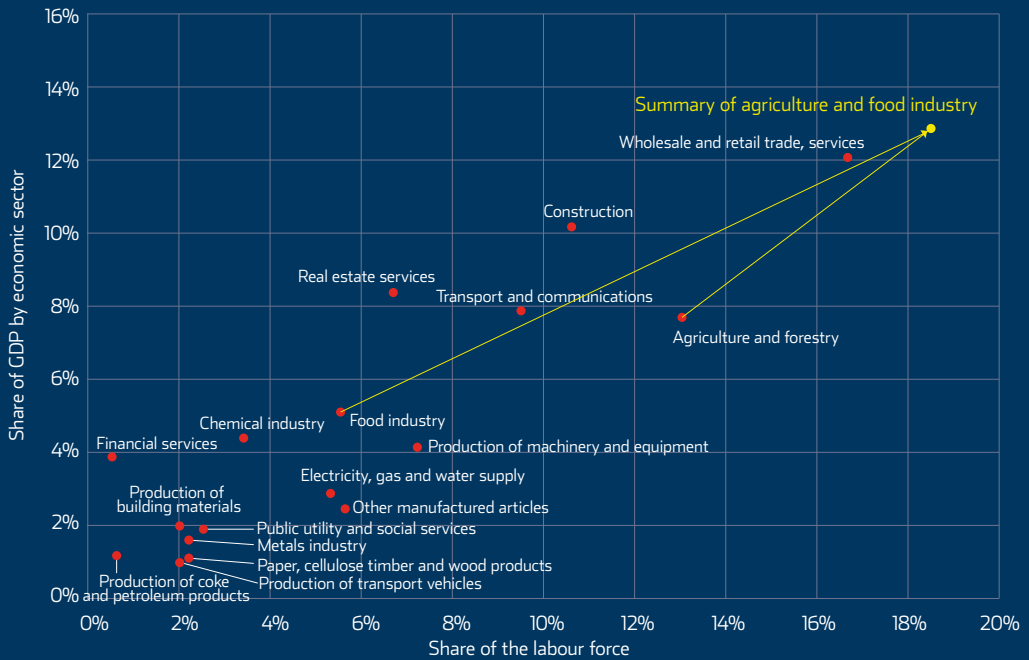
The Belarusian economy is heavily dependent on Russia. All but a few economic sectors are under Russian influence, either in terms of export output, import input or credit. Such dependence can only be shed through long-term purposeful action, which requires political will.

As well as the overall dependence on foreign trade with Russia, it is important to recognise that the single largest area of activity in the Belarusian economy is the combination of the food industry and related agriculture, whose exports are aimed solely at the Russian market.

There are no good options available for a sharp reorientation of Belarusian agricultural exports; the close proximity of EU markets means that selling food outside the Russian market would require adapting to a highly competitive environment and improving production efficiency, which takes time. Without the Russian market, structural reform in this sector would force 5-6% of the electorate to change jobs, a painful process for many, which would likely turn them against the new power after such an upheaval. Other industries would have better prospects of finding new export markets (including subcontracting for industrial producers), and the negative social impact of reforms would be smaller for them.

Belarus's oil and IT sectors, which have received a lot of media attention, do not face as formidable a reform challenge as the agriculture and food industry, nor do they share the same socio-political significance because their contributions to employment and GDP are modest.

THE STRUCTURE OF BELARUS'S ECONOMY



The agriculture and food industries form Belarus's largest group of industries in terms of their combined impact on both employment and GDP.

SOURCE: ESTONIAN FOREIGN INTELLIGENCE SERVICE

A key economic issue concerning Belarus's political process is the speed at which the country will manage to reform its labour market. Whether and where new employment will be found

for the labour force released as a result of structural reforms will depend on the choices of Belarusian voters in the next elections.

UNLOCKING BELARUS'S FUTURE WILL REQUIRE A MAJOR OVERHAUL OF ITS LABOUR MARKET – HUNDREDS OF THOUSANDS OF PEOPLE WILL NEED NEW EMPLOYMENT.

RUSSIA IN SEARCH OF A NEW HEAD OF STATE FOR BELARUS

Russia is unsure about how to keep Belarus in its sphere of influence after a controlled transfer of power.

The tried-and-tested relationship between the Kremlin and Alyaksandr Lukashenka spanning the past 26 years shows that Russia has always supported Lukashenka in elections, despite occasional tensions. Lukashenka has kept the strategically important neighbour under control, ensuring that it remains in Russia's sphere of influence and preventing its integration with the West.

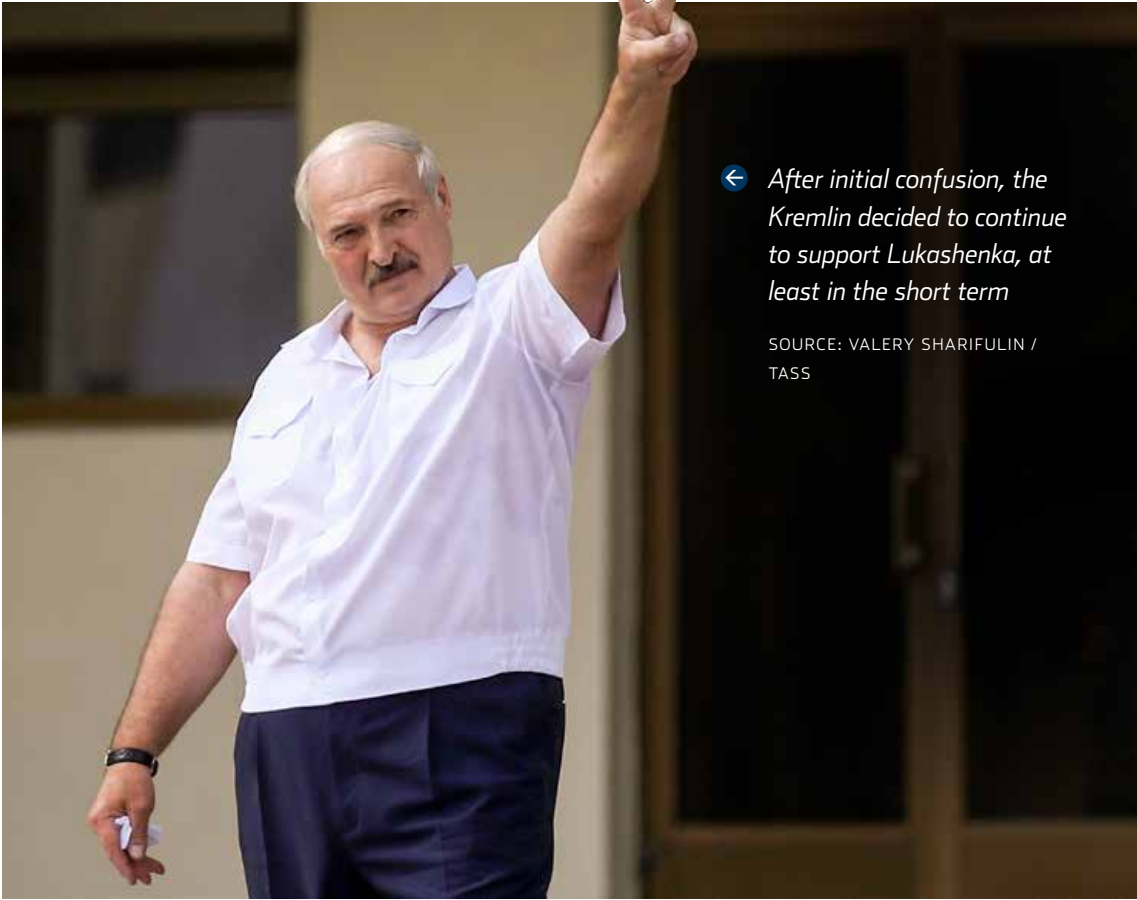
The scale and duration of the protests following the presidential election in Belarus came as an unpleasant surprise to the Russian leadership. After initial confusion, the Kremlin decided to continue to publicly support Lukashenka as the legitimate president, at least in the short term. Over the years, Lukashenka has monopolised relations with Russia in Belarus, which means that Russia is unable to find another candidate to replace him quickly. At the height of the

protests, Russia's leadership decided to take control of the media conversation about the events in Belarus. RT (formerly Russia Today) propagandists were sent to Belarus to spin a narrative of a Western attack on Belarusian sovereignty. Russian security operatives were also placed on the ground to curb the protests and disrupt their organization.

Russia's political and financial assistance to Belarus comes with special conditions attached. Russia conducted a thorough audit of Belarus's public finances before granting the loan assistance agreed in September 2020; one of the major criticisms was unjustified internal security spending.

While it extends a helping hand, Russia is simultaneously using the political crisis in Belarus and Lukashenka's weakened domestic and foreign policy

THE LONGER THE KREMLIN BACKS ALYAKSANDR LUKASHENKA, THE MORE IT RISKS BELARUSIANS' ALIENATION FROM RUSSIA.



← *After initial confusion, the Kremlin decided to continue to support Lukashenko, at least in the short term*

SOURCE: VALERY SHARIFULIN / TASS

position to expand its interests and strengthen its influence in Belarus. The country is being pressured to draft constitutional amendments that Russia believes would calm the street protests and allow for a controlled change of power. It would be in Russia's interests to have a weak president and several centres of power vying for the Kremlin's attention, forming a pool from which to find people loyal to the Kremlin.

The Kremlin knows that continued support for Lukashenko jeopardises

the attitude of Belarusians towards Russia, which has so far been positive. But Russia also wants to avoid Lukashenko being ousted by protesters at all costs, which could encourage the people in Russia to follow suit. Russia would like to see Lukashenko's successor to be predictable and loyal to the Kremlin. However, there are no easy solutions for Russia to ensure that the successor is aligned with Russia's interests, while also preventing the strengthening of Western influence in Belarus.

RUSSIA CONTINUES ITS AGGRESSION AGAINST UKRAINE

Russia is pressuring Ukraine to recognise the representatives of the occupying forces as legitimate negotiating partners.

Russia's occupation of Crimea continues, and no progress has been made towards a settlement of the conflict in eastern Ukraine, despite Ukraine's efforts. Although armed clashes along the Donbass "contact line" are significantly fewer after another ceasefire, in force from 27 July 2020, there is no political solution in sight.

The reintegration of the occupied Donbass into Ukraine under the conditions demanded by Russia is unacceptable to the Ukrainian authorities. However, Russia is playing for time, expecting that an unresolved conflict will sooner or later force the Ukrainian leadership to make concessions.

The Normandy Summit on 9 December 2019 has not been followed up, and many of the agreements reached there have not been implemented. In the negotiations to resolve the conflict

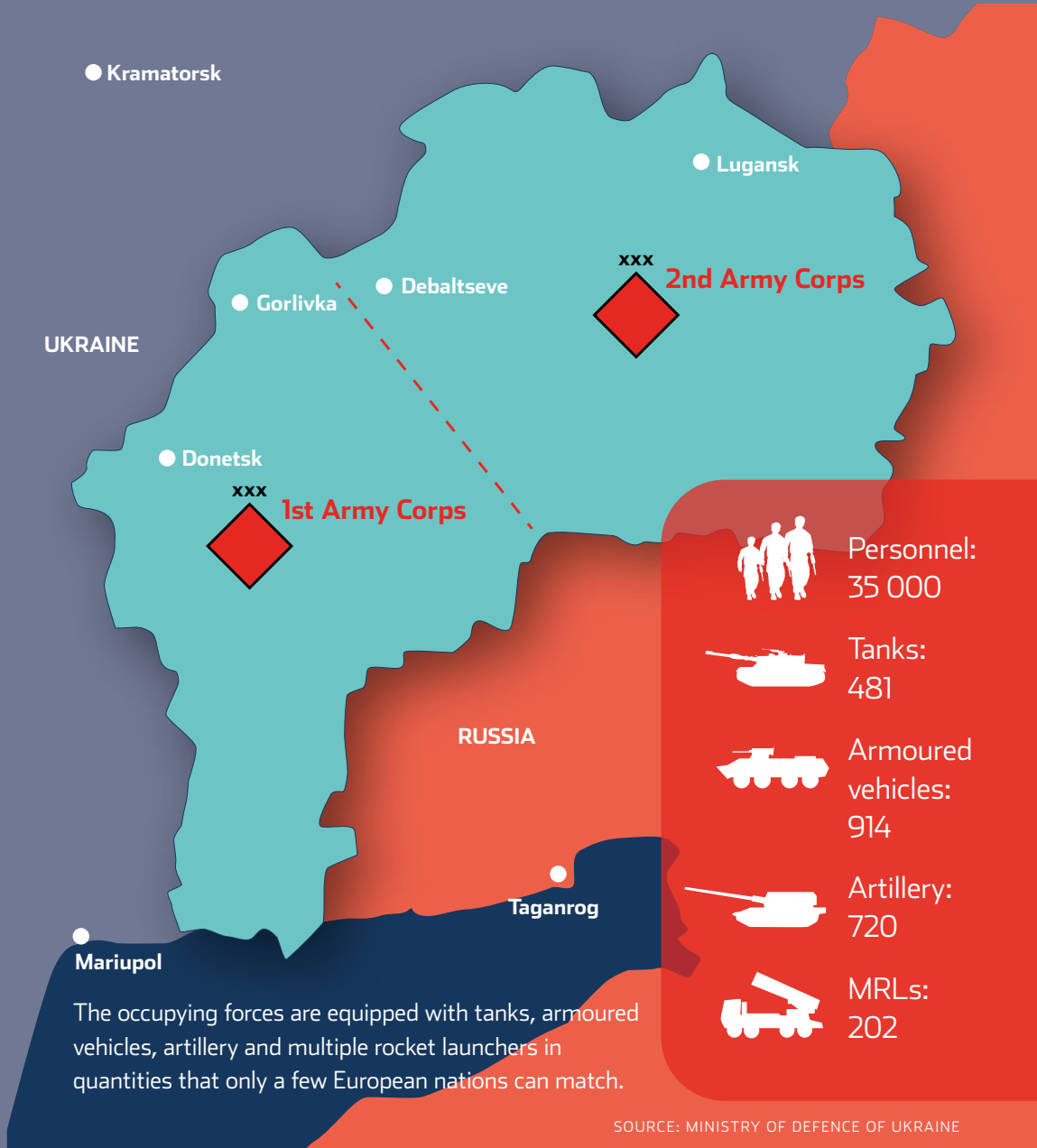
in the Trilateral Contact Group, Russia is putting pressure on Ukraine to recognise the occupying forces' representatives as legitimate partners, which is obviously unacceptable to Ukraine.

The Russian side is increasingly blaming Ukraine for withdrawing from the Minsk agreements, most recently finding a pretext during the local elections in Ukraine, criticising the Ukrainian parliament's decision to rule out elections in the occupied Donbass. Although Ukraine would have been prepared to consider holding elections in the eastern occupied territories, this is not conceivable under conditions that make it impossible to comply with Ukrainian law.

The reality in the occupied territories of eastern Ukraine is determined by the occupying powers, which can restore

RUSSIA IS PLAYING FOR TIME, EXPECTING THAT AN UNRESOLVED CONFLICT WILL SOONER OR LATER FORCE THE UKRAINIAN LEADERSHIP TO MAKE CONCESSIONS.

RUSSIAN FORCES IN EASTERN UKRAINE – 1st AND 2nd ARMY CORPS



The occupying forces are equipped with tanks, armoured vehicles, artillery and multiple rocket launchers in quantities that only a few European nations can match.

military pressure on Ukraine at any time with the help of Russian-led and equipped armed forces. The occupying forces have tanks, armoured vehicles, artillery and multiple rocket launchers (MRLs) in quantities that only a few European nations can match (see map and table). The presence of such a threat in the occupied part of Ukraine, a European nation, is a clear sign of Russia's unwillingness to renounce aggression.

The situation in eastern Ukraine and the search for a solution to the conflict have unjustifiably sidelined the issue of the occupation of Crimea. Russia feels confident and has not made the slightest concessions on Crimea. On the contrary, using the difficulties with freshwater supply to Crimea, Russia is seeking to present the victim as the perpetrator, condemning Ukraine for shutting off the water canal supplying Crimea in 2014. Russia is attempting to turn the Crimean water supply issue into a domestic policy divide in Ukraine, creating the illusion that Russia could make concessions in the Donbass if Ukraine restored the water supply.

Russia fully supports pro-Russian forces in Ukrainian politics, who are willing



to accept Russia's occupation of Crimea and the resolution of the conflict in eastern Ukraine on the terms dictated by Russia. In Belarus's case, Russia has warned Western powers against interfering in the country's internal affairs while imposing no such restriction on itself when it comes to Ukraine.

In the run-up to elections in Ukraine, the Russian leadership has extended particular hospitality to the politicians of the Ukrainian Opposition Platform – For Life. President Putin's longtime acquaintance, Ukrainian oligarch and member of parliament Viktor Medvedchuk, is a frequent visitor with the Russian head of state. Before the 25



← *Ukrainian opposition politician Viktor Medvedchuk in a meeting with Russian President Vladimir Putin on 6 October 2020*

SOURCE: ALEXEI DRUZHININ / TASS

October 2020 local elections in Ukraine, Medvedchuk was one of the few to be granted an audience with Putin, otherwise wary of face-to-face meetings due to the coronavirus threat. After such meetings, the main message sent to the public is a declaration of the inseparable destinies and close ties between Ukraine and Russia.

The visit by Medvedchuk, who controls an extensive media network in Ukraine, was intended to influence the Ukrainian electorate, convincing them

that Ukrainians should look to Russia for security and development. Medvedchuk also promoted the Russian coronavirus vaccine, claiming he had achieved immunity with the help of the excellent Russian formula while on holiday in Crimea and asked Putin to allocate vaccine to Ukraine. This way Medvedchuk became a part of Russia's massive vaccine campaign and put pressure on the Ukrainian government, as a vaccine procurement from Russia would come with political strings attached. Medvedchuk also managed to negotiate a promise to loosen the sanctions against Ukraine from the Russian president; indeed, only a week later, Russia exempted three Ukrainian companies from restrictions.

With such unabashed influence activities, Russia hopes to help Ukrainian political forces that would prefer to gravitate towards Moscow and oppose Ukraine's chosen European path.

**RUSSIA SUPPORTS UKRAINIAN POLITICAL FORCES
THAT GRAVITATE TOWARDS MOSCOW.**

VIOLENT UPHEAVAL IN THE CAUCASUS

The Nagorno-Karabakh conflict resulted in a significantly increased Russian military presence in the South Caucasus.

On Sunday morning, 27 September 2020, the Azerbaijani Armed Forces launched an offensive in the Nagorno-Karabakh conflict zone. Armenian and Nagorno-Karabakh units were hit by massive indirect artillery fire along the entire contact line, followed by an armour offensive. The defenders were initially able to hold their positions, but the outcome of the conflict, which lasted almost six weeks, was clear – Armenia suffered a military defeat. With a ceasefire agreement that came into force in the early hours of 10 November 2020, Azerbaijan regained control of a large part of Nagorno-Karabakh itself and seven districts surrounding the separatist region. These are areas that the central government of Azerbaijan lost to Armenia in the First Nagorno-Karabakh War ending in 1994. A status quo lasting more than a quarter of a century had been broken with a major political upheaval for the South Caucasus more broadly.

THE REASONS AND PRECONDITIONS FOR GOING TO WAR

The accepted view is that war breaks out when there are the readiness, capability and opportunity to start military action. This means that one side of the conflict is prepared to use military force, deems its military capabilities sufficient to succeed on the battlefield and sees a favourable window of opportunity.

Before starting hostilities in Nagorno-Karabakh, the Azerbaijani leadership was convinced that the conflict would not be resolved through negotiations, at least not in a way it considered acceptable. At the same time, Azerbaijan had been purposefully investing in developing its military capabilities for years. Arms and defence procurements had been accompanied by large-scale military exercises and Turkish-backed training, which together had significantly improved the

NAGORNO-KARABAKH AFTER THE CEASEFIRE



SOURCE: ESTONIAN FOREIGN INTELLIGENCE SERVICE



⬆️ *Alongside reconnaissance and attack drones, traditional indirect fire played an important role in the Nagorno-Karabakh war. The photograph shows an Armenian fighter operating a D-30 howitzer*

SOURCE: ARMENIAN MINISTRY OF DEFENCE VIA REUTERS

Azerbaijani Armed Forces' military capabilities.

The last necessary condition – a favourable opportunity – was presented by a combination of several factors. The most important of these was the Turkish political leadership's readiness to support Azerbaijan both politically and militarily, at a time when Armenia and its strategic ally Russia had been hit hard by the coronavirus pandemic. The Western powers, too, were preoccupied with the fight against the coronavirus, economic issues and domestic policy.

Two other factors probably played a role in Azerbaijani long-term thinking. First, Armenia's growing defence budget and rearmament efforts – in another five years, Azerbaijan might not have enjoyed the military superiority it did in autumn 2020.

Second, the COVID-19 pandemic and the accompanying economic crisis would have likely affected Azerbaijan's domestic political stability – growing dissatisfaction in society might have called into question President Ilham Aliyev's holding on to power. A military victory in Nagorno-Karabakh, on the

other hand, represented a historic achievement for Azerbaijanis and will continue to legitimise the country's current political system for years to come.

POLITICAL CONSEQUENCES

The main consequence of the Second Nagorno-Karabakh War is the strengthening of Russian and Turkish influence in the South Caucasus. Russia's military presence in the region has grown significantly. Within Azerbaijan's territory, who won the conflict on the battlefield, there now is an enclave secured by Russian peacekeepers, a solution that both Armenia and Azerbaijan had previously opposed for years. Furthermore, Armenia will be increasingly dependent on Russia, with the safety of the Armenians remaining in Nagorno-Karabakh and the military security of Armenia itself now directly dependent on Russia's goodwill. This will affect Armenia's domestic and foreign policy in the future. On the other hand, the course and outcome of the war also involve risks for Russia. Armenia's alliance with Russia was seen as a strategic security guarantee

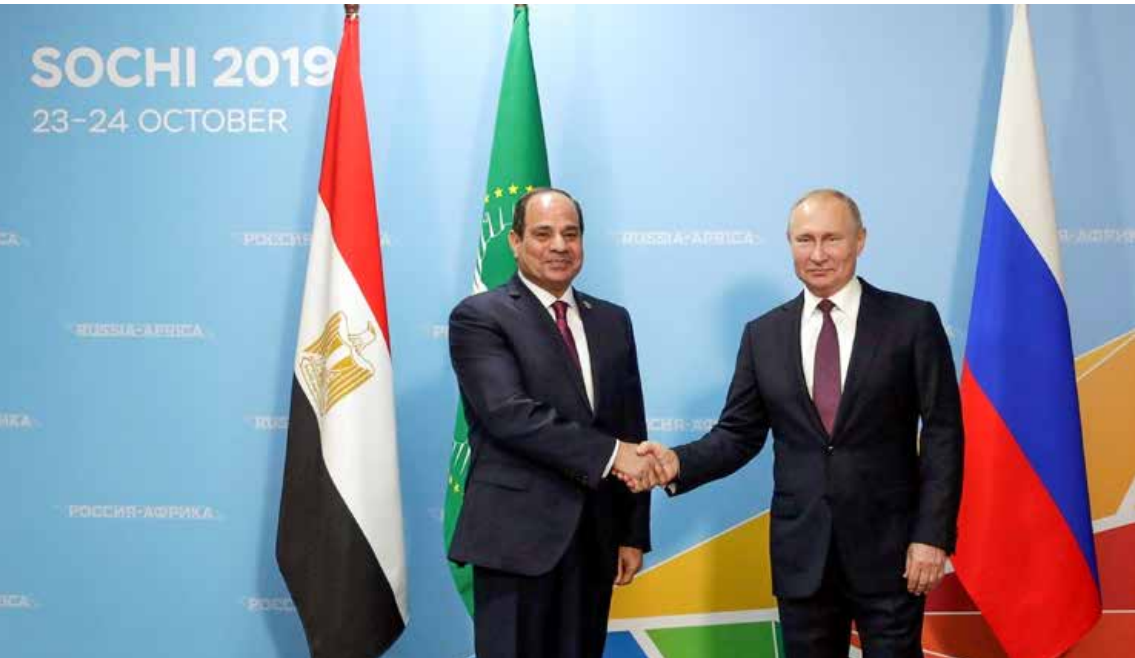
THE SECOND NAGORNO-KARABAKH WAR WAS ALSO A DEFEAT FOR INTERNATIONAL ORGANISATIONS AND THE POST-COLD WAR SECURITY ARCHITECTURE IN GENERAL.

by both Armenia itself and the wider international community. Nevertheless, Armenia lost the war. This could jeopardise Russia's credibility as a guarantor of the security of its allies in the future.

Turkey, in turn, has emerged as a regional powerhouse shaping the political situation in the South Caucasus. And in addition to a Russian presence, there is now a permanent Turkish military presence on Azerbaijani territory.

As well as Armenia, the Second Nagorno-Karabakh War was also a defeat for international organisations and the post-Cold War security architecture in general, because two major regional powers essentially decided the outcome of the war. The content and style of this agreement are reminiscent of the spheres-of-influence thinking and power politics that characterised international relations in the 19th and 20th centuries.

RUSSIA IN AFRICA: AMBITIONS AND REALITY



↑ *President of Egypt Abdel Fattah el-Sisi and Vladimir Putin at the Russia-Africa Summit in Sochi*

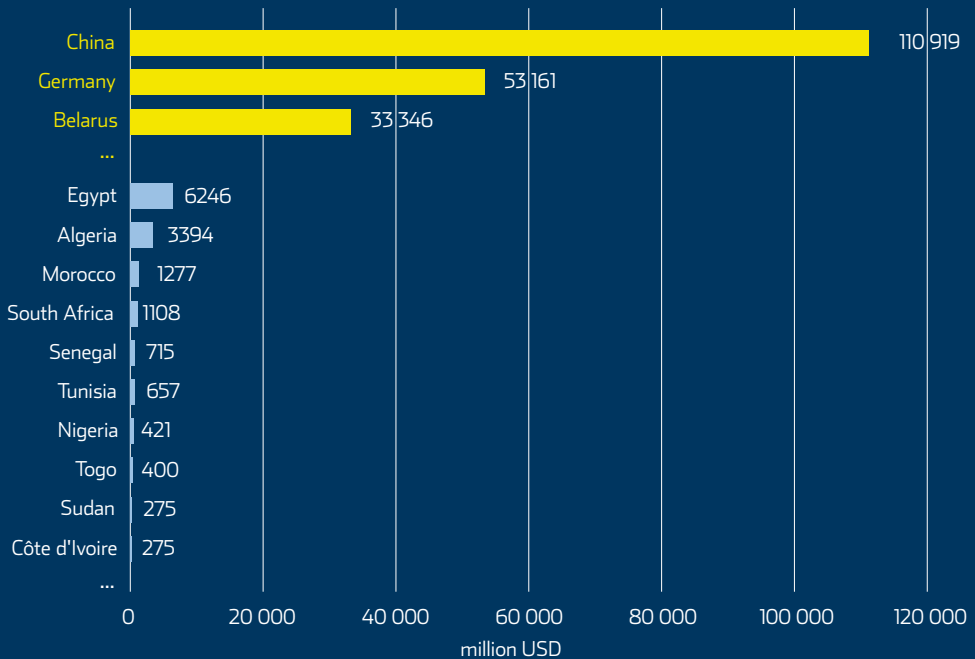
SOURCE: KREMLIN.RU /
CC BY 4.0

Leaning on Africa, Russia projects itself as a great power, its geopolitical worldview firmly set on demonstrating the nation's influence.

In recent years, the Kremlin has increasingly focused on Africa, which offers opportunities for both strategic and tactical advances – achievements to show off Russia's prominence and importance.

Russia's growing interest in Africa was illustrated by the first Russia-Africa Summit in Sochi in 2019, which received wide media coverage, making promises to double Russia's trade with Africa in the next five years. Vladimir

RUSSIA'S TOP TRADING PARTNERS VS ITS MAIN TRADING PARTNERS IN AFRICA (2019)



SOURCE: INTERNATIONAL TRADE CENTRE

Putin and Egypt's President Abdel Fattah el-Sisi, then Chairperson of the African Union, opened the emphatically grand affair. All African nations were represented, most of them at the level of head of state. According to official announcements, more than 50 trade agreements worth about 12.5 billion US dollars were signed in Sochi. As a symbolic step, 20 billion US dollars of

African debts to Russia were written off.

Having advertised its campaign to expand influence in Africa at the Sochi Summit, Russia has since lost momentum in its advance towards these objectives.

Russia's trade volumes in Africa remain modest compared to several



⬆ *Russian military conglomerate Rostec representative Dmitry Shugaev in a meeting with Algeria's National Army Chief of Staff Saïd Chengriha in Algeria, September 2020*

SOURCE: ALGERIAN NATIONAL TELEVISION

major powers, which enjoy a significant lead on the continent. Although Russia increased its exports to Africa by 18% and imports by 11% in 2018, trade flows have since been on a downward trend. The already much smaller volume of African trade compared to China and Western countries dropped from \$20 billion to \$17 billion in 2019 and reached only \$5.8 billion in the first half of 2020.

Due to limited resources and strategic interests, Russia's focus is on cooperation with the North African countries along the EU's southern border.

According to the Stockholm International Peace Research Institute (SIPRI), Africa accounts for 17% of Russia's arms exports. The biggest recipient of Russian arms in Africa is Algeria, with which Russia has a strategic partnership agreement, covering three key areas - military, energy and politics. Another important partner is Egypt due to its strategic position between Africa and the Middle East. Russia has successfully built a well-established and multi-layered relationship with Egypt in both military cooperation and energy. However, Russia's trade flows with Egypt are on a downward trend,

as with other North African countries. Rosatom's construction of Egypt's first nuclear power plant in El Dabaa has stalled, as Egypt postponed the issuance of a construction licence until 2021. Progress on the 525-hectare Russian Industrial Zone within the Suez Canal Economic Zone, part of President el-Sisi's large-scale Suez Canal expansion project, is also slow. The project involves tax advantages promised by Egypt and would be an export platform to Africa for Russian automotive, oil and gas industries.

Another strategically important location for Russia is Libya, which would offer Russia the opportunity to deploy units on NATO's southern flank and provide greater flexibility for operations in the Mediterranean. Libya's situation is volatile, and Russia aspires to be a key player in the peace negotiations and the country's political process. As in Syria, Russia hopes to establish itself in Libya's most lucrative sectors (e.g. infrastructure and energy) once the conflict is resolved.

Sub-Saharan Africa is less important to Russia. It focuses on arms exports and economic relations there, especially in the mining, energy and agricultural sectors. Russia often acts under

the guise of offering assistance to conflict-affected countries or fighting piracy and terrorism.

The region also interests Russia from a long-term strategic perspective, the objective being to counteract the West's political, military and economic influence. Russia is engaging local circles active in civil society in order to increase its influence and carry out activities opposed to the West. For example, in Mali, several organisations actively disseminate pro-Russian messages and conduct information campaigns against France and the West more broadly. One of these is the Groupe Des Patriotes Du Mali, which has publicly declared its goal of developing close ties with Russia. However, the impact of such organisations remains insignificant, and Russia does not really have the ability to mobilise large numbers of people in Mali with the support of local activists.

Seeking to gain better control over the region, Russia is making the most of the opportunities available to expand its activities, increase its influence over decision-making processes and "manage" conflicts. As in Libya, Russia is actively "resolving" the conflict in the Central African Republic (CAR), where



↑ *BRDM-2 armoured personnel carriers, a gift from Russia to CAR, on show in Bangui in October 2020* SOURCE: CAMILLE LAFFONT / AFP

favourable conditions are being created for expanding business opportunities with the support of the Russian authorities. Under the guise of defending the interests of the CAR, Russia is reaping the benefits from getting UN sanctions eased, thus cultivating an image of a great power that assists African countries and pushes through vital decisions for their populations. In reality, Russia's activities in the CAR are driven mainly by its business interests.

Companies associated with oligarch Yevgeny Prigozhin have been operating in the CAR since 2017. The Russian leadership has provided him with the opportunity to enter into lucrative business agreements regarding minerals and other raw materials. In return, Prigozhin is expanding Russia's influence in the CAR. Since 2017, under pressure from Russia, the UN has gradually eased the sanctions imposed on the CAR in 2013, and with the approval of the UN Sanctions

**OVERESTIMATING ITS INFLUENCE IN THE REGION,
RUSSIA HAS FAILED TO REACH ITS
OBJECTIVES IN AFRICA.**

EXPANDING ITS SUPPORT AT THE UN

Another reason Russia is stepping up cooperation with African countries is to secure their support at the UN on issues that are important to Russia. African nations represent over a quarter of the vote in the UN General Assembly. They are a useful ally to help swing the vote Russia's way on decisions concerning, for example, Syria or Ukraine. In 2014, 58 countries, including Egypt, Algeria, South Africa, Rwanda and Gabon, abstained from voting in the General Assembly on a resolution condemning the annexation

of Crimea (UNGAR 68/262). Only 19 of the 54 African countries voted in favour of the resolution; Sudan and Zimbabwe voted against it. In the past, Russia has secured a favourable outcome for Zimbabwe and Sudan by vetoing sanctions against them. In 2018, when the resolution calling for the withdrawal of Russian troops from Crimea (UNGAR 73/194) was voted on, even more African countries were absent or abstained. Among them were 18 countries that had supported UNGAR 68/262, including the CAR and Libya.

Committee and based on cooperation agreements with the CAR, Russia has begun supporting the Central African Armed Forces (FACA) with weapons and training. Enhancing defence cooperation with the CAR, increasing arms exports and providing security services has also enabled a Prigozhin-affiliated company to benefit from the easing of restrictions on mining operations, and extract diamonds more safely and export them more easily.

It is convenient for Russia to rely on private corporations to expand its influence in Africa; financed by the

private sector, the expansion requires no significant investment or resources from the state. Private operators allow for flexible administrative arrangements and have no formal ties to their country. This allows Russia to deny its involvement altogether if necessary. If the situation in the host country deteriorates and Russia is unable to contribute effectively to conflict resolution, it can withdraw without much difficulty, leaving the situation for others to sort out, and thereby adding to instability throughout the region.

RUSSIA'S DOMESTIC POLITICS AND ECONOMY

A regime that is closely tied to an ageing autocrat is showing growing signs of fatigue. The system seems to lack ideas as well as energy and opportunities for elegant political manoeuvring.



SOURCE: ALEXEI DRUZHININ / AP

2020 CONSTITUTIONAL AMENDMENTS

By changing the constitution, the Kremlin legitimised the current president remaining in power after the 2024 election.

Questions and speculation concerning the future of Vladimir Putin and, more broadly, Russia's power structures after 2024 have been around for some time. The solution arrived with constitutional amendments. It proved a disappointment for policy observers expecting some brilliant political manoeuvre worthy of the momentousness of this "2024 problem". A day before the State Duma was due to finish considering the draft amendments a simple addition was made: a presidential candidate's previous terms in office before the amendments entered into force would be discounted, removing this formal obstacle to Putin's running for another presidency. Most political analysts had expected that Putin would continue to hold on to his de facto powers after 2024, but the simple resetting of previous presidential terms had been considered unlikely due to its lack of sophistication and questionable legitimacy. The most widely held expectation was that a new position would be created for the current president employing some cosmetic reshuffling of the power

structures. The resetting, or "zeroing", of Putin's presidential terms to date also came as a surprise to the majority of Russian society; quite a few people, especially among the middle classes in large cities, had hoped that the end of Putin's presidency in 2024 would usher in at least some positive changes in the country's political system.

The constitutional amendments' main goal was to give the incumbent president the right to run again in 2024. The rest of the amendments and proposals made during the discussions were above all a cover to disguise the initiative's real purpose, which was kept from the public for as long as possible. The constitutional amendments also included clauses aimed solely at increasing the reform's popularity, such as the indexation of pensions and social benefits. However, these were worked out in a way that did nothing to actually reinforce social guarantees. Alongside this hollow rhetoric, several amendments were made to strengthen the president's power; these did not add anything to

Putin's existing powers but simply enshrined in the constitution some de facto presidential powers already in place. A case in point is the weakening of the institution of the prime minister; in the future, the president can remove the prime minister separately from the cabinet. Moreover, the president will appoint the foreign minister and ministers in charge of security and law enforcement, subject only to consultation with the Federation Council.

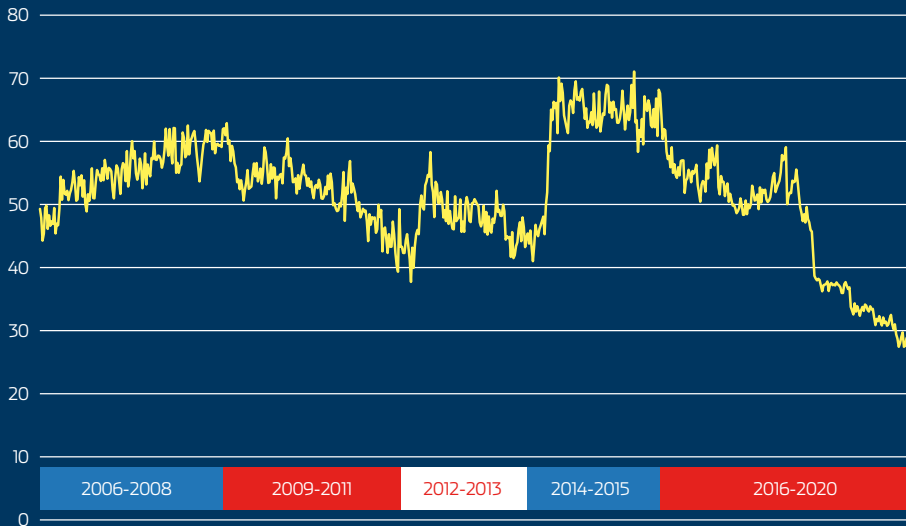
The public narrative concerning the constitutional amendments repeatedly underwent carefully deliberated changes of direction to avoid people's attention focusing on inconvenient issues for the ruling elite; the main objective was to conceal the restructuring's ultimate goal for as long as possible. For example, when first introducing the idea of constitutional changes in a speech to the Federal Assembly in January, President Putin referred to the need to increase the parliament's role, although the proposals in the president's first package of amendments only concerned increasing the presidential powers. The first package also included a proposal to expand the State Council's role, which led to speculation about Putin's intention to step in as head of the State Council from 2024, and diverted attention away from the proposals to strengthen the

presidential powers. However, leading up to the second reading, a number of proposed amendments were publicised through a State Duma committee and a special working group; the bulk of these was of questionable legal value but conveyed generally accessible ideological statements. By continually keeping these in the media, an attempt was made to create the illusion of a broad-based discussion, once again muddying the waters. By the time the issue of "zeroing" Putin's previous terms was put on the table, many had already forgotten that amendments announced at the first reading had increased presidential powers. The leadership's desire to hide until the very last minute Putin's intention to stay in power also showed that the ruling elite is distinctly aware of the society's growing weariness with the regime.

Although the current legislation did not require a referendum on these specific constitutional amendments, the Russian leadership was determined to hold one anyway – to legitimise Putin's continuing as president after the 2024 elections. Therefore it was important to gain majority support for the amendments in an official vote. Despite the official success story – 77.92% of voters supported the amendments – many regions reportedly experienced serious problems

PRESIDENT VLADIMIR PUTIN'S APPROVAL RATING UNTIL NOVEMBER 2020

The rating is based on VTsIOM's surveys in which respondents were asked an open-ended question to name politicians whom they trust to make important government decisions.



SOURCE: RUSSIAN PUBLIC OPINION RESEARCH CENTRE (VTsIOM)

achieving a satisfactory result in the referendum, as well as witnessing the population's growing weariness with the ruling elite and Vladimir Putin. Some hitherto pro-regime voter groups showed their dissatisfaction in the form of an unusually large protest vote. The protest voters were mainly opposed to the zeroing of previous presidential terms. They also cited opposition to Putin personally, dissatisfaction with the principle that one person should remain in power for so long, and the fact that the existing

unjust system of power would last indefinitely as a result of the zeroing. It is also worth noting that the most important background factor inciting the protest vote was the influence of the new media. Published sociological research also points to a significant decline in Putin's support in recent years. Examples include the approval ratings published by the Russian Public Opinion Research Center (VTsIOM), an organisation with an above-average relationship with the Russian authorities.

Vladimir Putin very likely intends to start a new term as president in 2024. He could only be forced to abandon this plan by a sudden serious health issue or growing popular opposition beyond a critical level that the authorities can no longer control. The events of 2020 represent a guarantee for the continuation of the status quo for Russia's ruling elite. For most of them, the news of Putin's plan to continue was positive, as this would ensure the continuation of the current system of power and way of life beyond the 2024 election. Any fundamental changes could affect the balance of power within the elite, which the more conservative among them would probably want to avoid. By resolving the 2024 problem well in time, Putin also

avoided a swell of internal tensions among the elite due to the changes. However, given Putin's age, the solution is strictly temporary; in the longer term, the question of what the regime's operational logic and the hierarchy of power will be like after Putin's departure will still build tensions within the elite. Increasing tensions among the ruling elite are, of course, only one of the threats that Putin's regime was hoping to alleviate by resolving the "2024 problem" early. Given the population's growing weariness with the current power elite and deepening critical moods, it was safer for the authorities to address the key aspects of Putin's continuation in office – a possible cause for protest – as early and unexpectedly as possible.

THE MAIN PURPOSE OF THE CONSTITUTIONAL AMENDMENTS WAS TO ALLOW VLADIMIR PUTIN TO RUN FOR REELECTION IN 2024. THE REST WAS MOSTLY A COVER TO DISGUISE THE REAL PURPOSE OF THE INITIATIVE.

INCREASING DOMESTIC TENSIONS AND THE KREMLIN'S RESPONSE

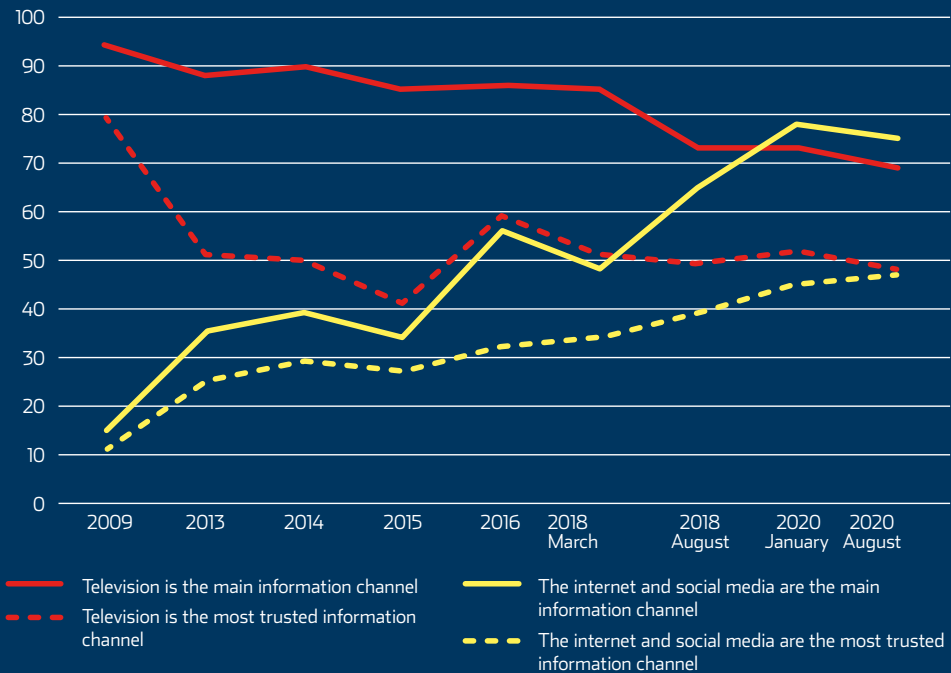
Increasing tensions combined with the regime's rigidity and limited methods create preconditions for domestic political crises. The stagnant regime's ability to respond and adapt will only deteriorate over the next decade, further complicating the situation.

Growing domestic political tensions have characterised life in Russia throughout recent years, and 2020 was no exception, as general dissatisfaction and moods critical of the regime were exacerbated by the effects of the COVID-19 epidemic and the accompanying restrictions. In addition to the socio-economic effects, the outbreak of the virus brought the shortcomings of the Russian medical system to the public's attention more than usual (see graph on page 39); the weaknesses and questionable leadership skills of the political elite also became more visible in the time of crisis. From the very beginning of the first major wave of infections, the president was clearly reluctant to act decisively and take responsibility. During both the spring and autumn outbreak, President Putin underlined the regional leaders' responsibility, conveniently reserving for himself the role of an overseer. The president's apparent personal fear of the virus also

shook his image as a strong leader. In this context, it is especially important to consider the changes in the Russian media space over the last decade: the share of online media in Russians' media consumption has steadily increased, while television watching and the viewers' trust in this hitherto important pillar of the regime has been steadily declining. It is increasingly difficult for the Kremlin to assert its own interpretation of events in the much more diverse online media. It is worth noting that, according to a Levada Centre survey, the number of respondents who place more trust in TV as a news source has consistently declined, while trust in online sources and social media has been going up.

The methods and rationale of the Russian power elite in controlling domestic political tensions have remained unchanged – the main emphasis is on intimidating and, if necessary, directly subduing the regime's critics

THE MAIN INFORMATION CHANNELS AND MOST TRUSTED NEWS SOURCES AMONG THE RUSSIAN POPULATION



SOURCE: LEVADA CENTRE

and opposition activists; the pressure applied by the authorities has increased with each year. The central government is also looking more and more on edge, in many cases overreacting in ways that have been counterproductive. For example, replacing the governor of the Khabarovsk Krai was intended to create a more favourable setting for the central government in the autumn 2020 regional elections; the forced removal on murder charges of the top official elected on the back of protest votes was expected to send a message

to all voters: becoming more popular than Kremlin-backed candidates and deviating from the central government's agenda will sooner or later bring grave consequences. Unfortunately for the Kremlin, it turned out the conditions on the ground had been misjudged, resulting in several months of sharp confrontation with the region's population, which attracted unwanted attention across the nation.

Another overreaction by the Russian power elite – the poisoning of Alexei

Navalny by the FSB – had much more serious and far-reaching consequences. The very strong pressure from the Russian authorities on Navalny's organisations, which intensified significantly from the summer of 2019, left no doubt that the Kremlin perceived him as a serious threat. With increased domestic tensions, the Kremlin decided to use even more radical solutions than before. The assassination attempt on a leading opposition politician demonstrated the Kremlin's deteriorating environmental perception – it clearly failed to fully predict the impact of such an event on Russia's international position. When the events came to light, Russia's behaviour, especially the chosen PR strategy, at times gave the impression that the decision-makers had simply lost the plot. This was also the case with the Kremlin's justifications for jailing Navalny on his return to Russia.

In 2020, yet more legislative amendments further restricting the already very limited opportunities for opposition activities and expressing civic opinions were introduced. Notable examples include extending the scope of the "foreign agents" law and the amendments concerning the rules for public gatherings.

The growing domestic political dissatisfaction of recent years raises the question whether a situation similar to that in Belarus in autumn 2020 might

also arise in Russia in the near future, or how much time and room for manoeuvring the central government has left. It is important to note here that the accumulation of dissatisfaction leading up to a regime change is not a linear process. On the contrary, political activities and the social situation can either slow it down or escalate it. However, it is safe to say that the changed attitude in society and growing moods critical of the government have already significantly altered the face and logic of the Russian regime. Repressive measures have now become the primary tool for maintaining and defending power.

In 2021, the main challenge for Russia's ruling elite will be to achieve a suitable result in the State Duma election amidst heightened political tensions in the country. The upcoming election will also show the extent to which Navalny's poisoning helped to make the domestic political environment more convenient for the Kremlin and keep opposition activity in check. The undoubted goal of those in power is to achieve a State Duma majority for United Russia, ideally a constitutional majority. It is possible that new players will be added to the list of systemic, or controlled, opposition parties that are allowed to run for the State Duma; several new systemic opposition parties were established in 2020, three of which also made it to regional parliaments in the autumn elections, paving

NEW PLAYERS ON THE KREMLIN-CURATED POLITICAL SCENE



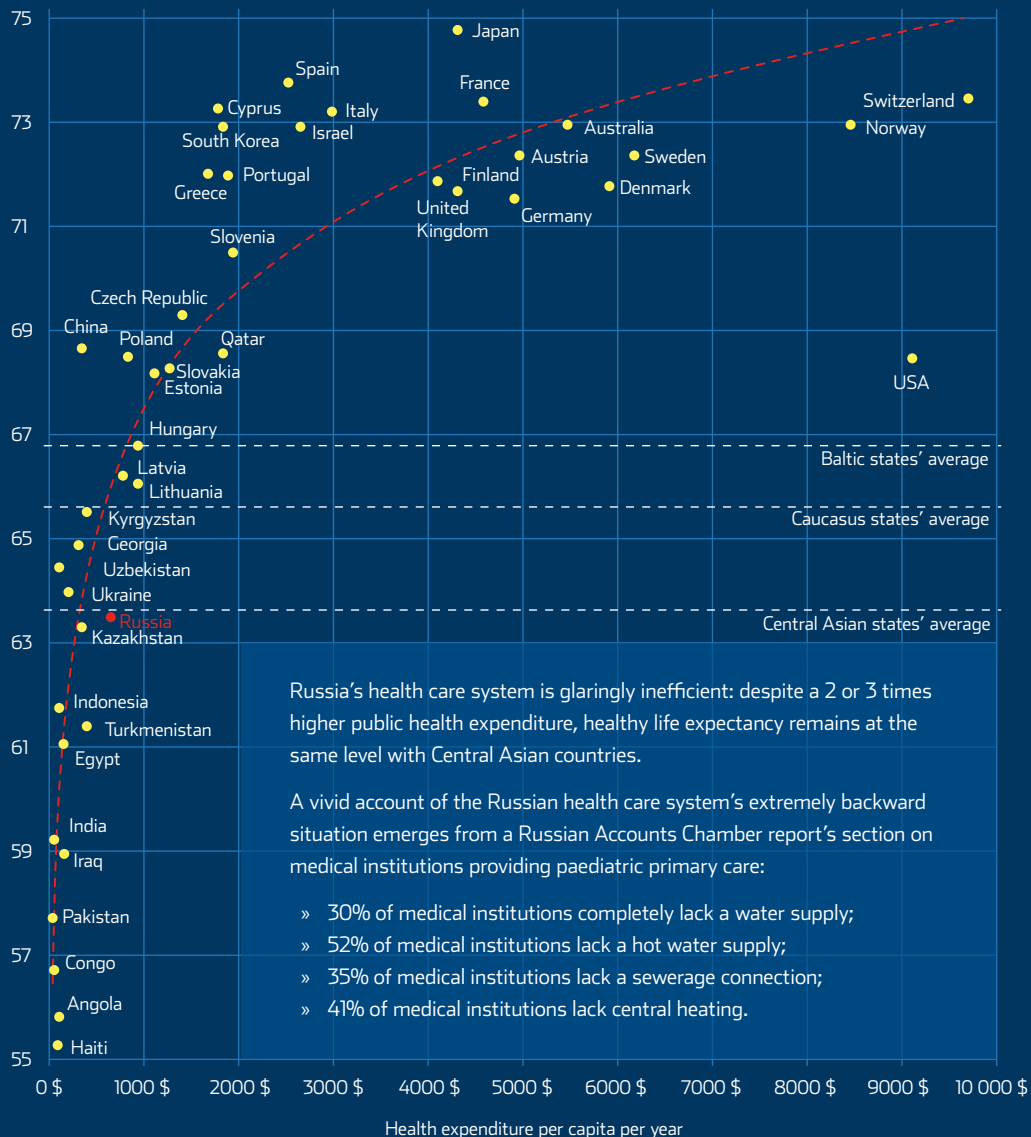
In the autumn 2020 regional elections, three new systemic opposition parties – New People, For the Truth and the Green Alternative – were elected to regional parliaments, paving the way for them to run in the forthcoming State Duma election. In addition to these three, other new parties were formed at the Kremlin’s initiative in the first months of 2020, but have so far remained less active. In early 2021, For the Truth announced plans to join A Just Russia, another systemic opposition party.

the way for them to run in the State Duma election. By introducing new political parties to elections, the Kremlin’s political technologists hope, on the one hand, to renew the systemic opposition, and on the other hand, to divide the protest votes against United Russia between different parties within the systemic opposition. Moreover, many of the new systemic opposition parties have been set up to channel the mood of this or that specific group of voters critical of the regime; examples include the Green

Alternative party, which focuses on environmental issues. However, given that recasting the protagonist’s role in this national democracy spectacle is not an option; the essential condition for selecting groups or individuals for supporting roles is that they must not be or become too attractive to the electorate and threaten to overshadow the protagonist. With these requirements in place, any attempt to renew the ruling elite’s political landscape is bound to have only a limited impact.

HEALTHY LIFE EXPECTANCY AND PUBLIC HEALTH EXPENDITURE

Healthy life expectancy



SOURCE: HEALTH EXPENDITURE 2012-16 AVERAGE, WHO DATA FOR 2016

RUSSIA'S SOCIO-ECONOMIC DOWNTURN

In 2020, the economic crisis was accompanied by the Russian population's rapid income loss.

The 2020 COVID-19 pandemic has sharply highlighted the Russian economy's structural weaknesses, the main factors being over-reliance on the export of energy carriers, an uncertain investment climate and the public sector's excessive involvement in the economy. For Russia, the situation is further complicated because the country's economy had not yet recovered from the previous crisis in 2014-15.

The plunging oil prices on the world market caused by the pandemic reduced Russia's export volumes by almost a third in the first half of 2020. Revenues from the oil and gas sector to the Russian state budget also decreased by a third compared to the first half of 2019, significantly hampering the country's ability to implement effective economic measures to fight the crisis. The ongoing economic crisis hit all sectors of the Russian economy hard. In addition to declining export earnings, domestic consumption also contracted against the background of rising unemployment and falling real income.

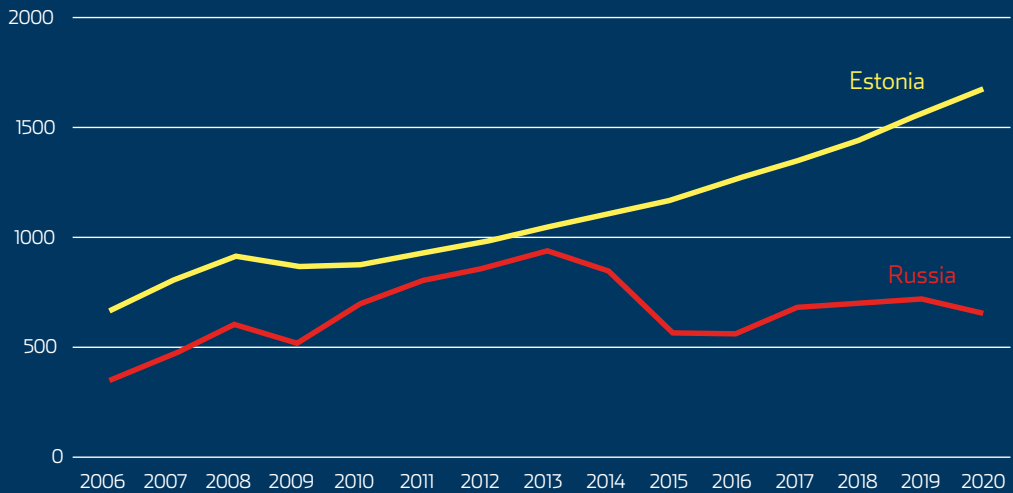
Due to the rapid spread of the coronavirus, the Kremlin was forced to impose a "non-working period" from 30 March to 12 May on the vast majority of companies and institutions, combined with an obligation to maintain staff salaries. However, this proved overwhelming for many businesses, as state aid measures provided only partial relief.

According to Russia's federal statistics service, Rosstat, the country's GDP fell by 8% in the second quarter of 2020. During the second wave of COVID-19, the Kremlin has sought to avoid imposing severe quarantine measures so as not to repeat the second quarter's dark scenario. In 2020 as a whole, Russia's economy is predicted to shrink by about 4%. While growth may be restored from the second half of 2021, as the virus recedes, it is likely to be relatively slow, given the build-up of systemic economic problems.

One of the main goals of the Russian government's economic policy during the crisis has been to maintain the country's foreign currency reserves as

AVERAGE GROSS MONTHLY WAGES

2006-2020, USD



SOURCES: ROSSTAT, STATISTICS ESTONIA

much as possible, not to spend them on economic stimulus or social benefits. To cover the state budget deficit and public investment needs, the tax burden on business has been stepped up, and government internal borrowing has been significantly increased. This policy will certainly not contribute to economic recovery.

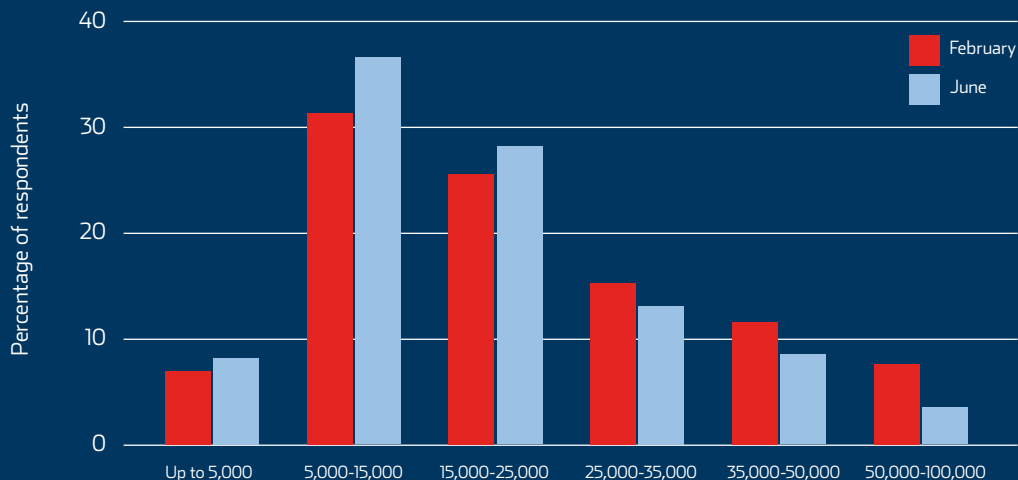
The Russian population's socio-economic situation has deteriorated

sharply due to rising unemployment and wage cuts. According to Rosstat, Russians' real incomes decreased by 4.3% year on year in the first nine months of 2020. According to forecasts, the population's annual real income in 2020 will be 10% lower than in 2013. Therefore, Russia's living standards have essentially stagnated for a whole decade (see figure).

**RUSSIA'S LIVING STANDARDS HAVE
STAGNATED FOR A DECADE.**

RUSSIAN POPULATION'S RAPID LOSS OF INCOME DURING THE CRISIS

Russia's population groups by monthly income, February-June 2020, RUB



SOURCE: ROSGOSSTRAKH ZHIZN

In February 2020, the Russian insurance provider Rosgosstrakh Zhizn, with the help of the Perspektiva research centre, conducted a sociological survey on people's income, asking the respondents to state their average monthly income per household member. The survey was repeated in June to assess the impact of the COVID-19 epidemic on people's income.

The results showed that in June almost 73% of the population placed themselves in the low-income bracket of up to 25,000 roubles; the share of people in this income group had increased by 9.1 percentage points since February. Only 3.5% of the respondents reported

earning a salary corresponding to a middle-class living standard of 50,000–100,000 roubles per month, and their share had decreased by 4% compared to February. In June 2020, 8.1% of respondents had to cope with extreme poverty, i.e. up to 5,000 roubles per month, and their share had increased by 1.2 per cent. Although this study is unlikely to coincide with the official wage statistics and does not take into account income earned in the shadow economy, it does show a clear trend – the current economic crisis has rapidly reduced the income of Russia's middle class and pushed more families to the brink of poverty.

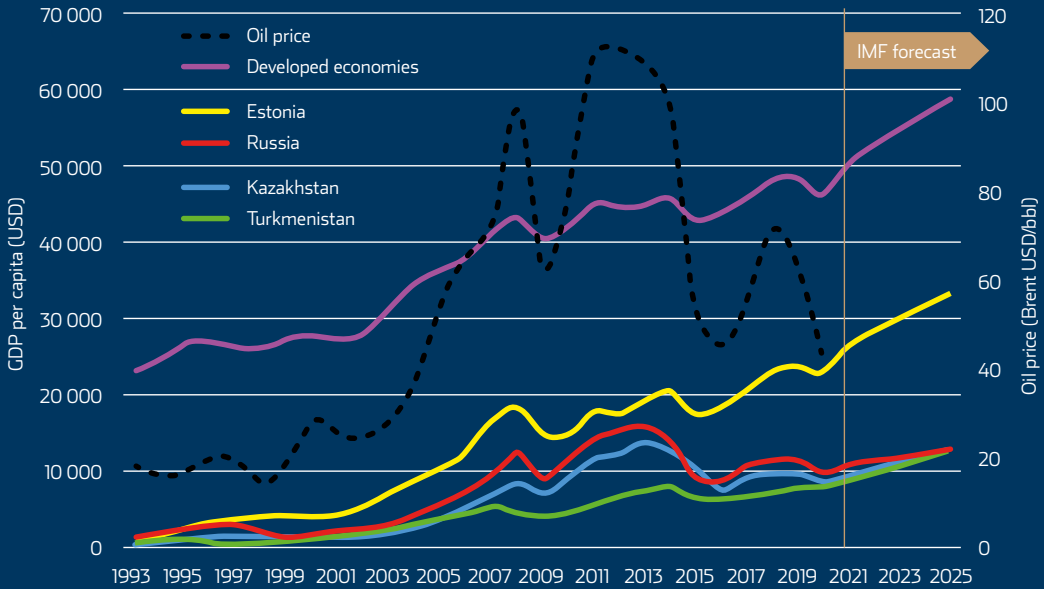
According to Russia's official statistics, as of the end of June 2020, 19.9 million people, or 13.5% of the country's population, lived below the subsistence minimum (11,468 roubles or about 128 euros per month). Year on year, this number had increased by 1.3 million. These statistics also took into account the emergency social benefits paid in connection with the COVID-19 pandemic, mainly to families with children. According to the government's socio-economic development forecast, the real income of the population should return to the 3% growth path in 2021 and maintain positive dynamics in the following years as well. However, this may be an overly optimistic projection based on the expectation that COVID-19 will be a short-term phenomenon. In addition, Russians are facing accelerating inflation caused by the weakening rouble. In addition to Western sanctions and oil prices, the rouble is also negatively affected by

other economic and political tensions entangling Russia, and the massive money printing by the Russian central bank. If the economic crisis drags on, Russia's financial sector may also face major difficulties.

Russia's stagnated economic performance is mainly due to the government's unwillingness to reform the existing state-capitalist model. This has been accompanied by reduced competition in the economy, inefficient governance and corruption, as well as a decline in investment activity. The West's economic sanctions in response to the Kremlin's aggressive foreign policy and the changes taking place in the global energy market also have a significant negative impact on Russia's economic performance. President Putin's "national projects" investment programme, outlined in his 2018 'May Decrees', is unlikely to meet the expectations placed on it

RUSSIA'S STAGNATED ECONOMIC PERFORMANCE IS CAUSED BY THE GOVERNMENT'S UNWILLINGNESS TO REFORM THE EXISTING STATE-CAPITALIST MODEL.

RUSSIA'S GDP COMPARED WITH DEVELOPED ECONOMIES AND SELECTED NEIGHBOURING COUNTRIES



According to the IMF's forecast published in October 2020, Russia's economic development will continue to be almost twice as slow as the world economy average after the pandemic, causing Russia's nominal GDP per capita to fall below Kazakhstan's by 2025, ending up on a par with Turkmenistan.

SOURCE: IMF

regarding accelerating the economy, as it does not seize the real opportunities or address the actual needs of the Russian market. According to IMF forecasts (see figure), the same fate

is likely to befall Russia's plan for its socio-economic development goals, the deadlines for which the government was forced to postpone from 2024 to 2030 due to the COVID-19 crisis.

THE RUSSIAN ARMED FORCES

Despite the pandemic, Russia will continue to focus on its military advantages in Europe, including testing them in the Zapad 2021 military exercise.

Without the public being made aware of this, the Russian Armed Forces also experienced an extensive spread of COVID-19 in 2020. The training for spring conscripts was delayed due to the procedures employed against the spread of the virus. The reported cases and deaths also included senior officers, generals and admirals. Whole units and crews were quarantined.

However, the Russian Armed Forces' long term development and key capabilities cannot be said to have suffered significantly due to the virus. The usual number of conscripts was recruited and the annual major military exercise – this time Kavkaz 2020 – took place on the typical scale. The customary strategic nuclear exercise was postponed by two months primarily due to the coronavirus restrictions, but did take place in December.



↑ *The Russian Minister of Defence presents measures against COVID-19 to the ministry's leadership on 27 November 2020*

SOURCE: MIL.RU /
CC BY 4.0

Moreover, Russia shows no sign of having revised its long-term strategy for the armed forces, which is to increase readiness for a full-scale confrontation with NATO. Regional superiority is still clearly a top priority for Russia, in terms of the establishing of new military units and the modernisation and deployment of missile technologies.

Examples include a new tank regiment (2019) and motor rifle division (2020) created in the Kaliningrad Oblast. The

motor rifle division is the sixth consecutive new division established by the Russian Armed Forces in the western direction within the past seven years. Russia is also deploying the 120 km range Bal coastal defence missile systems along the Gulf of Finland's coast.

While strengthening its conventional military capabilities, Russia is also increasing the versatility of its forces, such as reforming the Airborne Forces (VDV) described below, as an emerging new trend. In the future, VDV units are expected to be able to carry out tasks across the entire spectrum of military engagement, from local conflict to large-scale conventional warfare.

Until now, the Russian Armed Forces have taken it for granted that regional superiority in terms of short- and medium-range missile systems and complete superiority in terms of tactical nuclear warheads are the cornerstones of their military power in Europe. However, with the termination of the INF Treaty, the Russian national defence leadership has begun to worry about maintaining this superiority. Russia is trying to prevent the deployment of US missile

systems in Europe and the resulting change in the balance of power. The Russian leadership remains concerned about US missile defence system Aegis Ashore facilities in Europe, which in Russia's view would prevent it from being able to threaten NATO with a nuclear attack.

To this end, Russian foreign policy resorts to influence activities and deception. In September 2019, Russian President Vladimir Putin sent a letter to several countries' leaders, including NATO member states and China, proposing a moratorium on the deployment of INF intermediate-range missiles in Europe. Moreover, Putin declared that Russia would be willing to do this unilaterally. At the same time, since 2017, three battalions equipped with the new medium-range missile system 9M729 (the reason for the clash over the INF Treaty) have been deployed in the European portion of Russia. Imposing a formal moratorium to set an example would therefore not require any real concessions from Russia but would perpetuate its complete missile superiority in Europe, where NATO countries currently have no surface-to-surface

THE MOTOR RIFLE DIVISION IN THE KALININGRAD OBLAST IS THE SIXTH NEW DIVISION ESTABLISHED ON RUSSIA'S WESTERN BORDER WITHIN THE PAST SEVEN YEARS.

➔ *An amphibious landing on the island of Hogland in August 2020*

SOURCE: MIL.RU / CC BY 4.0

short-range missile systems, let alone medium-range ones. Once again, Russia is presenting itself as being open to cooperation by offering concessions that only appear as such.

Russia also continues to apply deception in its foreign policy against NATO as a whole to weaken the alliance and transatlantic relations. In May 2020, Russian Foreign Minister Sergei Lavrov sent a letter to NATO Secretary General Jens Stoltenberg calling for the suspension of major military exercises along the “line of contact” and suggesting that transponders on military flights be switched on. Similar calls from Russian high-ranking military personnel followed. In reality, there was no significant change, only reduced press coverage of the exercises. Despite its apparent foreign policy initiative, Russia continued military exercises in its Western Military District on a more or less ordinary scale. At the end of August 2020, the Russian 6th Combined Arms Army and the Baltic Fleet conducted their first joint exercise in the Gulf of Finland, in the immediate vicinity of Estonia’s northeastern border, which included an amphibious landing on the island of Hogland. Russian military aircraft also continue flying with their



transponders switched off, and reconnaissance flights have not ceased.

In 2021, another major exercise in the European direction, Zapad 2021, traditionally a rehearsal for a conflict with NATO in the Baltic Sea region, is expected. The exercise cannot be ignored by Estonia and NATO, as Russia will deploy tens of thousands of troops along the borders of the Baltic states. The Russian Air Force flight activity over the Baltic Sea will increase significantly, and Russia is likely to move additional warships from the Black Sea and Northern Fleets to the region. As in the previous exercise, Zapad 2017, Russia’s 1st Guards Tank Army is likely to deploy some of its forces to Belarus as part of the Regional Grouping of Forces of Belarus and Russia.

However, this year’s exercise, Zapad 2021, may be unprecedented in more

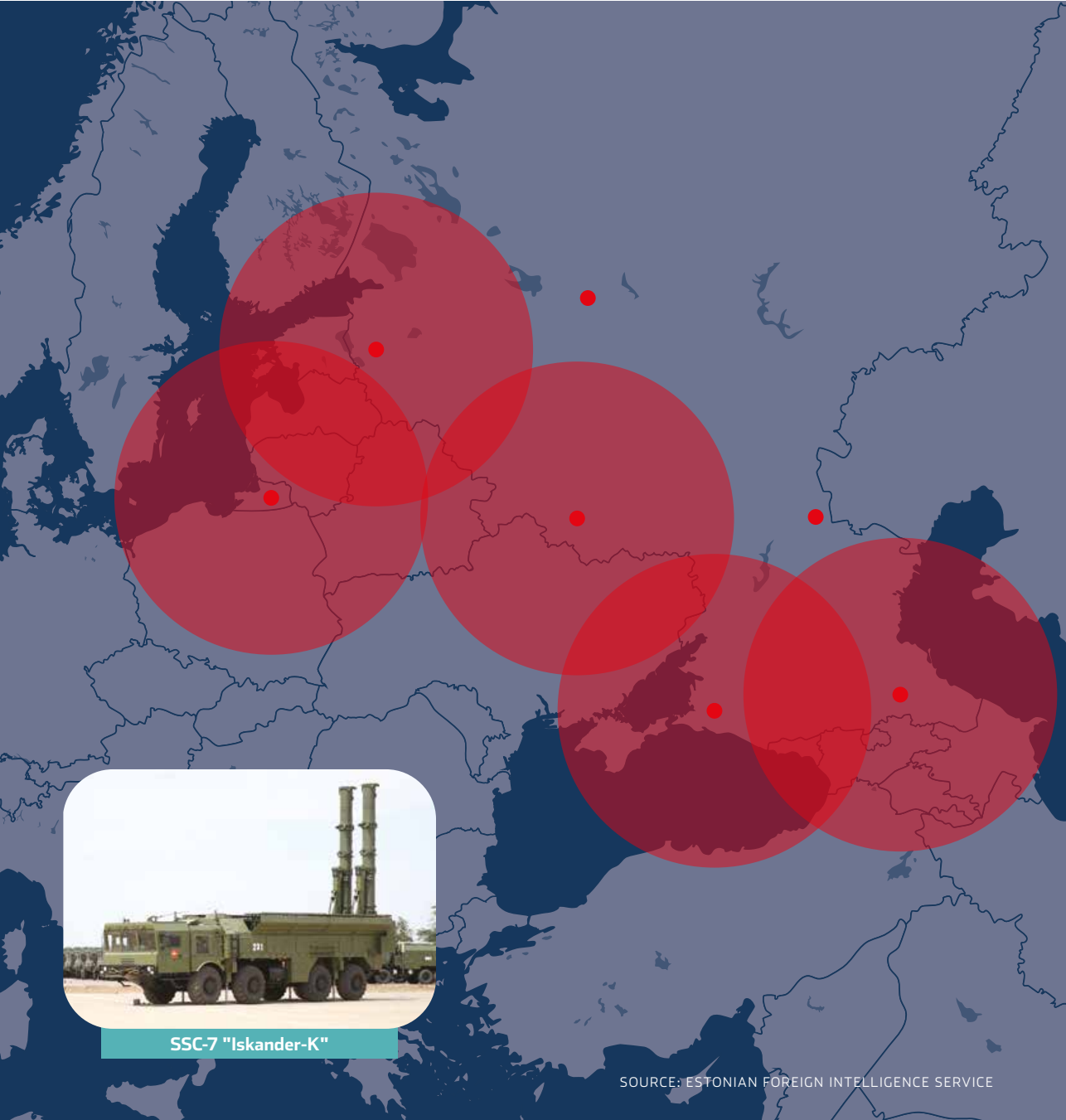
ways than one. First, the structure of the exercise may be affected by the course of events in Belarus. The Belarusian Armed Forces and the Regional Grouping of Forces of Belarus and Russia have traditionally played a critical role in Russia's operational plans for the western direction. Due to their close integration with the Russian armed forces, the Belarusian forces may be currently called Russia's "Belarus Military District". However, in the event of a significant deepening of the domestic political crisis, or political reforms, in Belarus, adjustments to Russia's military exercise scenarios or military planning in relation to NATO may prove necessary.

Another interesting aspect to look out for in the Zapad 2021 exercise is China's possible participation in the Zapad series for the first time. China has taken part in Russia's annual strategic exercises since Vostok 2018. If China also confirms its participation in Zapad 2021, it will be intriguing to see how the Chinese armed forces define their role in a military operation against NATO in Europe. However, a military alliance between Russia and China will not materialise anytime soon, due to a lack of interest on China's part.

THE LOCATIONS OF MISSILE BRIGADES AND RANGES OF THE ISKANDER-M MISSILES ON RUSSIA'S WESTERN BORDER



"Iskander-M"



SSC-7 "Iskander-K"

SOURCE: ESTONIAN FOREIGN INTELLIGENCE SERVICE

➔ *Airmobile units of the Russian Airborne Forces in training*

SOURCE: MIKHAIL KLIMENTYEV / TASS



‘NEW TYPE’ OF AIRBORNE ASSAULT UNITS

By the middle of the decade, Russia will form airmobile brigades in four strategic directions to be better prepared for ‘grey zone’ conflicts.

A critical fact about airmobile brigades is that Russia can use them for pre-emptive strikes, such as the destruction of critical targets or capture of strategic objectives. The ability to fight in so-called grey zones will become crucial in the future. The concept of grey zones does not only

apply to geographical areas; it also has a temporal dimension.

In the future, it will be increasingly difficult to pinpoint the exact starting point of hostilities, define the boundaries of an area of operations, or identify the enemy. Airmobile brigades, whose

tasks include supporting units that act separately from the main forces or partisan combat behind enemy lines, fit well into this pattern.

The formation of airmobile, or “new type”, assault units in the Airborne Forces is a major objective of the Russian armed forces during this decade. The army brigades and naval infantry already have a small number of airmobile units, but these are predominantly intended for reconnaissance operations and “small tactical episodes”.

In contrast to the existing units, which do not have organic subunits with their own aircraft, the new airmobile units are more independent and, most importantly, are equipped with helicopters and do not depend on the support of other units for relocation.

Russia developed its concept of airmobile units in 2018, building on the experience of the US, China and other countries. Since 2018, airmobile units have been tested in all major exercises (Vostok 2018, Tsentri 2019 and Kavkaz 2020). The 31st Guards Air Assault Brigade based in Ulyanovsk is an experimental unit.

The plan is to replace the existing units of the Airborne Forces with four airmobile brigades – one for each strategic direction. The 31st Airmobile Brigade in Ulyanovsk will cover the western strategic direction, while the brigade to be established in the Orenburg Oblast will cover the Central Asia strategic direction. The units to be set up based on the 56th and 83rd Guards Air Assault Brigades will cover the southwestern and eastern strategic directions, respectively.

Public sources are flooded with distorted information concerning the formation of airmobile units – from the deadlines for forming the new brigades to speculation about their composition and weapons. The formation of the airmobile brigades is unlikely to occur before 2025.

Establishing new brigades is not easy. Currently, Mi-28N attack helicopters are used to perform fire support functions for airmobile units. Helicopters specifically designed for airmobile units should be introduced by the middle of the decade. The aim is also to replace the existing fleet of vehicles by adding amphibious capabilities and stronger

THE FORMATION OF AIRMOBILE ASSAULT UNITS IN THE AIRBORNE FORCES IS A MAJOR OBJECTIVE OF THE RUSSIAN ARMED FORCES DURING THIS DECADE.

AIRMOBILE BRIGADES TO BE FORMED AS PART OF THE RUSSIAN AIRBORNE FORCES



SOURCE: ESTONIAN FOREIGN INTELLIGENCE SERVICE

armour and upgrading the weaponry on the vehicles. However, several parts of the Russian armaments programmes have been stalled or suspended recently (partially due to sanctions). Russia's ability to fully implement the armaments programme for the airmobile brigades is therefore uncertain.

Another problem is the scarcity of human resources. Many units in the Russian armed forces, including critical units, are still understaffed. They are trying to conceal this fact. Each new airmobile brigade is likely to be 4,000 to 4,500 strong.

While there are currently around 10,000 troops in the existing four

guards air assault brigades, the new brigades are to have between 16,000 and 17,000. Even if the existing helicopter squadrons are included, it is clear that more people need to be found for the new brigades. The cost of forming the airmobile brigades may be the liquidation of the 11th Guards Air Assault Brigade.

This shortage of people is aggravated by the outflow and bad quality of human resources, as well as a low motivation to serve. Competition for admission to Russian military academies (including the most prestigious ones) remains at a low level and will affect the officer corps' quality in the future.



⬆ *Exercise Union Shield 2019. Seated in the middle are Alexander Zhuravlyov, Commander of the Western Military District of Russia, and Oleg Belokonev, Chief of the General Staff of the Armed Forces of Belarus from 2014 to 2019*

SOURCE:
MIL.RU /
CC BY 4.0

THE 'BELARUS MILITARY DISTRICT' – MILITARY COOPERATION BETWEEN RUSSIA AND BELARUS

Despite political and economic differences, the Union State of Russia and Belarus has had success in military integration.

Belarus remains Russia's most important military ally. With its geographical location and territorial scope, Belarus is a necessary buffer for Russia on its western border and adds depth to the western strategic direction. In times of crisis or war, Russia can use Belarus

as a bridgehead and deploy its troops there, blocking NATO's access to the Suwalki Corridor, influencing air traffic in neighbouring countries' airspace and establishing a land link with the Kaliningrad Oblast.

THE LEVEL OF INTEGRATION OF RUSSIAN AND BELARUSIAN ARMED FORCES

The Russian and Belarusian armed forces are very similar in terms of organisation and command structure. Military cooperation between the two is based on the Regional Grouping of Forces of Belarus and Russia (RGF) and the Unified Regional Air Defence System.

In a 1997 agreement, Russia undertook to protect Belarus with a combined arms formation equivalent in size to an army (10,000 to 30,000 troops). In the event of a conflict, the RGF will be formed, comprising the entire Belarusian armed forces and the 1st Tank Army of the Russian Western Military District. The formation of the RGF, cooperation, and Russian units' deployment to Belarus are regularly practised in the Union Shield (Shchit Soyuz) joint exercise and the Russian strategic exercise Zapad.

The Belarus and Russian air defences are connected into a regional air defence system. Since November 2016, joint combat alert duty has been organised. In the event of a conflict,

the Russian Armed Forces will assume command over Belarusian air defence systems and units under the Unified Regional Air Defence System.

THE OFFICER CORPS AND MILITARY EDUCATION

The Belarusian Armed Forces were established based on the Belarus Military District of the Soviet Armed Forces, which coincided with the territory of the Belarusian SSR. A significant number of senior Belarusian officers were born outside Belarus and ended up in the Belarusian army because they served in the Belarus Military District during the collapse of the Soviet Union. Members of the Belarusian officer corps were educated in Soviet and Russian military educational institutions, according to the Russian training system, curricula and traditions (see table). Therefore, they share a similar threat perception and fundamental understanding of warfare and operational art with Russian officers. Many Belarusian officers see Russia as a role model. Cadets of Belarusian military educational institutions study in Russia, which further encourages similar thinking. The two countries' military elites also have close personal contacts.

SENIOR BELARUSIAN OFFICERS WHO STUDIED IN SOVIET AND RUSSIAN MILITARY EDUCATIONAL INSTITUTIONS

NAME	POSITION	EDUCATIONAL INSTITUTION
Viktor Khrenin	Minister of Defence	Omsk Higher Combined Arms Command School (1992)
Alexander Volfovich	Chief of the General Staff of the Armed Forces (until 26 January 2021)	Moscow Higher Combined Arms Command School (1988) Russian General Staff Military Academy (2008)
Sergei Potapenko	Deputy Minister of Defence	Ulyanovsk Guards Higher Tank Command School (1982), Malinovsky Military Armoured Forces Academy (1992)
Sergei Simonenko	Deputy Minister of Defence for Armament	Moscow Higher Combined Arms Command School (1989)
Andrei Burdyko	Deputy Minister of Defence for Logistics	Volga Higher School of Logistics (1994), Military Academy of Logistics and Transport of the Russian Ministry of Defence (2003), Russian General Staff Military Academy (2012)
Alexander Panfyorov	First Deputy of the Deputy Minister of Defence for Logistics	Novosibirsk Higher Military-Political Combined Arms School (1989)
Leonid Kasinski	Head of the Main Ideology Directorate of the Ministry of Defence	Yekaterinburg Higher Artillery Command School (1992)
Igor Mozhilovski	Head of the Main Directorate of Economy and Finance of the Ministry of Defence	Military Department of the Financial University under the Government of the Russian Federation (2002)
Oleg Voinov	Head of the Department for International Military Cooperation of the Ministry of Defence	Novosibirsk Higher Military-Political Combined Arms School (late 1980s)
Pavel Muraveiko	Chief of the Main Operations Directorate of the General Staff	Russian General Staff Military Academy (2008)
Valeri Gnilozub	Deputy Chief of Military Command of the General Staff	Chelyabinsk Higher Tank Command School (N/A)
Vyacheslav Starkov	Chief of the NBC Defence Directorate of the General Staff	Tambov Higher Military Command School of Chemical Defence (1988)
Igor Danilchik	Chief of the Electronic Warfare Directorate of the General Staff	Pushkin Higher School of Air Defence Radio Electronics (1991), Russian Air Force Academy (N/A)
Andrei Gurtsevich	1st Deputy Commander of the Air Force and Air Defence	Orenburg Higher School of Anti-aircraft Missile Command (1992)
Andrei Zhuk	Commander of the Northwestern Operational Command	Moscow Higher Combined Arms Command School (1990)
Igor Demidenko	1st Deputy Commander of the Northwestern Operational Command	St Petersburg Higher Combined Arms Command School (1992)
Alexander Bass	Deputy Commander of the Western Operational Command	Chelyabinsk Higher Tank Command School (1992)
Sergei Grinyuk	Deputy Commander of the Western Operational Command for Logistics	Volga Higher School of Logistics (1992)
Vadim Demidenko	Commander of the Special Operations Forces	Leningrad Higher Combined Arms Command School (1988), Russian General Staff Military Academy (2008)

COMBINED OPERATIONAL CAPACITY AND TRAINING

Both Russia and Belarus have compulsory military service; enlistment for active and reserve duty follows similar time frames in both countries.

The training cycles are compatible; that is, the Russian and Belarusian armed forces are able to act together in operational and strategic exercises.

Union Shield is a regular joint exercise whereby the Russian and Belarusian armed forces practise forming the RGF and using it in the interest of the Union State. To date, four exercises have taken place: one in Belarus (2006) and three in Russia (2011, 2015 and 2019).

Belarusian units also participate in the Russian Armed Forces' Zapad strategic exercises. Zapad 2017 tested Belarus' support capabilities as a host country, as the Russian Armed Forces deployed nearly 3,000 troops, 98 tanks, 104 armoured vehicles, 32 artillery and 27 aircraft there.

The Union State's budget provides military technological cooperation funds to refurbish military facilities and infrastructure shared by the RGF. It also finances a programme for the technological development and modernisation of regional railways.

The infrastructure's maintenance and operational reliability enable the rapid deployment of troops from Russia to Belarus in crisis or war and ensures their smooth movement within and/or passing through Belarusian territory.

In addition to operational and strategic exercises, the Russian and Belarusian armed forces also cooperate closely on combined tactical exercises of different service arms. The airborne forces enjoy the closest cooperative relationship, usually holding several dozen joint exercises a year, alternately in each country. Among its various service arms, Belarus's air defence units, in particular, frequently train in Russia, carrying out combat shooting field exercises in the Astrakhan Oblast.

WEAPONS AND EQUIPMENT

The Belarusian Armed Forces mainly use Soviet-made weapons, vehicles and equipment, to a lesser extent also modern or modernised Russian military equipment (Su-30SM fighter aircraft, T-72B3 tanks). At the time of the collapse of the Soviet Union, the Belarus Military District was well equipped, but now the technology is obsolete, and Belarus lacks the means to modernise.

MILITARY COOPERATION BETWEEN RUSSIA AND BELARUS



The Belarusian military industry supplies the Russian army with MAZ heavy trucks, which are used as a platform for ballistic missiles (Iskander-M) and anti-aircraft missile systems (S-400).

THE ISSUE OF ESTABLISHING A MILITARY BASE

Russia has two permanent military installations in Belarus: the 43rd Communications Centre of the Russian Navy, used to communicate with submarines cruising the world's oceans, and a Russian Aerospace Forces radar station in Hantsavichy for ballistic missile monitoring (the 474th Independent Radio Technical Unit). These sites are not classified as military bases.

For more than a decade, there has been talk of establishing a Russian airbase in Belarus, but the idea has not materialised. Between 2013 and 2016, Russian Su-27 fighters were located in Belarusian airbases, but this had to do with the obsolescence of the Belarusian Air Force's fleet – some aircraft were no longer fit for service, while others required modernisation. This

created a capability gap in Belarus's air defences and thus in the Unified Regional Air Defence System, which Russia had to fulfil temporarily. Under a 2017 agreement, Belarus will purchase 12 modern Su-30SM multi-purpose fighter aircraft from Russia, some of which have already arrived.

From a military point of view, the continuation of the existing cooperation and the maintenance and modernisation of weapons and infrastructure are more important than establishing an airbase. These circumstances are not expected to change in the near future. As the exercises Zapad 2017 and Slavic Brotherhood 2020 demonstrated, Russia is able to deploy its units to Belarus quickly if necessary. The establishment of a Russian military base would require a change of heart among the Belarusian leadership. As negative political developments and the possible withdrawal of Belarus from Russia's sphere of influence may make it more difficult to support the Kaliningrad Oblast from Belarusian territory in a military conflict, the peacetime deployment of Russian troops to Belarus cannot be completely ruled out.



SOURCE: BEEBRIGHT / ISTOCKPHOTO

RUSSIAN SPECIAL SERVICES

One of the main tasks of the Russian special services, apart from intelligence gathering in other countries, is to influence foreign populations in the Kremlin's strategic interests.

GRU PSYCHOLOGICAL OPERATIONS

Russia sees psychological warfare as part of a comprehensive informational confrontation with the enemy (mainly Western countries). All three Russian special services – the FSB, SVR and GRU – are involved in covert influence operations, each with a different focus.

According to the Russian Armed Forces’ doctrine, psychological warfare is one of the three main components of ‘informational confrontation’ – the other two being information-technical influencing of foreign countries (e.g. through cyberattacks) and protecting Russia against foreign information operations. For Russia, psychological warfare is the information-psychological influencing of foreign audiences to change their views and behaviour in Russia’s national interest, including achieving the Russian Armed Forces’ objectives. Russia sees psychological warfare as part of a comprehensive informational confrontation with the enemy (mainly Western countries), and it is ongoing both during conflict and in peacetime.

According to Russian doctrine, the targets of psychological warfare include the political leadership, military personnel and their families, the civilian population, and certain specific target



↑ *Emblem of GRU psychological operations' units*

groups, such as ethnic and religious minorities, opposition groups and businesspeople – in friendly, neutral and hostile foreign countries alike. This means that the entire world population outside Russia is a potential target.

Within the Russian Armed Forces, psychological operations are the

responsibility of the Main Intelligence Directorate of the General Staff (GRU); the GRU develops the plan for psychological warfare, which is then approved by the Chief of the General Staff. The GRU's chief psychological operations division is military unit 54777.

Both unit 54777 and the regional GRU psy-ops units subordinated to it study, analyse and assess the military-political situation in foreign countries, and the morale and psychology of their military and civilian population. They prepare psychological influence materials and participate in the armed forces' deception activities, or maskirovka, and counter-propaganda. Working undercover, they establish international contacts while concealing their connection with the GRU. They also study Russian and foreign experience in carrying out psychological operations.

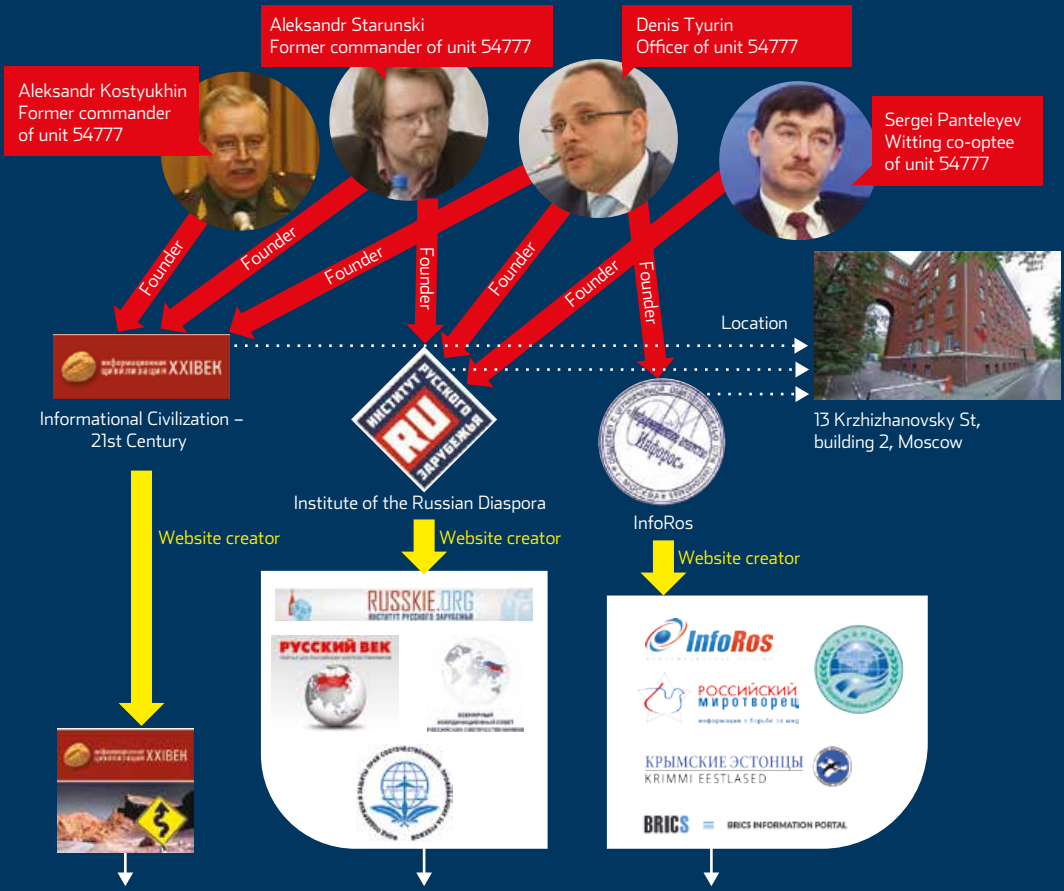
Psy-ops units monitor foreign media on a daily basis to keep abreast of the coverage of issues relevant to the GRU, current events and Russia's role in them. Regular media monitoring reports identify, among other things, influential Western publications' articles that are

in line with Russian interests; these are boosted through fake social media accounts and GRU-controlled online portals. The choice of topics depends on the GRU's priorities, which may change in time. In online propaganda, GRU focuses on popular social media platforms such as Facebook, Twitter, Reddit and VK (VKontakte). The work is measured quantitatively: in addition to the number of items produced in each category (e.g. opinion pieces, news stories and comments), the spread of these materials (e.g. the number of likes or shares) is also monitored.

In 2020, GRU-controlled English-language online portals (such as inforos.ru, infobrics.org and oneworld.press) disseminated false information about the COVID-19 pandemic, undermining the Western countries' efforts to curb the spread of the virus and praising Russia's actions. For example, they spread the statement that the US is taking advantage of the pandemic to assert its worldview and the coronavirus is in fact an American bioweapon. The GRU uses these portals to plant disinformation in the public sphere of foreign countries,

**GRU-CONTROLLED ONLINE PORTALS DISSEMINATED
FALSE INFORMATION ABOUT THE COVID-19 PANDEMIC
TO UNDERMINE WESTERN EFFORTS TO CONTROL
THE SPREAD OF THE VIRUS.**

GRU FRONT ORGANISATIONS FOR PSYCHOLOGICAL OPERATIONS



The common denominators of online portals created with the participation of military unit 54777 officers: creating a positive image of Russia and disseminating information aligned with Russia's interests to Russian diaspora around the world.

The GRU often uses front organisations and online portals created by them to conduct psychological operations in the public sphere. Above are some examples of projects set up by GRU unit 54777 officers and their associates.

in the hope that it will spread and the original source will go unnoticed.

One of the avenues pursued by the GRU psy-ops units is to influence Russians living abroad. To carry out this task, the psy-ops units have set up organisations and media outlets to gather and provide Russians residing abroad solely with information that aligns with Russia’s interests (and is therefore often biased).

GRU-ORGANISED SECURITY CONFERENCE IN GREECE

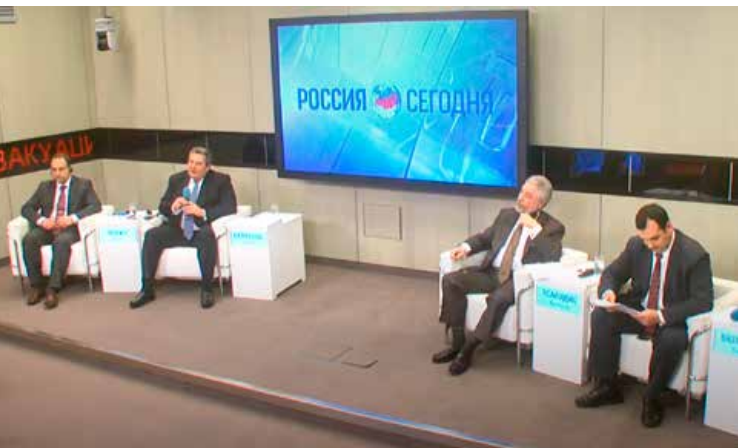
In October 2014, about six months after the occupation of Crimea, a conference entitled "The Security of Europe: A New Geopolitical Dimension" was held in Athens without much international attention. At the event, organised by the Institute of Geopolitical Studies, a local think tank, Greek and Russian presenters criticised the EU’s sanctions against Russia and expressed outrage that the Greek government, under pressure from the US and the EU, had behaved so badly towards its ‘traditional friend’.

What has so far remained hidden from the public is the fact that the conference was organised by military unit 54777, the GRU’s chief psy-ops division. Alexander Shchedrin, then commander of



Source: *Parlamentskaya Gazeta* No 39, 7-13 Nov 2014

the unit, publicly described the preparations for the event in the Russian state media outlet *Parlamentskaya Gazeta* in November 2014, using the title of Deputy Director of the Institute of the Russian Diaspora (*Institut Russkogo Zarubezhya*), a GRU front: ‘What is happening at this conference right now is breaking through the information blockade that has surrounded our country [since the occupation of Crimea]. We have no outlet to foreign information



← A GRU-organised round table on Greek elections in Moscow in 2015. GRU officer Denis Tyurin (far left) next to future Greek Defence Minister Panos Kammenos

SOURCE: PRESSMIA.RU

space. No one else in the world knows anything about the most significant conferences held in Russia. The task was to make sure that Europeans knew what was really threatening them. Member of the State Duma Franz Adamovich Klintsevich came to our organisation, and considering our experience, put forward an idea and a scheme that could be realised; he provided the necessary contacts. We identified a weak link in the West – Greece – which itself suffers from sanctions. We found an organisation [in Greece] that is friendly to Russia, and together we organised this conference.'

At the Athens event, politician Panos Kammenos, co-founder of the Institute of Geopolitical Studies, which co-organised the event with the GRU front, was seated just a few metres

from Klintsevich in the front row. The Independent Greeks political party, led by Kammenos, made it to the Greek government three months later, and Kammenos served as defence minister until 2019. Just before the 2015 parliamentary election, Kammenos visited Moscow, where he participated in a round table on the Greek election, organised by the news agency InfoRos, another front for unit 54777. Alongside Kammenos, InfoRos director Denis Tyurin, an officer of unit 54777, gave comments to the media.

This case shows how easy it was for the GRU to present its messages to receptive Western audiences and establish high-level contacts. It is noteworthy that the intelligence officers used the cover of an independent journalist or NGO representative.

RUSSIAN SPECIAL SERVICES' INFLUENCE OPERATIONS IN CYBERSPACE

Russia continues to be the primary security threat to Western democracies also in cyberspace. In addition to espionage, Russian special services are actively using cyberspace in their influence operations to create divisions in Western societies, transnational relations and NATO.

The types of cyber attack described in our previous annual reports are still used by the Russian services to carry out their intelligence tasks, which threaten the security of Estonia and our allies. For example, malicious emails infected with malware are sent to targets; these are designed to lure

the target, taking into account their field of work and interests (known as spear phishing). Cyber attacks abusing vulnerable websites also continue; in order to infect the target's device, spyware is added to sites frequently visited by the target (known as watering hole attacks).

➔ *Headquarters of Russian special services: FSB, GRU, SVR (clockwise from top)*

SOURCES: BOSHKAREV; MOREORLESS / WIKIMAPIA.ORG / CC BY 3.0; ALEXANDER BELENKIY / MACOS.LIVEJOURNAL.COM





However, the abuse of cyberspace for influence operations has increased. Russian services have adapted “active measures” from the Soviet period to new circumstances, taking into account the development of the internet and other technology. For example, hacking an information system to steal and leak sensitive information (known as hack-and-leak operations) is similar to an “active measure” familiar from the KGB’s arsenal: the KGB used to disseminate genuine or doctored documents to spark anti-government discussions among the public. The adaptation of such “active measures” is an ongoing process. In the future, the Russian services are likely to exploit deepfake technology, among other things. This threat will be particularly

← *Deepfake technology enables the use of false personas to increase the credibility of influence operations*

SOURCE: LINKEDIN.COM VIA WALORSKA, A. DEEPPAKES & DISINFORMATION. FRIEDRICH NAUMANN FOUNDATION / CC BY-NC-ND 4.0

high once technological development reaches a level where deepfakes are convincing enough to be unrecognisable to the human eye. This would make it more difficult for the public to distinguish false information from the truth. As a countermeasure to Russian influence activities, we have put together a selection of Russian services’ methods in cyberspace based on real events (see figure).

Cyber operations originating in Russia and the abuse of cyberspace for the purpose of influencing will very likely continue in 2021. These are effective, inexpensive and well-established measures for the Russian services. Moreover, influence operations can be a way to achieve long-term effects without always requiring intervention in the target country’s domestic politics.

RUSSIAN INFLUENCE OPERATIONS CAN BE A WAY TO ACHIEVE LONG-TERM EFFECTS WITHOUT HAVING TO INTERVENE IN THE TARGET COUNTRY’S DOMESTIC POLITICS.

EXAMPLES OF METHODS USED BY RUSSIAN SPECIAL SERVICES IN CYBERSPACE

EXPLOIT OF A MEDIA WEBSITE



Russian cyber attackers exploit vulnerable media websites as part of their influence operations. A website is hacked, and a news story with narratives suitable for Russia is planted; a link to the fake news story is then distributed on other platforms, subsequently also in Russian-language media, blogs, forums and elsewhere. In 2020, Lithuanian and Polish media websites were hacked on several occasions, planting fake news that denigrated NATO and its troops.

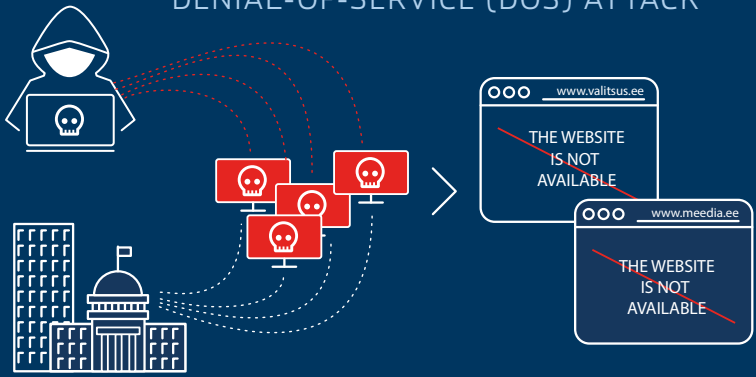
HACK AND LEAK



Stealing compromising and sensitive information through hacking and then leaking it is one of the Russian services' most common influencing methods. Out-of-context information is disseminated, which can deepen disagreements in society on already sensitive issues and thus create dissatisfaction with the government.

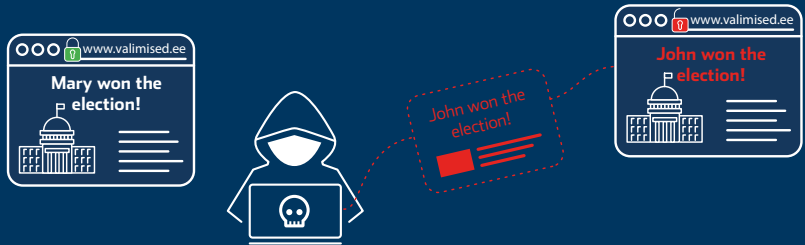
In 2019, documents from UK-US trade talks were stolen by breaking into the former UK trade secretary's email account and leaked on social media. One of the topics of the negotiations at the time was the National Health Service (NHS); its possible privatisation was hotly debated in the UK during the election period.

DENIAL-OF-SERVICE (DOS) ATTACK



To influence another country during a key political event (e.g. an election), the Russian services organise Denial-of-Service (DoS) attacks against the media and government sector, impeding official information flow among other things. With such cyber attacks, Russia seeks to present itself as a force to be reckoned with, sowing fear and pressuring the target country to make more favourable decisions for Russia. On the day of the Montenegrin parliamentary election in 2016, DoS attacks were launched against the websites of the country’s government and media. The attacks were repeated the following year after Montenegro announced its accession to NATO.

WEBSITE DEFACTION WITH INTIMIDATING CONTENT



In order to disrupt the exchange of accurate information, create fear and deepen internal tensions in society, or damage the credibility of government agencies, Russian services have organised cyber attacks against websites and the information systems of internet service providers. Websites are hacked, planting images, text, video or audio with intimidating, threatening or otherwise disturbing content. Targeting an internet service provider makes it possible to attack a large number of websites simultaneously.

In 2019, operatives of the GRU Main Centre for Special Technologies hacked a Georgian internet service provider’s system. Through it, the operatives defaced thousands of websites with an image of former Georgian President Mikheil Saakashvili accompanied by the text “I’ll be back”.

GROWING PRESSURE FROM CHINA



⬆️ *The image of "Xi Jinping – the people's leader" is heavily promoted in China*

SOURCE: CHINA CENTRAL TELEVISION

Implementing China's foreign policy doctrine, or creating a "community of common destiny", will lead to a silenced world dominated by Beijing. Faced with growing confrontation with the West, China's main goal is to create a division between the United States and Europe.

The Chinese leadership understands that a united West is an insurmountable obstacle for China that must be broken. Using various topics, such as Iran, the climate or health care, China wants to find as much common ground with Europe as possible and make European leaders believe that China is a reliable

partner contrary to what the US claims. China understands very well that a fragmented Europe is a weak adversary, and its opposition to China is unlikely ever to be as fierce as that of the United States. However, despite its calls for closer cooperation, China has no intention of changing itself but instead wants



to use its size and influence to muffle any critical voices from Europe.

Due to its tense relations with the US, it is important for China to bring as many countries as possible into its sphere of influence. Putting President Xi Jinping's ideology at the centre of party and state politics clearly indicates that Xi Jinping's leadership is meant to make China the most powerful country in the world by 2035. However, current events also show that, far from moving towards liberalism, China is becoming an increasingly authoritarian regime centred around the growing personality cult of Xi Jinping.

The concept of a "community of common destiny" was first introduced at the 2012 National Congress of the Chinese Communist Party (CCP) and has since appeared with growing frequency in the vocabulary of top Chinese

politicians and diplomats. The phrase remains characteristic of China's strategic thinking in foreign policy. Important foreign policy speeches and statements by Chinese politicians and diplomats are packed with references to the inevitability of creating a community of countries with a common destiny. While in previous years, there was talk of climate change as a force for global unity, the keywords in 2020 were health care and the coronavirus crisis.

Personal relations play a significant role in the Chinese strategy for expanding the community of common destiny. There are several European forums in various formats where China sends its high-level diplomats, politicians and entrepreneurs, with the clear objective of establishing personal relations to influence the target countries' policies towards China.

← *The coronavirus crisis in Taiwan in May 2020*

SOURCE: TSAIINGWEN /
YOUTUBE

→ *The coronavirus crisis in mainland China in May 2020*

SOURCE: CCTV 4 / YOUTUBE



This desire to increase its influence was also patently evident during the coronavirus crisis in the spring, as China was actively trying to brand itself as a “saviour”. The emphasis was put on the need to put politics aside and confront the virus devastating humankind. Simultaneously in China, the media, heavily controlled by the Communist Party, was actively defaming, demonising and ridiculing Western democracy, saying that only an authoritarian system like China could successfully defeat the virus. They failed to mention that the democratic and self-governing island of Taiwan was much more successful in managing the epidemic. During large ceremonies on both sides of the Taiwan Strait in May, events in Taipei could be held without masks, because the spread of the virus was under control. It is worth noting that Taiwan’s population density is twice as high as in

Hubei Province, where the first cases of coronavirus infection were recorded.

In addition to smearing the West, Chinese media praised the obedience of China’s people and their willingness to cooperate with the authorities during the spread of the virus. At the same time, thousands of Chinese citizens worldwide were on the brink of mental breakdown, having been barred from returning home. Following border closures, at first only the privileged few – diplomats, certain specialists, the odd delegation and students sent by the state to study abroad – could buy a ticket for the special flights run by a Chinese airline once a week. Ordinary students received nothing but health packs with face masks, gloves and other personal protective equipment distributed at the embassies, along with uncertainty about how to extend

their visas and accommodation in the dormitory. Chartered flights to China were primarily run for Chinese people in Western countries because the central government wanted to demonstrate to the West how it cared about its citizens.

Criticism of the Chinese authorities and foreign missions, which began to spread within the Chinese diaspora, was quickly suppressed. Chinese educators were instructed to delete all social media posts critical of the Chinese authorities and to spread this spirit of censorship through as many channels as possible.

The CCP holds Chinese citizens living abroad under ideological control and surveillance through cells created by party members, including employees of state-owned enterprises, journalists, diplomats and students. The cells' indoctrinating ideological manipulation takes the form of regular, intensive meetings on party politics. The aim is to keep party members living abroad, including in Estonia, firmly under the CCP's ideological control. Higher levels of the party hierarchy expect regular reports on participation in these political meetings. People are disciplined by the

fact that random top-down individual checks are made that include questions about a particular person's behaviour during these meetings. This amounts to complete ideological control. The rare, brave journalists who have criticised the Chinese authorities' actions or covered the real situation have been arrested, some even imprisoned.

Journalists also play a part in creating a silenced world controlled by Beijing. Foreigners invited as guests on Chinese TV programmes mostly have a track record of expressing views acceptable to China. TV reports by Chinese journalists must be approved by a *laoshi* (teacher) before being broadcast, but the content of an interview with a foreigner is usually not coordinated in detail beforehand. Behind this seemingly open mindset, however, is a widely followed formula whereby criticism of China is acceptable, but only to a certain extent, beyond which there must be a "but" – "but we cannot go around China; we simply must adapt to the new world order". This seeming criticism of China is spreading in Europe and is obscuring and undermining the perception of the security threat posed by China.

**AN INCREASINGLY AUTHORITARIAN CHINA FORCES ITS
MODEL OF GOVERNMENT ON OTHER COUNTRIES.**

CHINESE INFLUENCE OPERATIONS MOVE TO THE WEST

The Chinese propaganda machine uses Western information channels to spread its narrative. Since the coronavirus pandemic outbreak, the amount of biased and fake news produced in China has increased, and its content has become more aggressive.

The global coronavirus crisis is creating favourable conditions for ideological expansion, and through it, opportunities for wider international recognition of China's power ambitions. During the pandemic, the main objectives of Chinese foreign influence operations have been to improve China's image, spread the message of the CCP and shape the discourse around it, as well as to sway the political decisions of countries and international organisations in China's favour.

The introduction of new technologies will help the CCP to intensify and expand its agitation and propaganda work. To spread its ideology more vigorously, China has turned its focus on the social media channels popular in the West, having opened numerous official and fake accounts in the last year to spread its message. Chinese officials are actively engaged in creating and disseminating disinformation. Leading diplomats and media figures use

Twitter and Facebook, which are banned in China, and write their posts in English, enabling a large amount of biased and false information created in China to end up in the global information space. Such a plurality of opinions is not allowed on Chinese territory, where user accounts critical of the regime are quickly disabled.

The Chinese authorities have begun to recruit Chinese people living abroad as well as Westerners and Western information channels to disseminate its message. There are a number of bloggers on video hosting platforms whose content praising China and justifying Chinese policy uses a style and vocabulary that clearly points to CCP propaganda. Besides content intended for regular internet users, pro-Chinese think tanks and scholars in Western countries also publish opinion pieces and research papers aimed at the intelligentsia. At first glance, these seem to be critical of China and point out some



➔ *Common examples of Chinese fake news on Western social media*

SOURCE: REDDIT.COM

problems. Still, in most cases, the main message is a call to adapt to China's presence and the rules it has established, even if this means abandoning the values of a democratic society.

In 2020, this new approach to soft power also reached the Confucius Institute, whose funding, management, reputation and activities began to be re-evaluated. Changes were also made in the institute operating in Estonia.

The criticism aimed at Confucius Institutes, known to be instruments of soft power, is taken seriously by China. It wants to reduce the negative publicity by rebranding the institute, without actually abandoning its primary

goals. It is likely that the renaming of the Confucius Institute headquarters as the Centre for Language Exchange and Cooperation, along with any accompanying structural changes, is a mere formality, and the institutes' activities, as well as the related problems and threats, will remain largely unchanged. It cannot be ruled out that alongside the Confucius Institutes, which have begun to lose their importance, the Chinese authorities will, in the future, want to employ other Chinese cultural centres as instruments of influence, as these have not received criticism and have a "clean" reputation for the time being, allowing for easier information gathering as well as to establishing



and maintaining networks in foreign countries.

Foreign think tanks with informal links to the Chinese government seek to adapt the CCP's message to Western pluralism. However, topics such as personal freedom, the status of Hong Kong and Taiwan, and the situation of the Uyghurs and Tibetans are addressed strictly within the limits acceptable to the Chinese authorities. In these cases, the Chinese propaganda machine benefits from the lack of local experts on China who could offer alternative perspectives. This means that the Chinese version of the truth may begin to dominate the opinion space.

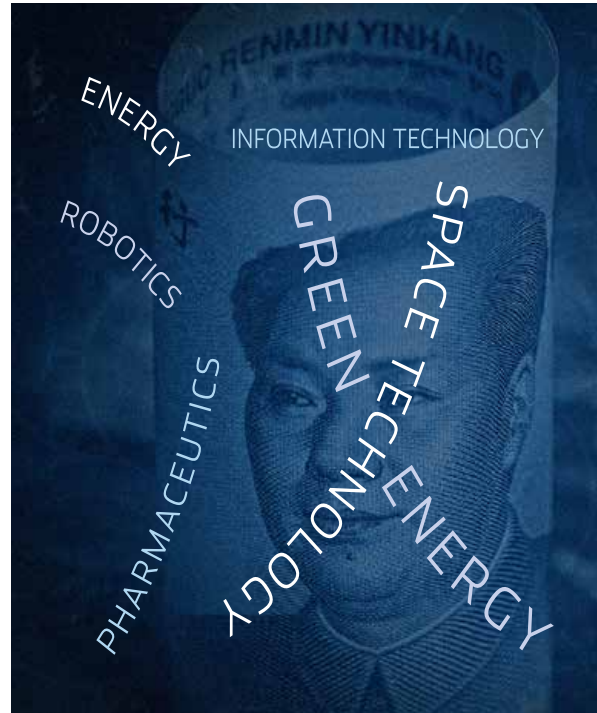
Tactically, China follows Russia's example in spreading propaganda and disinformation. However, this points more to conformity resulting from shared objectives rather than any coordinated cooperation, as do the good relations between Chinese and Russian representatives on social media and the sharing of each other's posts. At present, China does not use disinformation as actively and as professionally as Russia, but it is likely that it will expand and intensify its activities in this area in the near future. China's influence operations aim to weaken Europe's open society by promoting its own propaganda messages.

SINICISING CHINESE TECHNOLOGY

China’s ambition to become the world leader in technology poses major security threats.

Following Xi Jinping’s strategic guidelines, China is devoting all its resources to technological development to become a world leader in the field and make other countries dependent on Chinese technology. China faces sanctions and obstacles, which is giving rise to the sinicisation of its technology – increasing reliance on domestic producers. If Chinese technology becomes entirely domestic, the technology and software’s working principles will be even more opaque than before.

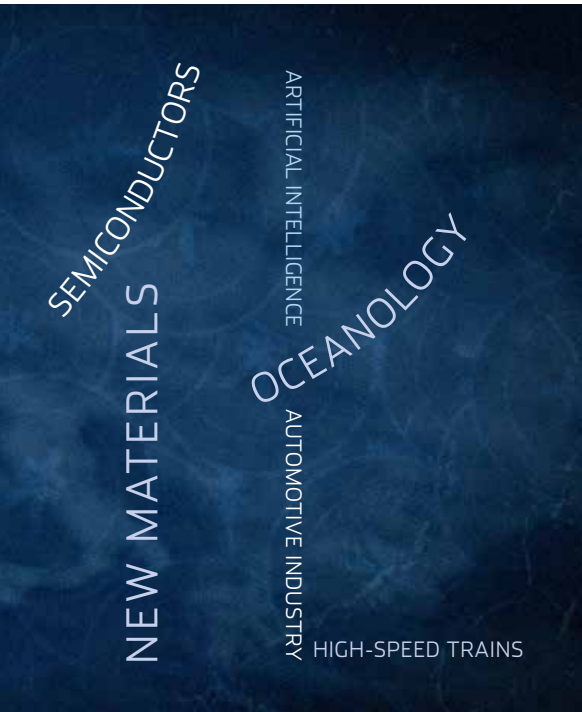
China’s message last year about opening up further to the world also seemed opaque. For example, in the field of technology, this actually means looking for opportunities to access world-class technology. China wants to buy up talent from all over the world, get them to come to China, or invest in them, to gain access to the knowledge that China is lacking. The purpose is not to engage in mutually beneficial cooperation but to develop China’s capabilities to a level no



longer dependent on foreign suppliers. China has set itself the goal of becoming fully independent in technology.

Cyber espionage has also been one of China’s traditional means of getting hold of foreign high technology. To justify its actions, China is ostensibly working to break the Western monopoly and considers it acceptable to use any means necessary to achieve this.

Various legally sound schemes are being purposefully used to gain access to projects all over the world. For example, joint ventures with local companies are being set up in foreign countries with the obvious aim of obscuring China’s involvement.



The country's leadership has a clear objective of making the world dependent on Chinese technology. Chinese media and analysts have made no secret of the long-term goal of employing the Chinese BeiDou satellite navigation system in all Chinese technology and exporting the system to countries that have joined the Belt and Road Initiative. In other words, China is establishing an autonomous global ecosystem where in the era of the Internet of Things, artificial intelligence, cloud services and ultra-high-speed networks (5G today, 6G in the future), integrated Chinese technologies will play a key role.

← *These are the areas in which China wants to become the world leader; 汉化 means 'sinicisation'*

SOURCE: ESTONIAN FOREIGN INTELLIGENCE SERVICE

Chinese technology may initially use GPS and the BeiDou system in parallel. Still, the ultimate goal is to make it exclusively reliant on BeiDou, claiming that the BeiDou system has much more accurate positioning capabilities than GPS. Integrating Estonia into China's autonomous technology ecosystem makes Estonia vulnerable and dependent on China.

The CCP and Chinese private enterprises are often linked either directly or indirectly. For example, Huawei emphasises that the company is owned by its employees, led by Huawei's trade union committee. However, all Chinese trade unions belong to the All-China Federation of Trade Unions, the chairman of which is also the CCP's party secretary. The current party secretary is also a vice-chairperson of the National People's Congress, China's parliament. The trade unions follow the same vertical chain of command as the provinces – they are actually headed by the party secretary and not by the provincial governor, whose responsibilities are administrative.

CHINA AND RUSSIA – A PRACTICAL PARTNERSHIP

Cooperation between China and Russia has an important demonstrative aspect, which is meant to deter the West and contribute to achieving the two countries' strategic goals.

Relations between China and Russia are receiving increasing public attention. It is important to monitor whether China and Russia will move from coordinated military action – such as joint exercises, joint patrols with strategic bombers, joint development of technology – towards a real alliance in the coming years. At present, there seems to be no such trend, as both have reservations about the other and China adheres to its official foreign policy doctrine – not to establish allied relations with anyone. However, the strained relations between China and the West may bring the two closer together. So far in their collaboration, both seem to be working from a position of pragmatism and demonstrativeness.

However, in addition to demonstrating their relations, what stands out is the Kremlin's inability to defend its interests when China ignores them. For example, the Kremlin has failed to stand up for the interests of Vietnam or Rosneft in the South China Sea. China

is increasing its influence in Tajikistan, and Russia is unable to prevent it. It is also noteworthy that the Russian media refrained from criticising China when the COVID-19 epidemic began to spread.

If Russia and China get too close to each other, Western countries may be tempted to lure Russia away. The Kremlin would take advantage of a situation like this and set conditions to leave itself more room for negotiation. Given Russia's ambitions in the Baltic Sea region, Estonia must stand firmly against any scenario to lure Russia at the expense of Estonia's security.

The Russian business community has become cautious when trading with the Chinese since many Russian entrepreneurs have been deceived, and China's payments are delayed. What stands out in Russia-China trade and investment is a purposeful avoidance of dollar transactions. This is in line with China's goal of using the US dollar as little as possible. China has



⬆️ *Russia must increasingly accept China's role as big brother*

SOURCE: ALEXANDER VILF /
POOL / TASS

repeatedly proposed to Russia to start using the Chinese yuan, but Russia has mostly turned this proposal down.

In the context of military relations, China wants Russia to share its combat experience. There is frequent talk in the Chinese media about Chinese soldiers having the opportunity to learn from Russia's military experience in Syria

during joint exercises. The Russians may indeed start to share their war experiences with the Chinese from Syria or other conflict zones. Russia may also share its experience of building and deploying private military companies, as China has developed a new need to ensure the security of increasingly large global investment projects.

**CHINA'S STRAINED RELATIONS WITH THE WEST
MAY PUSH RUSSIA AND CHINA
SIGNIFICANTLY CLOSER.**

