

# Economic sovereignty. An agenda for Militant Russia<sup>☆</sup>

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## Abstract

This paper argues that Russia has embarked on a difficult path to economic sovereignty and heightened security to withstand rising antagonism from the West that culminated with the application of punitive sanctions against Russia's positioning on Ukraine. With the aim of lessening economic dependence on trade with the EU, its major trade partner for decades, Russia tries to work out a patriotic model of growth based on two vectors: import and trade partner substitution. The pursuit of self-sufficiency in foodstuffs adds an important pillar to security concerns as reflected earlier in the 2010 Doctrine on Food Security. But import substitution will be costly and difficult to manage. Fiscal balances and exchange rates will need to adjust to the new challenges. Finding new partners eastwards is also complicated. Trade with China, in hydrocarbons or other commodities, requires massive infrastructural work that neither the government nor private investors can afford in a situation of financial stringency. Investment from China is slow to materialize as the economic slowdown also impinges on China's projects. Nonetheless important deals on gas and infrastructure have been agreed and are pursued despite difficulties. A favourable institutional framework aimed at attracting investors to the Far East is in place. It will be up to the local administrations to make the best of it and venture capital to run the risk. The outlook is long-term, but both Russia and China have learnt from history to be patient.

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## 1. Foreword on Militant Russia

The goals, strategies and agents of change in today's ostracized Russia are framed into "economic sovereignty", a concept used for the first time by President Putin at a Congress of the All Russian National Front (ONF) in April 2015. Putin laid down the context of the new policy framework. Heightened concerns for security in a hostile geopolitical environment required stronger engagement and commitment to implement the reform agenda enunciated in the 7 May 2012 decrees. Putin admonished people in charge to neither relax, nor complain, and assigned the ONF the monitoring and control of plans and procedures regarding self-sufficiency and import substitution policies.

Economic sovereignty fixes the paradigms of Russia's new order—that this paper characterizes as Militant Russia (MR). This is an order *in fieri*—a patriotic construct that is taking shape within the corporatist framework of enhanced security concerns. By this approach, militant means assertive, vigorous, active, but not necessarily bellicose. Militancy in the Latin meaning of "serving as a soldier" is understood as the collective pursuit of the Russian nation in defence of its own interests and goals. Features of Russian corporatism were discernible some years ago (see Malle, 2013b), but developments to date add new elements to this vision. While the search for a national identity anchored to historical values and tradition is still confused and incomplete, one can observe the emergence of a "militant nation" under the impact of ostracism from the West.

The semantics of Militant Russia helps highlight the vision of a nation that is not resigned to a subordinate role among regional powers; aims at independent statehood, strives to strengthen its own social and economic organizations; moves to fight international isolation by threading new partnerships and alliances. Used and abused labels of dictatorship, totalitarianism, authoritarianism, neo-authoritarianism are either inadequate or less heuristic compared to the characters of "militancy" in present-day Russia. Militant Russia is not a system, but a process permeated by cultural features and people's pride in national heritage that motivate their support for the leadership. MR embodies a vision of social cohesiveness; commonalities of values and national aims. Contrary to the Soviet Union where internationalism, at least ideally, played an important role in framing alliances and establishing durable links with opposition movements in democratic countries, MR stands in defence of the nation's own interests and prospects. Militancy is an irreplaceable attribute of defence should mobilization eventually become necessary.

In this vision patriotism, together with enhanced military and economic security, plays a primary role. Patriotism has become the symbol of national identity and readiness to defend the country for a large majority of Russians.<sup>1</sup> While modernization cannot work "without the unifying force of civil patriotism," in order to succeed, "mobilizing" patriotism should look to the future, not to the past. "Owing to the radical and irreversible changes in the external environment" there is need for re-discussing foreign policy strategies—separately from the issue of Ukraine, warns Andrei Kortunov (2015), Director General of the Russian International Affairs Council. Isolated from Europe, Russia turns to Asia. But

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<sup>1</sup> According to the opinion poll carried out 17–20 April 2015 by the Levada Centre, some 80% of Russia believe in patriotism and consider themselves to be patriots. <http://www.levada.ru/29-04-2015/patriotizm-i-gosudarstvo>.

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