



FIVE-YEAR REGIONAL OUTLOOK

Russia and Eurasia

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During the next five years, Russia will remain the former Soviet Union's dominant economic and military power, and most other Eurasia states will balance among Russia, China, and the West to maintain their independence and access economic opportunities. Russia's leaders will continue pushing for an accommodation of their geopolitical and security interests from what they see as a weakened but still powerful United States, at times taking risks to assert economic and political influence outside their borders. However, Russia's regime is also likely to face a more challenging domestic environment than that of the previous five years. Russians appear increasingly prepared to protest perceived government negligence, abuse of power, and economic injustice. President Vladimir Putin and his allies' failure to address key public grievances and their efforts to remain in power could clash with society's expectations for change during the next five years, with legislative elections planned for 2021 and presidential elections in 2024.

The judgments in this paper were made by the National Intelligence Council in consultation with outside experts and Intelligence Community analysts and do not reflect official US Government policy or the coordinated position of the US Intelligence Community.

KEY TRENDS

Demographic and Security Challenges

During the next five years, Russia will continue to face demographic and human security challenges—all of which have been exacerbated by the COVID-19 pandemic and are likely to contribute to political unpredictability. Living conditions in Russia have stagnated for the last decade, including a poor health infrastructure. In addition, significant disparities exist among regions, as rural areas shrink demographically and economically. The country faces a further decrease in its working-age population and a brain drain of skilled young Russians, although it is attempting to counter this development by encouraging young, educated, and primarily ethnic Slavs from neighboring states to immigrate to Russia. Nevertheless, Russia will remain a magnet for mostly low-skilled workers from Central Asia, the Caucasus, and other parts of Asia.

Tension Between Public Demands and Kremlin

One of the most significant trends during the next five years is likely to be the growing chasm between the Russian public's demands for socioeconomic change and political accountability and the Russian regime's preference for stability and continuity—embodied by Putin's refusal to meaningfully modify his centralized rule. By changing the Russian Constitution in 2020, Putin signaled that he alone would decide if and when he relinquishes power. This divide probably will lead to increased public discontent and, accordingly, increased repression.

Since Putin's reelection in 2018, protest activity in Russia has increased around social issues such as raising the pension age, sanitation and other environmental concerns, and the government's failure to respect popular will in regional elections. Recent sociological studies suggest that a greater number of Russians recognize the need for change and are more willing to accept the risks involved in the hope of eventual improvements. If the

government is unable to manage the economic and social effects of the coronavirus pandemic, Russians' demands for change could intensify significantly.

Putin, however, has consistently opted to leave his system of government and management of the economy largely untouched—probably believing the risk of instability outweighs any potential benefits of reform. Outside its resource-extraction and arms-export sectors, Russia's economy probably will remain globally uncompetitive over the long term; Putin has shown no interest in the structural reform that could promote economic dynamism or improve living standards. Even so, without an accelerated energy transition away from hydrocarbons, the Russian economy is unlikely to underperform to a degree that would provoke uncontrollable social blowback or lead Russia to curtail foreign activities during this period.

Ongoing Competition With the United States

During the next five years, Russian leaders are likely to continue to view the United States as the primary threat to Russia's security and status. As a result, Russia probably will continue to rely on all elements of national power short of kinetic military action—including asymmetric means—to try to weaken the United States and its global alliances and to attempt to force the United States to engage with Russia in negotiating new rules for the global order. Russia will promote "rules" that include US acceptance of Moscow's great power status and its sphere of influence in its former-Soviet neighborhood as well as the aspects of strategic stability that Russia judges to be unregulated or under-regulated.

- **Arms Control.** Russia welcomed the extension of the New START Treaty is likely to remain keenly interested in arms control with the United States. Putin will be careful to make only deals that meet key objectives, such as limiting US missile defense, but will be eager to keep Washington within an arms control framework. The Russians probably will continue looking to broaden

the discussion to other unregulated areas, including cyber weapons, space, and artificial intelligence (AI) enabled systems.

- **Information and Cyber.** Russia will continue to view information warfare—both spreading disinformation in the West and developing the ability to penetrate US computer networks—as vital to compensating for Russia’s overall weakness. At the same time, Moscow probably will continue to seek dialogue with the United States on “information security” in an effort to constrain US cyber capabilities. Putin and other Russian officials have called for developing international norms and rules for the information space.

Continued Cooperation With China

China will loom ever larger in Russia’s thinking as its most useful, powerful, and at times, worrisome partner. China’s insistence on a muscular sphere of influence will validate Russia’s own claims to a new world order, and vice-versa. The closeness of Russia’s relationship with China will be driven to a great degree by the two countries’ shared perception of the United States as a mutual competitor, if not adversary, and it probably will be boosted by the personal relationship between Putin and President Xi Jinping. At the same time, China’s global influence and centrality to the world’s economy, Russia’s reliance on China for 5G and other technology, and the continuing dependence of the Russian economy on energy exports, increasingly to China, may keep many Russian officials awake at night. In part to hedge against growing Chinese power, Russia probably will seek to shore up its own influence with regional powers, such as India, Japan, South Korea, and Turkey, and try to renew ties with Europe, especially France and Germany.

- **Growing Military, Technological, and Economic Cooperation.** Since 2018, Russia and China have stepped up joint military exercises, and Russia remains China’s largest supplier of arms. The two countries are increasingly cooperating in research and development

efforts. In late 2019, Russia and China established a technology investment fund to advance joint development of strategic technologies, such as semiconductors, artificial intelligence, and 5G wireless. Russia probably will remain one of China’s largest suppliers of crude oil and increasingly look to sell natural gas to China as Europe’s demand for Russian gas declines.

- **Managing Relationship Tensions.** China’s growing economic clout and encroachment on areas that Moscow sees as within its claimed sphere of influence, partially in Central Asia and the Arctic, could complicate the relationship. Russia has remained outside China’s economic Belt and Road Initiative (BRI), preferring to link its own Eurasian Economic Union to BRI and maintain a semblance of parity in its relationship with Beijing. Russia has viewed China’s expansion of influence as far less threatening than that of the West, but this perception could shift if personal relations between the two leaders cooled or either country came to view the United States as less threatening.

Moscow Seeking To Solidify Sphere of Influence

During the next five years, Russia will continue to seek Western recognition of its dominance—a sphere of influence—in the former Soviet Union. Russia views all of Eurasia as its rightful “zone of privileged interests,” with Ukraine and Belarus at the top of its hierarchy. As long as Putin is in power, and possibly well beyond that, Russia is unlikely to relinquish its claims of influence over Ukraine, even if a future successor to Putin does not share Putin’s commitment to ratcheting up instability in Ukraine as a tactic to force Kyiv, Europe, and Washington to accept Russia’s preferred outcomes.

Moscow probably is ready to intervene militarily to stop some countries from moving closer to Western alliances, as the events following Belarusian president Alyaksandr Lukashenka’s fraudulent claims to reelection in 2020

illustrated. Russia will also continue seeking to make itself the predominant power in the Arctic; ensuring access to Arctic shipping lanes and resources is central to Putin's ambitions for Russia's economic development. Moscow's drive for predominance in the region probably will challenge freedom of access and exacerbate tensions with regional partners, including other Arctic Council members and China, which considers itself a "near-Arctic" state.

Russia sees climate change as leading to the increased accessibility of Arctic natural resources and transportation routes under its control. This, along with its economy's dependence on gas and oil exports, have traditionally made combating climate change a low priority for Moscow. Nonetheless, the Kremlin has begun to acknowledge that a warming planet could have unpredictable and costly consequences for Russia, which could make it open to modest measures to reduce carbon emissions, provided they do not significantly affect Russia's economic interests.

Former Soviet States Balancing Relations With Large Powers

Eurasian states will continue to define their geostrategic direction in relation to Russia and, increasingly, to China. They are attempting to reinforce their autonomy and independence, balancing among Russia, China, and the West. While Russia is likely to be able to veto most developments it opposes, particularly in the security sphere, it probably will struggle to influence domestic dynamics because these states jealously guard their independence from Moscow and in some cases have developed closer ties to a range of outside players. Some states, such as Armenia, Kyrgyzstan, and Tajikistan view Russia as a sometimes troublesome but useful or necessary neighbor, whereas others, such as Georgia and Ukraine, will continue to view it as a largely malign power with unrelenting designs on their sovereignty, territory, and populations.

Human security developments in these countries during the next five years are likely to exacerbate regional political challenges. Several countries in Eurasia will experience a deficit of working-age people during this period because of the collapse of birth rates in the 1990s and large-scale migration. This probably will limit governments' abilities to raise revenue to meet societal obligations, especially in countries such as Ukraine and Moldova, which lack natural resources that could compensate for low growth.

- **Ukraine, Belarus, Moldova.** These three countries will continue to face the challenges of straddling the border between Europe and Russia during the next five years. Ukraine is unlikely to abandon its desire to join the European Union and NATO, even as it seeks to diminish tensions with Russia and pursue economic ties with China. Kyiv probably will continue to struggle with destabilizing dysfunctional governance and corruption, hampering its economic development. Belarusian leaders—whether or not President Lukashenka stays in power—will seek to balance their country's dependence on Russia against Western and possibly Chinese support to ensure they retain their own power and sovereignty. Lukashenka, however, is unlikely to regain sympathy in the West following his brutal crackdown on protesters after his probably fraudulent election. Moldova will share many of the same governance issues as Ukraine, as well as a festering, Russia-backed "frozen conflict" in its Transnistria region.
- **Central Asia.** The Central Asian states of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan will continue to be at the center of competition between Russia and China, but the premium those two powers place on getting along may lead them to compartmentalize if not resolve any differences involving the region.

China's expanding economic influence faces public unease in Central Asia and may compel regional

governments to seek counterweights to Beijing. Moscow is well positioned to play this role and retain influence because of longstanding ties between Russian and Central Asian elites, economic remittances, some common cultural, historical and linguistic ties, and Russia's military presence in the region. Moreover, the Central Asian states—with Kazakhstan and Uzbekistan at the forefront—may try to expand ties with each other, apart from any great-power partnerships.

- **South Caucasus.** The fighting in late 2020 between Armenia and Azerbaijan over Nagorno-Karabakh underscored the potential for a wider regional conflict involving multiple outside actors. The conflict was the most intense since the 1990s, when Azerbaijan lost de facto control of the region in a war. Diplomatic intervention from Russia, Turkey, and Western countries had long helped prevent more fighting, but Turkey's own interests in the region and its muscular advocacy of Azerbaijan's interests in 2020 shifted the balance of forces. In addition, Azerbaijani public pressure on its leaders to try to take back all of Nagorno-Karabakh, and Armenia's insistence on defending its de facto control of the territory, have complicated efforts to reach a long-term compromise.

Georgia is likely to remain the most Western leaning of the three South Caucasus republics despite an erosion of its democratic institutions and the lack of progress toward integrating into Western institutions. Tbilisi's relations with Moscow are likely to remain frosty, and although neither country wants a return to open hostility, Russia's efforts to harden the administrative boundaries of the occupied regions of Abkhazia and South Ossetia threaten the fragile normalization of ties Georgia and Russia have pursued.

RISK OF SURPRISE IN RUSSIA'S BACKYARD

Turkey's decisive support for Azerbaijan in the fighting over Nagorno-Karabakh highlighted the potential for outside players to unexpectedly challenge Russian influence and shape outcomes in what Russia views as its sphere of influence. Moscow's sensitivity to threats—real or perceived—to its predominance in most of the post-Soviet region suggests it will need to decide whether to confront outside actors within it more assertively or selectively accommodate them.

KEY UNCERTAINTIES

Ability To Manage Demands for Change

As key parts of Russian society become more interested in meaningful change to the political system and economy, the Kremlin—along with outside observers—is poorly positioned to recognize events that could fundamentally challenge the regime's power. Since 2018, large protests have regularly caught the Kremlin off guard, suggesting an eroding of its ability to anticipate and manage public discontent. The economic growth of the early 2000s and the patriotic fervor related to Russia's occupation of Ukraine's Crimean peninsula that fortified the leadership's legitimacy are unlikely to return, and the public resentment about Russia's inability in the 1990s to effectively promote its interests is likely to hold less sway with newer generations.

The regime has stepped up initiatives such as "patriotic education" programs to try to ensure the loyalty of youth; however, opinion polling indicates that young people's

attitudes toward the leadership are ambivalent. This is in part because younger Russians are much more likely to access news from the Internet, where the Kremlin is far less able to control information than it is on television—still the older generation’s primary news source.

Russia’s government and business elites may also lose patience with top officials’ mismanagement of events or trends. Russian leaders’ opaque decisionmaking, tendency to act opportunistically without considering consequences, and failure to address the country’s long-term lag behind leading economies, including China’s, will create the possibility during the next five years of a significant loss of elite support for the regime. Putin or others in the ruling circle, for instance, could decide to involve Russia in a foreign undertaking that goes badly and erodes the elites’ support more quickly than expected.

Leadership Succession

Succession looms as the critical uncertainty in Russia at the presidential level and below. Some Russian observers think Putin could step down in favor of a chosen successor in 2024, or perhaps earlier, as President Boris Yeltsin did at the end of 1999. He could also depart more unexpectedly, igniting a potential power struggle. Any successor, even from within the system, would be likely to rule Russia at least somewhat differently, and there could be a window—however fragile—for less confrontational US-Russia relations, as happened in 2009 under then President Dmitry Medvedev.

Nonetheless, the essential practices of Russian governance and Russia’s understanding of its interests are unlikely to diverge fundamentally in the next five years even without Putin at the helm. Sometime within the next five years, Russia may also witness the emergence of younger cadres to replace some of its aging leaders, for instance within Russia’s security services. Nascent generational change is likely to begin

to affect how the system operates, even if its full impact will be felt beyond the five-year horizon.

Change Along Russia’s Periphery

A key uncertainty for countries in this region is the longevity of their leaders and who will follow them. In most of Eurasia, where unaccountable or authoritarian government is the rule, the quality and preferences of leadership are of disproportionate importance. This region has also seen multiple unexpected leadership changes—sometimes through “color revolutions”—and, with them, changes in countries’ geopolitical orientation. The fall of long-serving leaders in some Eurasian countries could lead to foreign policy shifts, which could push Russia to scramble to secure its interests, possibly raising the likelihood of destabilizing conflict or military intervention. Russia has tended to see a US hand behind regime change in the former Soviet Union, most notably in Ukraine. The priority that Moscow places on keeping a sphere of influence along its borders, its fear of US involvement in the region, and the difficulty that all sides face in anticipating the timing and development of regime change means this will remain a volatile factor in US-Russia relations.