

RAFAŁ LISIAKIEWICZ ▶▶

Cracow University of Economics

ORCID ID: <https://orcid.org/0000-0001-8649-6518>

Russian economic nationalism and the vectors of Russian foreign policy¹

Russian economic nationalism and the vectors of Russian foreign policy

Abstract

In this article, the author wants to test the impact of economic nationalism on the change in Russia's foreign policy. The author will refer to neoclassical realism, which shows how to combine the issues of power distribution in international relations with the influence of the domestic level of the state on the process of creation of the foreign policy. In terms of neoclassical realism, economic nationalism is a variable that shapes the perception of the economic challenges facing Russia. The author also points out that economic nationalism is also related to the protectionist policy of the Russian Federation. Thus, it influences the shaping of processes within and outside the country.

The author recognizes that in the process of creating the Russian foreign policy decisions, economic nationalism should be linked to other factors, especially security issues and Russia's general strategic culture, in order to obtain the final set of premises that will determine Russia's shifts in foreign policy. The tensions related to the role of the EU and NATO in the countries of Eastern Europe clearly influenced the level of cooperation between Russia and the West. Nevertheless, economic issues in this regard

¹ The publication was co-financed with a subsidy granted to the Cracow University of Economics.

were also extremely important. Russia's power position was based on the economic potential.

Keywords: Russian foreign policy, nationalism, economy

Русский экономический национализм и векторы российской внешней политики

Аннотация

В этой статье автор хочет проверить влияние экономического национализма на изменения во внешней политике России. В своем анализе он обратится к неоклассическому реализму, который показывает, как сочетать вопросы распределения силы в международных отношениях с влиянием внутреннего уровня государства на формирование внешней политики. С точки зрения неоклассического реализма, экономический национализм это переменная, которая формирует восприятие экономических вызовов, с которыми сталкивается Россия. Автор показывает также, что экономический национализм связан с протекционистской политикой Российской Федерации. Таким образом, он влияет на формирование процессов внутри страны и за ее пределами.

Автор признает, что в процессе формирования российских внешнеполитических решений экономический национализм должен быть связан с другими факторами, прежде всего с вопросами безопасности и общей стратегической культурой России, чтобы получить окончательный набор предпосылок, определяющих сдвиги России во внешней политике. Напряженность, связанная с ролью ЕС и НАТО в странах Восточной Европы, явно повлияла на уровень сотрудничества между Россией и Западом. Тем не менее экономические вопросы в этом отношении также были крайне важны. Силовое положение России основывалось на экономическом потенциале.

Ключевые слова: Российская внешняя политика, национализм, экономика

Introduction

Since Putin's speech at the Munich peace conference in 2007, a visible increase in anti-western tendencies can be observed in Russian foreign policy. For some researchers studying the Russian economy, a significant turning point would be 2003, i.e. the so-called Yukos case, which was a symbol of the

increasing state interference in the economy. However, the open criticism of cooperation with the West in 2007 was a meaningful event that marked a shift in the foreign policy of the Russian Federation. The year 2014 and the annexation of Crimea ultimately confirmed the shift in priorities in the Russian foreign policy. What was the reason for this change?

In this article, the author intends to analyze the impact of economic nationalism on the shift in Russia’s foreign policy. Neoclassical realism will be referred to in this study, as it shows how to combine power distribution in international relations with the influence of the state’s domestic level on the shaping of foreign policy. At the internal level, what is particularly important in neoclassical realism is the role of ideas that shape the perception of challenges for international leaders and influence the development of internal responses of the state to international challenges. Presented below is a diagram of neoclassical realism. It takes into account the empirical puzzle of the influence of economic nationalism on the change of international partners in the foreign policy of the Russian Federation. What is key to the model is the emphasis on the variables from the level of the international

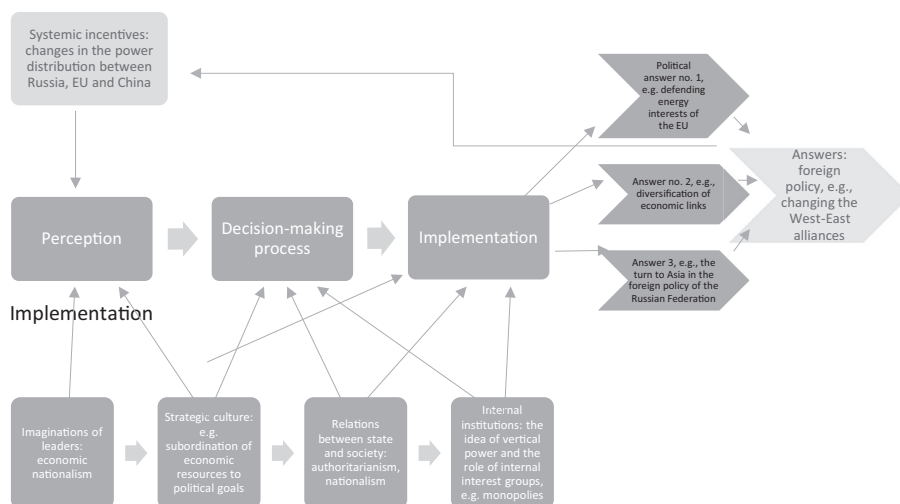


Fig. 1. The model of neoclassical realism and the role of economic nationalism in formulating the foreign policy of the Russian Federation.

Source: Own study based on: Ripsman et al., 2016, pp. 34, 59; Blanchard, Ripsman, 2013, pp. 33–34; Toje, Kunz, 2012, p. 5.

system and from the internal level of the state, where economic nationalism is placed.

The author hypothesizes that it is economic nationalism that has a key impact on the choice of partners in Russia's foreign policy.

Theoretical considerations

In international political economy research, economic nationalism is associated with other concepts, such as mercantilism and statism (Broome, 2014, p. 20). K. Jędrzejowska (2014, pp. 127–129) wrote that there is no precise distinction between these concepts. She pointed out that there are approaches that recognize mercantilism as an instrument of economic policy pursued in the spirit of economic nationalism. At the same time, many authors treated these terms as unambiguous (e.g., Robert Gilpin). Jędrzejowska emphasized that many authors (e.g., Gilpin) believed economic nationalism to have come from the 17th and 18th century mercantilism and to be associated with emphasizing state interests in the economy. However, this does not immediately mean protectionism. Economic nationalism is generally associated with the realist trend in the study of international relations. However, many authors oppose Gilpin's approach. They emphasize that the protection of national identity does not necessarily coincide with the execution of the national interest. George Crane and Rawi Abdelal are among the authors who wrote that, while realism pursues the national interest and increasing the power of the state, economic nationalism should be equated with the influence of national identity and nationalism on economic policy, especially international economic policy. These authors believed that economic nationalism should be defined as economic policy activities dictated by the desire to promote and protect national identity. Economic nationalism does not necessarily mean state intervention in economic processes, as is also often referred to by private entities. Takeshi Nakano pointed out that economic nationalism stands for the political economy of nations rather than states.

In conclusion, in this publication economic nationalism shall be associated with social conditions in the Russian Federation and their impact, especially when it comes to expectations as to the role of the state in the form of a specific economic policy of the government. Economic nationalism is

partly a response to transnational challenges (Bergsten et al., 1975, p. 18). Russia, especially under Putin, returned to these traditional values. This was also related to the country's modernization problems, as pointed out by V. Inozemtsev (2018, pp. 8–21) in his analysis of Russia's modernization problems. This author believes that this inability to modernize Russia was due to the country's historical development conditions. In Russia, on the other hand, apart from the short period of liberal reforms in the early 1990s, it was believed that the world market economy worked to the detriment of the economy and internal welfare, similarly to economic nationalism (Gilpin, 1987, p. 14). Failure to adjust and transform its economy and to transition to a new type of economic activity contributed to economic instability and the spread of economic nationalism (Gilpin, 1987, p. 117). Moreover, it is important to pay attention to the social groups among which economic nationalism spreads as it is being built. Some interest groups suffer from internationalism, hence they enforce protectionist policies. Thus, the study of the influence of domestic interest groups on the formulation of foreign economic policy of states refers to the knowledge of the relationship between the state's internal policy and its external activity (Halizak, 2006, p. 44). The problems of the Russian economy and the choice of its statist model are related to the unfinished processes of transformation (Åslund, 2012, pp. 40, 340). The result was the collapse of the oligarchic system in the face of the 1998 economic crisis. It has hampered liberalization in the country and contributed to renationalization and the rise of authoritarianism under Putin. In Russia, economic nationalism was associated with disillusionment of both the elites and the general society with the effects of the collapse of the USSR, the insufficient success of the transformation, and the attitudes of western governments. Russia's crisis after the collapse of the USSR was believed to have been exploited for political and economic purposes (Bieleń, 2013, pp. 13–14).

Robinson (2012, pp. 24–25) added that the dysfunctions of the Russian economic transition also stemmed from the low internationalization of the economy in post-Soviet Russia and the lack of major foreign investment that could change the rules of Russian enterprises, teach them about international competition, and impart modern management models. The effect of unfinished reforms was the presence of monopolies in the Russian economy,

Gazprom being the best example. Monopolies are also a result of the links between the economic and political system, in which centralization of the political system led to a number of dysfunctions and errors in economic policy (Guriev, Tsyvinsky, 2010, p. 24). An authoritarian political system needs monopolies to control political and economic processes (both inside and outside the country), hence the resistance towards reforms. As noted by R. Bäcker (2014, p. 26), the stability of authoritarian systems could depend on the amount, or more precisely on the increase or decrease of the ad valorem royalty. Thus, the study of the influence of domestic interest groups on the formulation of foreign economic policy of states refers to the knowledge of the relationship between the state's internal policy and its external activity (Halizak, 2006, p. 44).

The level of economic nationalism can be measured using indicators that determine the extent of regulation of a given system and its openness to foreign actors. In practice, these are barriers to capital flow or restrictions to the market share of foreign entities. This is a common practice in developing countries that lack sufficiently developed markets (especially financial ones). This leads to equating economic nationalism with protectionism. As a result, the policies of major emerging economies such as China, India, and Brazil are sometimes described as both protectionist and nationalist in regulating the financial sector (Jedrzejowska, 2014, pp. 129–130).

In the conceptual layer, the development of conservatism with nationalistic characteristics can also be observed in Putin's Russia. This is important for understanding the motivations in its foreign policy, including the foundation for cooperation with western countries. Please note that neoclassical realism regards ideation as a very important intervening variable in the process of working out the state's response to systemic pressures. R. Bäcker (2007, pp. 289–291) pointed out the dissimilarity of Russian political thought in relation to the fundamental issues for European (western) political thought, such as the problem of human and civil rights. On analyzing the output of Russian political thought, J. Diec pointed out (2013, p. 289) the constant anti-western elements appearing in a number of works of Russian thinkers and ideologists. Such prominent and influential representatives of this circle as I. Shafarevich or N. Danilewski perceived Russia as a guide and protector of the Slavs against the influence of a completely alien Germano-Romanic

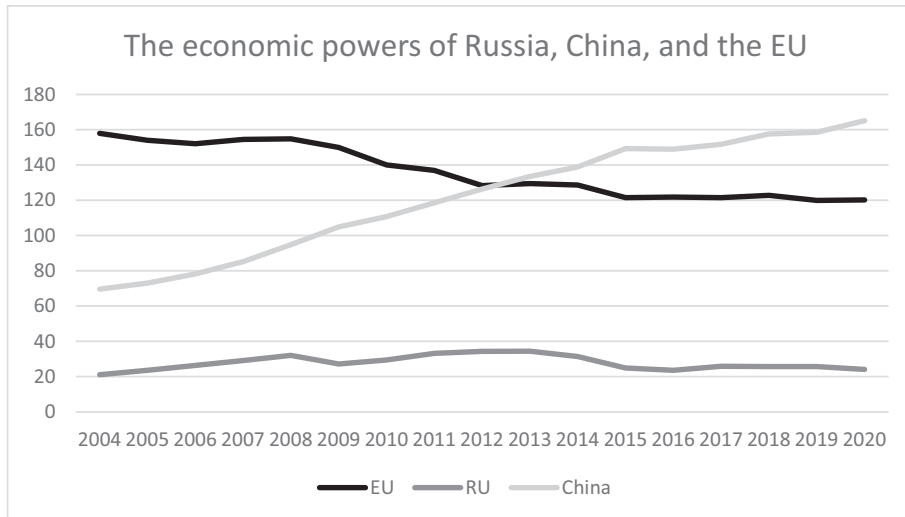
culture. R. Pipes (2009, p. XII and 1) identified conservatism as the main feature of Russian political thought over the centuries. According to J. Diec, conservative Russian nationalism was motivated by the belief that the demoliberal style of politics was not rooted in Russian tradition (2013, p. 199). This made Russian traditionalist nationalism explicitly negative toward western democracy, as well as axiological and economic liberalism. A. Lipatov (2003, p. 34), in turn, wrote about the fundamental, centuries-old differences in the development of Russian statehood in comparison with western countries, which determined the completely different model of the Russian political system. Based on this experience, in order to survive difficult historical periods, the Russians have produced a highly centralized political system in the form of autocratic power. For purposes of economic mobilization, the entire social system was transformed into an effective tool of power. In order to defend themselves from more advanced rivals and to pursue outward expansion, patriotism, militarism, and messianism were cultivated (Klychevsky, 2011, p. 18).

Economic nationalism and the directions of Russia's foreign policy

Considering the above considerations as to the study of economic nationalism, the author proposes to investigate the following:

1. The changes in the distribution of economic power relative to the Russian Federation's key partners, the European Union, and China, because nationalism is a certain response to external challenges.
2. The development of economic nationalism in the Russian Federation.
3. The imposition of an independent variable, i.e., the distribution of power in international relations on an intervening variable according to neoclassical realism, which in the Russian Federation is economic nationalism (Ripsman et al., 2016, pp. 34, 59).

The independent variable



Graph 1. The economic powers of Russia, China, and the EU.

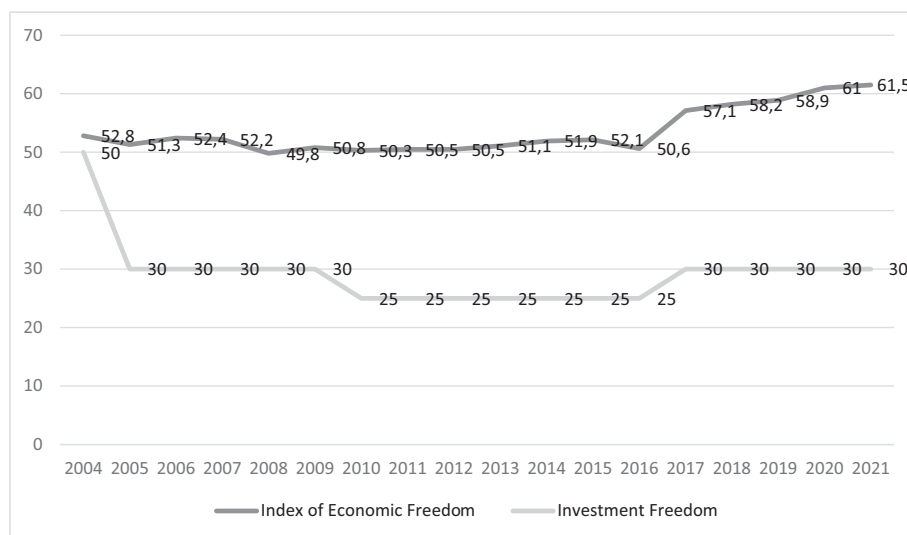
Source: own study based on World Bank data: <https://databank.worldbank.org/> and models of economic power developed by Mirosław Sułek (Sułek, 2020, pp. 35–57, 45).

In economic terms, neoclassical realists are mercantilists. They see states as more likely to employ a bandwagoning rather than balancing strategy (Czaputowicz, 2014, p. 32). Thus, the author recognizes that Russia sought to develop a reasonably independent geopolitical position according to the idea of a multipolar world. In this aspect, independence would give it a leadership position in the CIS. At times, the RF recognized some level of Chinese advantage. China does not challenge Russia's leadership in the CIS and has not openly competed with Russia in the region. China ran its economic activity in the CIS region with the acceptance of Russian dominance in terms of security, which did not antagonize Russia (Włodkowska-Bagan, 2013, pp. 241–242). Given the above and the fact that China did not intend to interfere in Russia's internal affairs, the Federation viewed its choice of strategic partnership with China as a diversification of its relations with the West. Russian geoeconomist S. Glaziev stated that among all geopolitical strategies, the most likely and feasible variant for Russia would be the

Russian-Chinese strategic partnership. It was to be guided by joint Eurasian integration projects and include a broad antiwar coalition with India. This strategy would force a change in US policy and in the future would lead to the most desirable and beneficial variant of global relations: a partnership of the United States, Russia, and China to jointly manage global security and peace (Глазьев, 2018, p. 261).

The intervening variable: measuring economic nationalism

Measuring economic nationalism involves looking at barriers to foreign products, the extent of state control of the economy, and state share in the economy.



Graph 2. Index of Economic Freedom in Russia.

The scale of economic freedom:

- 0–49.9 – Repressed
- 50–59.9 – Mostly Unfree
- 60–69.9 – Moderately Free
- 70–79.9 – Mostly Free
- 80–100 – Free

Source: Own elaboration based on the Index of Economic Freedom: <https://www.heritage.org/index/visualize?cnts=russia|poland&src=ranking>.

The scope of economic restrictions can be illustrated by the Index of Economic Freedom. Investment freedom in Russia was listed very low on the index. The author recognizes that this ratio reflected Russian economic nationalism in a particular way. It concerned property rights and allowed the control of important economic sectors of countries and the media, along with emerging authoritarianism (Liuhto, 2008, pp. 9–33). In the case of the Russian Federation and its relations to resources, a phenomenon can be observed, called “resource nationalism” by André Broome (Broome, 2014, p. 257). It involves national or state control over raw material processing companies to ensure maximum strategic benefits for the home state. Broome also mentioned “revolutionary resource nationalism”, which involves the consolidation of state power through the control of natural resources. It can involve the nationalization of private assets or resource exploitation rights. Economic resource nationalism aims to increase government budget revenues and the share of national wealth in natural resources, and not necessarily to establish political control over the resource sector.

Russia’s resurgence as a potential “energy superpower” over the past decade has led to increased concern about this country’s ability and willingness to exert international influence through energy dominance. Russia’s growing energy importance was based on its position as one of the largest natural gas producers, the second largest oil producer, and as a leading oil exporter. An important feature of Russia’s growing political power as a global energy supplier has been the renationalization of energy resources through state-owned or state-controlled enterprises (Broome, 2014, p. 264).

Russia did not believe the West, suspecting it of colonization attempts. Under no circumstances did Moscow want to lose control of its strategic areas of the economy, including the financial sector. Putin recommended introducing an authoritarian system with a liberal economy (to some extent, A/N), nationalized industries, and controlled investment laws. He hoped that income from the sale of raw materials will allow continued economic growth (Pap, 2012, 203–205).

Estimates provided by the Federal Antimonopoly Service of Russia indicated that the state-owned and co-owned companies contribute significantly to the Federation’s GDP. Before the 1998 crisis, the state’s share of the national economy was estimated at 25%. In 2008, it was already 40–45%. By 2013, it

exceeded 50%. In 2017, according to many experts, it could already have exceeded 60-70% and the situation did not change significantly in 2018 (*Доклад о...*, 2019).

Economic nationalism corresponds to the general nationalist sentiment in the country. The research of the Levada Center shows that during the military conflicts in which Russia has been involved in the 21st century, nationalism in Russia has been on the rise, especially when it comes to the war with Georgia (2008) and the annexation of Crimea (2014). It was represented by the slogan “Russia for Russians,” as illustrated by the table below.

Table 1. How do you relate to the idea of “Russia for Russians”? (a single-choice response)

	Positively, it is high time we acted on it.	It would be beneficial, but within reasonable limits.	Negatively, it's sheer fascism.	I'm interested in it.	Abstained
August 20	19	32	29	15	5
July 19	23	32	27	13	6
July 18	19	30	30	18	3
July 17	10	30	27	24	9
July 16	14	38	21	21	6
August 15	16	35	25	16	8
July 14	18	36	27	14	5
October 13	23	43	19	9	6
November 12	15	41	23	14	6
November 11	19	40	23	11	7
January 11	15	43	24	13	5
November 9	18	36	32	9	5
October 8	15	42	25	12	7
August 7	14	41	27	11	7
August 6	17	37	28	11	7
August 4	22	37	25	12	5
July 2	17	38	28	10	7

Source: Levada Centr 2021a, <https://www.levada.ru/2020/09/23/ksenofobiya-i-natsionalizm-2/>.

The expectations of an active role of the state in economic processes can be observed in the research conducted by the Levada Center. In general, during Putin's rule, the percentage of Russians declaring their expectation toward the state to plan and redistribute wealth was over 50%. In early 2014, it was as high as 54% (Levada, 2021b).

Economic nationalism is an idea very clearly similar to sovereignty issues. It is not surprising, therefore, that criticism of western states regarding alleged failure to respect Russian interests and interference in Russia's internal politics could provoke political tensions related to the presence of western investments in Russia. Similarly, western countries, particularly the U.S., have received highly critical ratings in studies of hostility/friendship relationships. During the 2008-2009 crisis years and since 2014, ratings for western countries were very low, while positive sentiment increased towards Asian countries (Levada, 2021c).

Economic nationalism and the choice of foreign policy partners

If economic nationalism is considered an influence in the tightening of relations with the West because of the desire to protect the national economy and interests, then why did Russia turn to Asia and was less critical of expanding economic ties with that region and with China? The answer should come from analyzing the dynamics of Russia's economic ties with the European Union and Asia.

The dynamics of foreign direct investment (FDI) flows indicates that China has been inactive in this regard, unlike western countries.

Statistics of Russia's investment cooperation with individual regions indicate that western Europe was Russia's most important partner in this regard, especially in terms of investment inflows (Прямые инвестиции, 2021). Tables 2 and 3 show direct investment flows between Russia and its main partners. Although there has been a great recovery in direct investment flows from China to Russia since 2009, western countries (mainly Germany) have been more reliable partners.

Rosstat reported that in 2014–2018 the main sectors that absorbed the core capital investment in Russia were the extraction of raw resources, the energy sector and related sectors such as transport (Инвестиции в России

Table 2. Foreign direct investment in the Russian Federation (equity participation, reinvestment of income and debt instruments), in USD million.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Germany	192	321	346	7626	3379	2914	3196	2234	2265	335	349	1483	224	470	341	246	-1,449
USA	294	230	283	1860	2161	2296	435	276	285	485	708	209	402	495	376	-105	402
China	2	3	98	112	-49	231	336	126	450	597	1271	645	345	140	-13	136	53

Source: CBR, https://www.cbr.ru/statistics/macro_itm/svs/ (July 3, 2020); Россия и страны мира – 2010г, https://gks.ru/bgd/regl/B10_39/Main.htm.

Table 3. Direct foreign investment of the Russian Federation: transactions by instrument and partner countries (according to RF's payment balance – balance of transactions)* USD million

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Germany	0.0	21	137	673	1860	1488	1880	971	1118	1334	1016	738	393	724	1078	1420	2046
USA	276	115	192	973	7264	1634	1060	1625	688	739	1654	819	873	126	653	-580	-670
China	-	-	4	48	25	22	30	20	63	14	54	11	6	33	35	43	2

Source: https://www.cbr.ru/statistics/macro_itm/svs/ (July 3, 2020); Россия и страны мира – 2010г, https://gks.ru/bgd/regl/B10_39/Main.htm.

2019). Furthermore, when it comes to the extraction of natural resources for 2017 and 2018, approximately 70% of the investments in this sector came from Russia. In the case of natural gas and oil production, approximately 82–84% were investments from Russia, the rest were foreign or mixed-structure investments. Interestingly, approximately 70% of this investment is private (ИНВЕСТИЦИИ В РОССИИ, 2019). This structure has not changed significantly since 2004, but as regards the extraction of energy raw materials, since 2004, there was first a noticeable decrease in the share of Russian investment (in terms of the “nationality” of this capital) from approximately 80% in 2004 to 70% in 2008. Since 2009, a renewed increase in the share of Russian investment in this sector has been observed up to approximately 80% as of 2013 (ИНВЕСТИЦИИ В РОССИИ 2005, 2007, 2009, 2011, 2013).

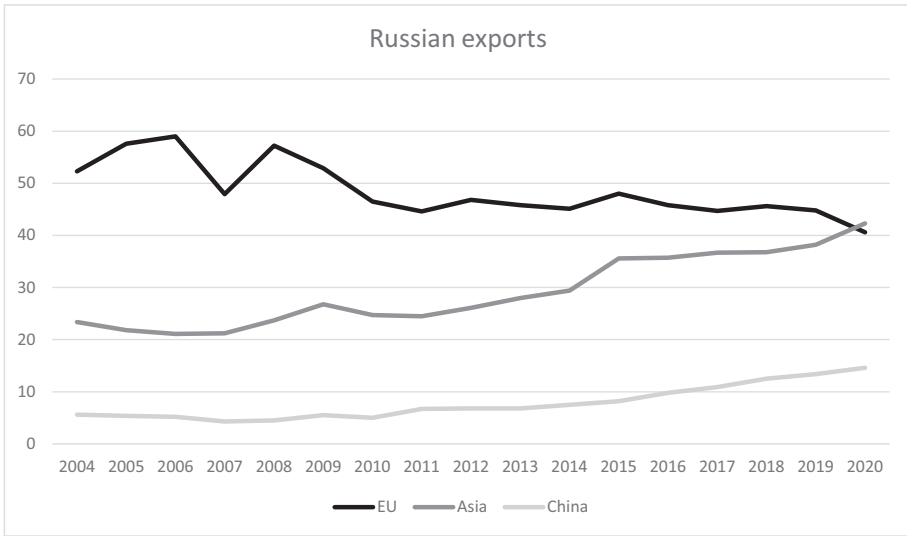
This increase was related to the state policy aimed at controlling the raw materials sector by state-owned Russian companies. A 2006 OECD report on direct investment highlighted a trend toward controlling investment flows in recent years. This has been particularly the case with investments in natural resource extraction sectors (World Investment Report 2006). The instrument for controlling foreign investment in Russia in strategic areas was the bill restricting foreign investment in 46 strategic sectors of the economy (this number occurred after introducing amendments, the latest in 2017), originally signed by the President of the Russian Federation on 29 April 2008 (Федеральный закон от 29.04.2008). In addition to energy, telecommunications, aerospace and defense, the list included mines, space technology and nuclear energy companies, electronic media broadcasting to at least half the country, high-circulation newspapers and magazines, as well as fisheries. These sectors, having found themselves under state protection, have at the same time lost incentives for development and modernization through competition from foreign entities. However, the adopted law had the advantage of introducing transparent rules regarding the possibility and scope of undertaking foreign investments. To invest in the so-called foreign sectors, foreign companies were required to obtain permission from the Russian government to purchase a controlling share (more than 50%) in most of the sectors on the list. In addition, companies operating in areas important to national security, such as certain mineral resources, were required to obtain a permit for a foreign investor’s plan to acquire more than

10% of the shares of such a company. Companies affiliated with foreign governments and organizations that wished to invest in any of these industries were subject to even stricter oversight and required approval before gaining more than a 25% stake in any sector or more than 5% in a sector using federally significant resources (Klosinski, Wancio, 2011, pp. 140–141). Among others, domestic manufacturers were given privileged access to government procurement and could enjoy a 25% (maximum) preference over foreign suppliers. It is emphasized that the application of such measures could have negative consequences for Russia. This includes, in particular: loss of access to state-of-the-art technologies, hindering the development of competition in Russia, limiting the inflow of potential investors by hindering access to foreign contractors, and undermining the image of Russia in the international arena.

In trade cooperation, on the other hand, China's growing position was observed, but it has not been accompanied by increased tensions in Russian-Chinese relations, but rather by a mutual rapprochement of these countries. There is a clear year-on-year development in the importance of China in trade cooperation (see Charts 3 and 4). In Russia's imports of goods, China had already gained a dominant position in 2008. In Russian exports, China became the most important partner in 2014.

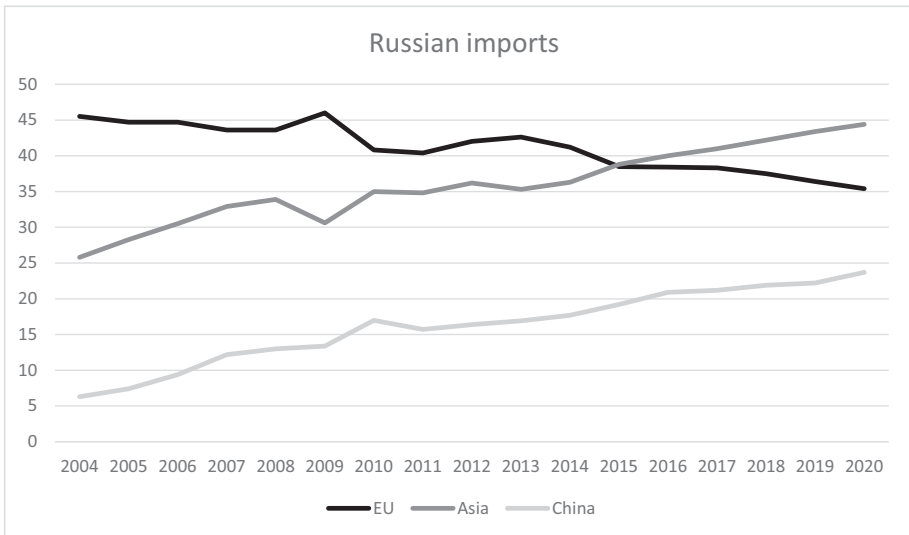
In the geographical structure of Russia's imports and exports, the very intensive economic expansion of China is also evident. Almost 1/4 of the value of all foreign products imported to the Russian market in 2020 came from there. Thus, the expansion of Chinese goods into the Russian market can be observed and, on the other hand, an increase in the share of Russian exports to China. Nevertheless, the Russian market share in China's exports has grown over the last two decades of the 20th century from less than 1% to 2% (as of 2020), making Russia only the 14th largest market in the geographic structure of Chinese exports. In terms of Chinese imports, Russia ranked 11th in 2020 (Trade Map 2021). These changes were most likely related to political turmoil, which resulted in a declining share of EU countries in Russia's imports. The Asian market exceeded the EU market in Russian exports in 2020.

In the case of imports, the Asian market exceeded the EU as Russia's most important regional partner already in 2015. This, of course, came with



Graph 3. Share of selected markets in Russia’s exports from 2001 to 2020 (in %)

Source: own elaboration based on Trade Map data, https://www.trademap.org/Country_SelProductCountry_TS.aspx?nvpm=1|643|||20|TOTAL|||2|1|1|2|2|1|2|4|1|1.



Graph 4. Share of selected markets in Russia’s imports from 2001 to 2020 (in %)

Source: own elaboration based on Trade Map data, https://www.trademap.org/Country_SelProductCountry_TS.aspx?nvpm=1%7c643%7c%7c%7c14719%7cTOTAL%7c%7c%7c2%7c1%7c1%7c1%7c2%7c1%7c2%7c4%7c1%7c1.

significant involvement on China's part. In 2020, China's products accounted for 23.7% of all Russian imports.

In terms of trade, it is important to note one more element, i.e., which goods specifically dominated Russia's exports with the EU and China. If fuels represented more than half of Russian exports, the issue of diversifying Russia's energy partners became very important in the face of growing economic nationalism.

Table 4. Fuel share in the structure of Russian exports from 2001 to 2019 (in %)

	2000	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fuels in % of trade	50.6	54.7	61.8	62.9	61.5	65.7	63.0	65.6	67.0	70.3	70.6	69.5	62.8	48.3	49.1	52.7	52.0

Source: World Bank, <https://databank.worldbank.org/reports.aspx?source=2&series=TX.VAL.FUEL.ZS.UN&country=#>.

The dominance in this regard, combined with concerns about the attempts of western partners to exert political pressure on Russia, has led to Russia's attempts to diversify its economic partners. According to information presented by Gazprom, in 2019 Europe represented approximately 80% of Russian gas exports to outside the former Soviet Union. As of 2019, Gazprom exported 234 billion m³ of gas outside the post-Soviet area, of which Europe accounted for 199 billion m³ (Gazprom 2019a). In 2020, outside the post-Soviet area Gazprom exported 219 m³ of gas, and to Europe – 174.9 m³ (Gazprom Annual Report, 2020). Approximately 1.5 billion cubic meters of Russian gas entered China in 2019. Furthermore, more than 5 billion m³ of LNG went to East Asian countries (Gazprom, 2019b). In 2020, 5 billion m³ of Russian gas had already reached China, mainly due to the new Siberian Power pipeline, which transported 4.1 billion m³ of gas (Gazprom Annual Report 2020). Thus, the search for non-European partners was influenced by Russia's concerns regarding the commercial dependence on European markets for the country's primary trade exports, combined with political tensions, EU attempts to regulate energy cooperation with Russia, and Russian economic nationalism.

Thus, the author proposes that the rise of economic nationalism in Russia has generated changes in the foreign policy of the Russian Federation. However, nationalism should be associated primarily with the issue of protecting the most strategic areas of the economy, namely the raw materials sector. This should explain why Russia introduced special restrictions in its investment policy. While indicating the growing importance of the region by 2020, Russia's trade cooperation with Asian countries did not generate open tensions. In terms of basic products in Russian trade, Asian countries still represented a diversification of Russia's energy links. On the other hand, the EU's attempts to regulate the trade in raw materials influenced the negative reactions of the Russian authorities to further cooperation with EU countries. In pursuit of independence in energy cooperation, Russia has diversified its trade links. In terms of foreign direct investment, the Russian government has been increasing its control over strategically important economic sectors. Here, however, western countries were still active investors. Combined with the decline in their economic power and in overall trade ties, as well as the increasing role of Asia, led by China, this provided a rationale that clearly determined the foreign policy directions of the Russian Federation. Of course, this study analyzes trends through 2020. Possible changes in the dynamics of trade and investment ties could change this situation in the future. For example, if China becomes an active investor in strategically important sectors of the Russian economy, increases its active involvement in integration processes in the CIS area, and if the EU stops the decline of its economic significance in the global economy, changes in Russia's foreign policy can be expected. It is economic nationalism that could be the deterrent to increase dependence on economic cooperation with Asian countries. The observed declines in Russia's economic power after 2015 and the stabilization of the EU's economic power since 2016 could be evidence of this. Despite the still high tensions in Russia's relations with the West, the country's will to overcome the impasse in its economic relations with the EU was also observed. Paradoxically, Russia's determination in this regard has manifested itself in the manipulation of energy raw material prices and military threats, e.g. against Ukraine.

Conclusions

Economic nationalism was one of the most important determinants of Russia's foreign policy, especially when it comes to economic partners. However, there is a certain amount of uncertainty regarding the level of influence of economic nationalism on the choice of partners in the foreign policy of the Russian Federation. To arrive at a definitive set of rationales for determining Russian foreign policy turns, the process of shaping Russian foreign policy decisions must be linked to other factors, especially issues of security and Russia's overall strategic culture. This is because tensions over the role of the EU and NATO in Eastern Europe have clearly stimulated Russia's level of cooperation with the West. Nevertheless, economic issues were also extremely important in this respect, as it was on them that Russia's superpower position was based. The dynamics of changes in the economic power between Russia, the EU, and China clearly show this. However, economic nationalism was one of the most important determinants in the process of comprehending the changes in the international arena. At the same time, it was systemically connected with other factors shaping the foreign policy of the Russian Federation. Russia's economic independence seemed to be crucial for the country's leaders and motivated them to shift their international partners.

DR. RAFAŁ LISIAKIEWICZ

Department of Political Studies
Cracow University of Economics
Rakowicka 27, 31-510 Kraków
rafal.lisiakiewicz@uek.krakow.pl

References

- Åslund, A. (2012). *Jak budowano kapitalizm. Transformacja Europy Środkowej i Wschodniej, Rosji i Azji Środkowej*. Warsaw.
- Bäcker, R. (2007). *Rosyjskie myślenie polityczne za czasów prezydentury Putina*. Wydawnictwo Adam Marszałek, Toruń.

- Bäcker, R. (2014). Stabilność reżimów autorytarnych. In: J. Diec, A. Jach (eds.). *Fenomen Rosji. Pamięć przeszłości i perspektywy rozwoju, part 2: Kontekst polityczny i gospodarczy*. Kraków: Księgarnia Akademicka.
- Bergsten, F., Keohane, R., Nye, J. (1975). International economics and international politics: a framework for analysis. In: C.F. Bergsten, L.B. Krause (eds.). *World Politics and International Economics*. Washington D.C.: The Brookings Institution.
- Bieleń, S. (2013). Rosja jako uczestnik procesów globalizacyjnych. In: S. Bieleń (ed.). *Rosja w procesach globalizacji*. Warsaw.
- Blanchard, J.M.F., Ripsman, N.M. (2013). *Economic Statecraft and Foreign Policy. Sanctions, incentives, and target state calculations*. Routledge.
- Bodio, T., Marszałek-Kawa, J. (red.) (2020). *Z badań nad historią i współczesnością Rosji, Azji Centralnej i Kaukazu*. Toruń, Wydawnictwo Adam Marszałek.
- Broome, A. (2014). *Issues & Actors in the Global Political Economy*. New York: Palgrave MacMillan.
- Czaputowicz, J. (2014). Mapa współczesnego realizmu: realizm klasyczny, neorealizm, realizm neoklasyczny. In: E. Haliżak, J. Czaputowicz (eds.). *Teoria realizmu w nauce o stosunkach międzynarodowych. Założenia i zastosowania badawcze*. Warsaw: Rambler.
- Diec, J. (2013). *Konserwatywny nacjonalizm. Studium doktryny w świetle myśli politycznej Igora Szfarewicza*. Księgarnia Akademicka: Kraków.
- Gazprom 2019a. Retrieved from: <https://www.gazprom.com/about/marketing/europe/>.
- Gazprom 2019b. Retrieved from: <https://www.gazprom.com/about/marketing/>.
- Gazprom Annual Report 2020, Gazprom. Retrieved from: <https://www.gazprom.com/about/marketing/china/>.
- Gilpin, R. (1987). *The political economy of international relations*. Princeton, Guildford: Princeton University Press.
- Guriey, S., Tsyvinski, A. (2010). Challenges Facing the Russian Economy after the Crisis. In: A. Åslund, S. Guriey, A. Kuchnis (eds.). *Russia After the Global Economic Crisis*. Washington, DC: Peterson Institute for International Economics, Center for Strategic and International Studies New Economic School.
- Haliżak, E. (2006). Współzależność polityki i ekonomii w stosunkach międzynarodowych. In: E. Haliżak, R. Kuźniar, G. Michałowska, S. Parzymies, J. Symonides, R. Zięba, *Stosunki Międzynarodowe w XXI wieku, Księga jubileuszowa z okazji 30-lecia Instytutu Stosunków Międzynarodowych Uniwersytetu Warszawskiego*. Warsaw: Wydawnictwo Naukowe SCHOLAR.
- Hosking, G. (1998). *Russia: People and Empire, 1552-1917*. Cambridge, Mass.: Harvard University Press.
- Jędrzejowska, K. (2014). Merkantylizm i nacjonalizm ekonomiczny: perspektywa realistyczna w międzynarodowej ekonomii politycznej. In: E. Haliżak, J. Czaputowicz (eds.). *Teoria realizmu w nauce o stosunkach międzynarodowych. Założenia i zastosowania badawcze*. Warsaw: Rambler.
- Kłósinski, K., Wancio, A. (2011). Inwestycje zagraniczne w Rosji. *Rocznik Ekonomii i Zarządzania*, 3 (39).
- Klychevsky, V. (2011). *Kurs Russkoy Istorii* (The course of Russian history).

- Levada Center (2021a). Retrieved from: <https://www.levada.ru/2020/09/23/ksenofobiya-i-natsionalizm-2/>.
- Levada Center (2021b). Retrieved from: <https://www.levada.ru/cp/wp-content/uploads/2021/09/A2oRB-.png>.
- Levada Center (2021c). Retrieved from: <https://www.levada.ru/2021/06/15/glavnnye-druzhestvennye-i-nedruzhestvennye-strany/>.
- Lipatow, A. (2003). Historia władzy a historia kultury (Droga rosyjska). In: R. Bäcker, J. Marszałek-Kawa, J. Modrzyńska (eds.). *Zrozumieć politykę: główne problemy teorii polityki i współczesnej myśli politycznej*. Torun: Wydawnictwo Adam Marszałek.
- Liuhto, K. (2008). *Genesis of Economic Nationalism in Russia*. Retrieved from: https://www.researchgate.net/publication/264922831_Genesis_of_Economic_Nationalism_in_Russia.
- Pipes, R. (2009). *Rosyjski konserwatyzm i jego krytycy. Studium kultury politycznej*. Kraków: Wydawnictwo Uniwersytetu Jagiellońskiego.
- Pipes, R. (1997). *Russia Under the Old Regime*, second edition. London: Penguin.
- Ripsman, N.M., Taliaferro, J.W., Lobell, S.E. (2016). *Neoclassical Realist Theory of International Politics*. New York, NY: Oxford University Press.
- Robinson, N. (2012), The Contexts of Russia's Political Economy. Soviet Legacies and Post-Soviet Policies. In: N. Robinson (ed.). *The Political Economy of Russia*. Lanham, Boulder, New York, Toronto, Plymouth, UK: ROWMAN & LITTLEFIELD Publisher, Inc.
- Sułek, M. (2020). Measurement of national power – a powermetric model. *Przegląd Geopolityczny*, 32.
- Toje, A., Kunz, B. (2012). Introduction: neoclassical realism in Europe. In: A. Toje, B. Kunz (red.). *Neoclassical realism in Europe. Bringing power back in*. Manchester: Manchester University Press.
- Trade Map 2021. Retrieved from: https://www.trademap.org/Country_SelProductCountry_TS.aspx?nvpm=1%7c156%7c%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c1%7c2%7c1%7c2%7c4%7c1%7c1.
- Trenin, D. (2011). *Post-imperium. A Eurasian Story*. Washington, DC: Carnegie Endowment for International Peace.
- Włodkowska-Bagan, A. (2013). *Rywalizacja mocarstw na obszarze poradzieckim*. Warsaw: Difin.
- World Investment Report 2006. FDI from Developing and Transition Economies: Implications for Development*, UNCTAD. Retrieved from: <https://unctad.org/en/Pages/Publications/WorldInvestmentReports.aspx>.
- Глазьев, С. (2018). *Рывок в будущее. Россия в новых технологическом и мирохозяйственном укладах*. Москва: Книжный мир.
- Доклад о состоянии конкуренции в Российской Федерации за 2018 год, Федеральная антимонопольная служба Москва 2019. Retrieved from: <https://fas.gov.ru/documents/685117>.
- Инвестиции в России 2005, 2007, 2009, 2011, 2013, Rostat. Retrieved from: <https://gks.ru/folder/210/document/13238>.
- Инвестиции в России 2019, Rostat. Retrieved from: <https://gks.ru/folder/210/document/13238>.

Иноземцев, В. (2018). *Несовременная страна. Россия в мире XXI века*. Москва: Альпина, с. 8– 21.

Прямые инвестиции в Российскую Федерацию: операции по экономическим и географическим зонам1,2,3, 2021. Retrieved from: https://cbr.ru/statistics/macro_itm/svs/.

Пар, А. (2012). *Куда пойдет Путин? Россия между Китаем и Европой*. Москва: ОЛМА Медиа Групп.

Федеральный закон от 29.04.2008 г. № 57-ФЗ О порядке осуществления иностранных инвестиций в хозяйственные общества, имеющие стратегическое значение для обеспечения обороны страны и безопасности государства. Retrieved from: <http://www.kremlin.ru/acts/bank/27332/page/1>.

Other data:

World Bank. Retrieved from: <https://databank.worldbank.org/>.

CBR. Retrieved from: https://www.cbr.ru/statistics/macro_itm/svs/.

Index of Economic Freedom. Retrieved from: <https://www.heritage.org/index/visualize?cnts=russia|poland&src=ranking>.

Россия и страны мира – 2010г. Retrieved from: https://gks.ru/bgd/regl/B10_39/Main.htm.

Trade Map. Retrieved from: https://www.trademap.org/Country_SelProductCountry_TS.aspx?nvpm=1%7c643%7c%7c%7c20%7cTOTAL%7c%7c%7c2%7c1%7c1%7c2%7c2%7c1%7c2%7c4%7c1%7c1.