

Plans without Resources are Hallucinations or Russia's Grand Strategy and its Limits

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In a general manner, effective planning is about identifying investments and delivery to provide capabilities aligned to specific strategic objectives. In the West, defense planning presupposes the identification, development, and delivery of forces and capabilities that are adequately prepared, equipped, trained, and supported. Therefore, a very important question regards the financial means to realize what was planned. History shows that this lack of coordination between planning and resources might result in defeat. During the Agadir crisis of 1911, Germany was hit by a financial panic resulting in the Reichsbank losing 20% of its gold reserves in one month. As a result, it came close to falling below the statutory minimum of gold backing circulating money. Risking being driven off the gold standard, the Kaiser had to accept France taking over most of Morocco in a humiliating defeat.

Although this case was the result of a financial crisis, long term geopolitical ambitions are limited by the structure of a country's economy or by its size and now much the government can collect in taxes determine the defense budget. This is related to the level of economic complexity. Less complex economies have lower levels of technological and social development. Hence, they are unable to develop proper capabilities because of technological deficiencies and lack of well-educated personnel. Another issue is the resulting lack of soft power to compete against more developed countries with more complex economies and societies.

Since Putin's speech at the Munich Security Conference in 2017, Russia has been pursuing maximalists geopolitical strategic objectives, They include establishing a polycentric world to counter what Krauthammer called the unipolar moment, the establishment of a Eurasian-based security environment, greater powers to the OSCE to shadow EU and US influence, greater influence in the European Union's defense policy, permanent neutrality status for Ukraine and other countries of the "grey zone", and prevalence in the Arctic. This paper links Russia's strategic objectives with its economic and social potential arguing that it lacks the capacity to achieving them already in the short and in the long run. It also tries to evaluate the effects of the sanctions in the Russian economy using alternative methods, since most of the data about structural economic issues has been classified.