

## Russia

### *National Strategy for Artificial Intelligence*

Russian president Vladimir Putin famously said, in a 2017 address to students in Moscow, “Artificial intelligence is the future not only of Russia but of all of mankind. There are huge opportunities, but also threats that are difficult to foresee today. Whoever becomes the leader in this sphere will become the ruler of the world.”<sup>700</sup> Putin then stated that it is better to avoid a monopoly on the sector and promised that if Russia became the leader in developing AI, then Russia will share their technology with the rest of the world, just as they share their atomic and nuclear technology today.

Russia's national strategy for Artificial Intelligence (AI) was announced in October 2019.<sup>701</sup> This strategy defines the goals and primary objectives of the development of artificial intelligence in the Russian Federation, as well as the measures aimed at its use for the purpose of protecting national interests and implementing strategic national priorities, including those in the field of scientific and technological development.

The goals of the development of AI in the Russian Federation include the improvement of the well-being and quality of life of its population, national security and rule of law, and sustainable competitiveness of the Russian economy, including leading positions the world over in the field of AI. The primary objectives of the Russian development of AI are to support scientific AI research, engineering AI software development, data quality, hardware availability, qualified personnel and integrated system to extend Russian artificial intelligence technology market.

In the strategy, the basic principles of the development and use of artificial intelligence technologies include the protection of human rights and liberties, security, transparency, technological sovereignty, innovation

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<sup>700</sup> CNN, *Who Vladimir Putin thinks will rule the world* (Sept. 2, 2017), Who Vladimir Putin thinks will rule the world

<sup>701</sup> *Decree of the President of the Russian Federation on the Development of Artificial Intelligence in the Russian Federation* (Oct. 10, 2019), <https://cset.georgetown.edu/wp-content/uploads/Decree-of-the-President-of-the-Russian-Federation-on-the-Development-of-Artificial-Intelligence-in-the-Russian-Federation-.pdf>; <http://www.kremlin.ru/acts/bank/44731> (in Russian)

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cycle integrity, reasonable thrift, and support for competition in the field of artificial intelligence.

The use of AI technologies in sectors of the economy supports the efficiency of planning, forecasting, and management decision-making processes; the automation of routine production operations; the use of self-contained intelligent equipment, robotic systems, and intelligent logistic management systems; the improvement of employee safety during the performance of business processes; an increase in the loyalty and satisfaction of customers, and; the optimization of the personnel selection and training processes.

The use of AI technologies in the social sphere facilitates the creation of conditions that favor the improvement of the standard of living of the population including an increase in the quality of healthcare services; the improvement of the quality of education services, and; the improvement of the quality of the provision of public and municipal services, as well as the reduction of the cost of their provision.

### *Digital Economy in Russia*

Russian government has put high priority and already achieved some remarkable accomplishments in the Digital Transformation. A key strategic objective formulated by its leadership in the May 2018 Presidential Decree (The Decree on the National Goals and Strategic National Development Tasks of the Russian Federation until 2024)<sup>702</sup> is that policymakers must build on the country's traditional industrial strengths, develop new technology processes for fast implementation in all the main competitive domains and continuously tackle any obstacles.<sup>703</sup>

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<sup>702</sup> The President signed Executive Order on National Goals and Strategic Objectives of the Russian Federation through to 2024,  
<http://en.kremlin.ru/events/president/news/57425>

<sup>703</sup> World Bank Group, *Competing in Digital Age: Policy Implications for the Russian Federation* (Sept. 2018),  
<http://documents1.worldbank.org/curated/en/860291539115402187/pdf/Competing-in-the-Digital-Age-Policy-Implications-for-the-Russian-Federation-Russia-Digital-Economy-Report.pdf>

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### *AI Strategy for Russian start-up*

Russia aims to increase the start-up ecosystem and many companies have been helped by the traditional hard science education in the country.<sup>704</sup> This report breaks down the importance of Artificial Intelligence in Russian startups, with a large number of startups active in AI as a logical result of Russia's big AI talent pool, taking over 16% of the market. Moreover, the report provides case studies of the top AI industries in Russia, along with the application of AI in Russia and how Russia has moved up to the ladder, aiming to be a leading global startup venue by 2030.

Russia has enormous potential for start-up development. The most appropriate and easy way to implement new start-ups in the Russian Federation is to become an individual entrepreneur. Citizens may participate in entrepreneurship without having to set up a legal entity once they are registered as an individual contractor. The simple method for registering and controlling the activity of individual contractors is the perfect start-up for fresh participants in the market.<sup>705</sup>

According to A.T. Kearney, there are approximately 1,000 digital start-ups in Russia every year. Market specialists estimate that approximately half of these are promising projects, about 20% of which are safe in Russia from risk capitalists, company angels, friends and family. Another 1 to 2% go abroad for funding. Of the approximately 100 Russian-funded start-ups that are still in the country, around 50% are viable and 10 have become extremely successful, prosperous and increasing firms.

### *AI Policy in Russia*

In January 2019, Russian President Vladimir Putin had approved a list of instructions<sup>706</sup> following the meeting of the supervisory board of the Agency for Strategic Initiatives, which included the instruction to the

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<sup>704</sup> GMIS, *Artificial Intelligence: A Strategy for Russian start-up* (June 11, 2019), <https://gmisummit.com/wp-content/uploads/2019/06/Ai-A-startegy-for-russian-startups.pdf>

<sup>705</sup> Academy of Strategic Management Journal, *The Development of Innovative Startups in Russia: The Regional Aspect* (2017), <https://www.abacademies.org/articles/the-development-of-innovative-startups-in-russia-the-regional-aspect-1939-6104-16-SI-1-117.pdf>

<sup>706</sup> List of instructions following the meeting of the Supervisory Board of the Agency for Strategic Initiatives [GT], <http://kremlin.ru/acts/assignments/orders/59758>

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Russian government to create a national AI strategy. A draft version of a national AI strategy, developed by the country's largest bank – Sberbank, was announced September 2019.<sup>707</sup>

According to the Future of Life Institute,<sup>708</sup> several projects helped pave the way for a domestic approach throughout 2018. In March 2018, for example, a conference was organised by the Russian Defense Ministry, Education and Science Ministry and the Academy for Science on AI issues and alternatives and a 10-point AI development plan in Russia was subsequently published. The plan involves the establishment of an AI and Big Data Consortium among academic and industrial organisations; The development of a fund to assist provide knowledge on automated systems; Increased state aid to AI education and training; The establishment of an AI laboratory at the leading technological university; The establishment of a national AI R&D center.

### *Digital Rights Law and AI Regulation*

According to the OECD, Russia's Digital Rights Law, which came into force in October 2019 and introduced several new legal concepts, including digital rights, e-transactions, smart contracts, and big data.<sup>709</sup> The law aimed to enable the development of an efficient legal framework of digital economy in Russia, reflecting current digital technologies and challenges including big data and AI.

Russia's draft legal framework AI Technologies and Robotics aims to establish a legal framework for the development of AI technologies and robotics in Russia and eliminate excessive legal barriers. The initiative aims to give guidance for regulators and is under the responsibility of the Ministry of Economic Development.<sup>710</sup>

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<sup>707</sup> First draft of Russian AI strategy, <https://www.defenseone.com/technology/2019/09/whats-russias-national-ai-strategy/159740/>

<sup>708</sup> Future of Life, *AI Policy – Russia* (Feb. 2020), <https://futureoflife.org/ai-policy-russia/>

<sup>709</sup> Government of Russia, Official Internet Portal for Legal Information, *Federal Law of 18.03.2019 No. 34-FZ "On Amendments to Parts One, Two and Article 1124 of Part Three of the Civil Code of the Russian Federation* [GT],

<http://publication.pravo.gov.ru/Document/View/0001201903180027>

<sup>710</sup>

<http://sk.ru/foundation/legal/p/11.aspx>; <https://economy.gov.ru/material/directions/gosuda>

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### *Facial Recognition Controversy*

Russia is moving rapidly to deploy AI-based face surveillance across the country, often with government funding that goes to business associates of President Putin. According to the *Moscow Times*, more than 43,000 Russian schools will be equipped with facial recognition cameras ominously named “Orwell.”<sup>711</sup> The system will be integrated with face recognition developed by NTechLab, a subsidiary of Russian President Vladimir Putin’s associate Sergei Chemezov’s Rostec conglomerate. NTechLab has already deployed facial recognition technology in Moscow to identify criminal suspects across a network of almost 200,000 surveillance cameras. “Critics have accused the technology of violating citizens’ privacy and have staged protests against the system by painting their faces,” reported *Moscow Times*.

In September 2020, Kommersant daily reported that CCTV cameras with facial recognition software, already used in Moscow, will be installed by the regional authorities in public spaces and at the entryway of apartment buildings in 10 pilot cities across Russia with the purported aim of protecting public safety.<sup>712</sup> Moscow authorities are also planning to expand the use of this technology, installing CCTV cameras with facial recognition software in trams and underground trains.<sup>713</sup>

Human Rights Watch said “The authorities’ intention to expand the use of invasive technology across the country causes serious concern over the potential threat to privacy. Russia’s track record of rights violations means that the authorities should be prepared to answer tough questions to prove they are not undermining people’s rights by pretending to protect

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niya\_tehnologiy\_iskusstvennogo\_intellekta/

<sup>711</sup> *Moscow Times*, *Russia to Install ‘Orwell’ Facial Recognition Tech in Every School – Vedomosti* (June 16, 2020), <https://www.themoscowtimes.com/2020/06/16/russia-to-install-orwell-facial-recognition-tech-in-every-school-vedomosti-a70585>

<sup>712</sup> *Kommersant*, *Regions will recognize by sight: Moscow video surveillance system will be launched in ten more cities* (Sept. 25, 2020) [GT], <https://www.kommersant.ru/doc/4503379>

<sup>713</sup> Government of Russia, *Unified information system in the field of procurement, Implementation of work on equipping the rolling stock of the State Unitary Enterprise “Moscow Metro” with video surveillance equipment* (Aug. 3, 2020), <https://zakupki.gov.ru/epz/order/notice/ea44/view/documents.html?regNumber=0173200001420000752&backUrl=89687dbf-73a1-4346-a608-3634c2a98681>

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public safety.”<sup>714</sup> HRW also stated that Russian national security laws and surveillance practices enable law enforcement agencies to access practically any data in the name of protecting public safety.

Earlier in the year, Amnesty International criticized Russia’s plans to broaden the use of widespread facial-recognition systems, saying their expected deployment during public gatherings will “inevitably have a chilling effect” on protesters.<sup>715</sup>

### *Data Protection*

There are many laws in Russia that regulate the processing of personal data, including the Constitution of the Russian Federation, The Council of Europe Convention 108, and federal law.<sup>716</sup> The Law on Personal Data of 2006 is the most comprehensive federal law and sets out broad rights and responsibilities associated with the collection and use of personal data.<sup>717</sup> The Roskomnadzor, Russia’s data protection agency, interprets the federal law and brings enforcement actions.<sup>718</sup>

Russia is also moving to update and expand its national data protection law.<sup>719</sup> A draft law on the Protection of Consumer Rights would limit the ability of companies to collect personal data from consumers, unless there is a legal basis or the data is necessary for the transaction. A proposed law in the Duma would expand penalties for breach of personal data confidentiality and infringement of personal data anonymization rules. And the Supreme Court of Russia ruled this summer that the personal data of a Russian citizen posted by the Whois Privacy Corporation, based in the

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<sup>714</sup> Human Rights Watch, *Russia Expands Facial Recognition Despite Privacy Concerns - Lack of Accountability, Oversight, Data Protection* (Oct. 2, 2020), <https://www.hrw.org/news/2020/10/02/russia-expands-facial-recognition-despite-privacy-concerns>

<sup>715</sup> Radio Free Europe, *Watchdog Warns About 'Chilling Effect' Of Russia's Use Of Facial-Recognition Technology* (Jan. 31, 2020), <https://www.rferl.org/a/watchdog-warns-about-chilling-effect-of-russia-s-use-of-facial-recognition-technology/30410014.html>

<sup>716</sup> *Constitution of the Russian Federation* (Articles 23 and 24), <http://archive.government.ru/eng/gov/base/54.html>

<sup>717</sup> Roskomnadzor, *Federal Law of 27 July 2006 N 152-FZ on Personal Data*, <https://pd.rkn.gov.ru/authority/p146/p164/>

<sup>718</sup> Roskomnadzor, *About the Competent Authority*, <http://eng.pd.rkn.gov.ru>

<sup>719</sup> Olga Novinskaya, *Recent changes in personal data regulation in Russia*, *International Lawyers Network* (Nov. 12, 2020), <https://www.jdsupra.com/legalnews/recent-changes-in-personal-data-58095/>

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Bahamas, without consent is subject to legal action under the Russian Civil Procedure Code.

### *Algorithmic Transparency*

Russia is a member of the Council of Europe and ratified Convention 108 regarding the automated process of personal data in 2013.<sup>720</sup> Russia has not yet ratified the modernized Privacy Convention, which includes a broad provision regarding algorithm transparency.<sup>721</sup> Russian data protection law does broadly provide rights of access and transparency to the data subject.<sup>722</sup>

### *OECD/G20 AI Principles*

Russia, a member of the G20, endorsed the G20 AI Principles at the G20 Ministerial in 2019.<sup>723</sup> According to the OECD, many of the G20 AI Principles are addressed in the Russia AI Strategy.

### *Human Rights*

Russia is a signatory to the Universal Declaration of Human Rights. Russia is a member of the Council of Europe and ratified the original Convention 108. However, Russia's derogation from the Council of Europe Convention on Human Rights remains controversial.<sup>724</sup> And a recent decision from the European Court of Human Rights, *Zakharov v. Russia*, found that Russia's legislation on surveillance "does not provide for adequate and effective guarantees against arbitrariness and the risk of abuse."<sup>725</sup>

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<sup>720</sup> Council of Europe, *Chart of signatures and ratifications of Treaty 108: Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data* (Dec. 11, 2020), <https://www.coe.int/en/web/conventions/full-list/-/conventions/treaty/108/signatures>

<sup>721</sup> Article 9(1)(c).

<sup>722</sup> OneTrust, *Russia – Data Protection Overview* (Nov. 2020), <https://www.dataguidance.com/notes/russia-data-protection-overview>

<sup>723</sup> <http://www.oecd.org/digital/g20-digital-economy-ministers-meeting-july-2020.htm>

<sup>724</sup> See generally Council of Europe, *Derogation in Time of Emergency* (Sept. 2020), [https://www.echr.coe.int/documents/fs\\_derogation\\_eng.pdf](https://www.echr.coe.int/documents/fs_derogation_eng.pdf). See also Marc Rotenberg and Eleni Kyriakides, *Preserving Article 8 in Times of Crisis*, in Francesca Bignami, *EU Law in Populist Times* (2020)

<sup>725</sup> European Court of Human Rights, *Roman Zakharov v. Russia*, No. 47143/06 (Dec. 4, 2015), [https://hudoc.echr.coe.int/fre#{\"itemid\":\[\"001-159324\"\]}](https://hudoc.echr.coe.int/fre#{\); Paul De Hert and Pedro

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Freedom House gives Russia low marks for political rights and civil liberties.<sup>726</sup> According to Freedom House, “Power in Russia’s authoritarian political system is concentrated in the hands of President Vladimir Putin. With loyalist security forces, a subservient judiciary, a controlled media environment, and a legislature consisting of a ruling party and pliable opposition factions, the Kremlin is able to manipulate elections and suppress genuine dissent. Rampant corruption facilitates shifting links among bureaucrats and organized crime groups.”

### *Evaluation*

Russia’s development of a National AI Strategy, endorsement of the G20 AI Principles, its efforts to develop laws for digital rights and regulation for AI, as well as initiatives to involve the public in the development of AI policy count favorably. But beyond data protection legislation, the absence of robust measures to limit surveillance and protect human rights, coupled with the rapid adoption of facial recognition in public places raise concerns about the future of Russia’s AI program.

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Cristobal Bocos, *Case of Roman Zakharov v. Russia: The Strasbourg follow up to the Luxembourg Court’s Schrems judgment*, Strasbourg Observers (Dec. 23, 2015), <https://strasbourgobservers.com/2015/12/23/case-of-roman-zakharov-v-russia-the-strasbourg-follow-up-to-the-luxembourg-courts-schrems-judgment/>

<sup>726</sup> Freedom House, *Freedom in the World 2020 – Russia* (2020), <https://freedomhouse.org/country/russia/freedom-world/2020>